

Commissioning, contracting and service delivery of children's services in the voluntary and community sector

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This report is produced by VCS Engage, a programme funded by the Department for Children, Schools and Families (DCSF) to strengthen the engagement of the voluntary and community sector (VCS) in delivering the Every Child Matters: Change for Children agenda. VCS Engage is steered by a consortium of infrastructure and delivery organisations working in the children, young people and families voluntary and community sector; and supported by a large number of individual agencies that are committed to working as part of the programme.

The report was commissioned as part of the wider VCS Engage work relating to contracting and service delivery. VCS Engage aims to identify and equip VCS organisations with the skills and knowledge needed to effectively bid for, and secure, public sector contracts.

Members of the consortium are:

- National Children's Bureau (NCB)
- National Council of Voluntary Child Care Organisations (NCVCCO)
- National Association for Voluntary and Community Action (NAVCA)
- National Council for Voluntary Youth Services (NCVYS)
- Parenting UK
- Family Welfare Association (FWA)
- NCH

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Research introduction

This research highlights the fact that many organisations within the voluntary and community sector (VCS) have become reliant and dependent on grant funding regimes to support their organisations. It outlines their fears and concerns on moving away from this style of funding – despite its obvious limitations. There is always anxiety when moving from the known to the unknown, but there are dangers in staying simply with what we know.

Perhaps another way of supporting their organisations would be to go the commissioning route.

This research will attempt to address one specific aspect of this alternative route – *how to enhance skills and knowledge relating to contracting and service delivery of children's services within the VCS.*

The research aims to:

1. describe the characteristics of VCS organisations and individuals that have the appropriate skills to secure and deliver public sector contracts for services to children, young people and families (defined here as services aimed at those aged 0–19 and their families)
2. undertake an audit of the skills of appropriate individuals within the VCS in relation to contracting and delivery
3. develop a skills gap analysis to inform future training activity
4. draw up recommendations for future activities to assist VCS members to develop their skills in securing contracts for the delivery of services to children, young people and families.

Desktop review

Forming part of the research is a desktop review, which analysed the documentation and literature on procurement and commissioning as it relates, in particular, to the voluntary and community sector.

The Children's Workforce Development Council (CWDC) provided a list of research material and documentation for this review. New material was published, and additional material identified, during the course of the review. This material included:

- information and research from VCS infrastructure organisations on commissioning and delivering services
- government strategies and relevant policy documents on commissioning and procurement contracting with the VCS
- information and research from children's services infrastructure organisations
- any information and research relating to general VCS skills
- information from regional VCS skills committees and regional workforce development strategies
- information about qualifications and professional requirements
- information relevant to Every Child Matters (ECM).

The findings from the desktop review informed the rest of the research project, including the development of a questionnaire for the phone interviews and one-to-one interviews with commissioners.

Definition of commissioning and procurement

Amongst VCS groups, one of the key difficulties in gaining a clear picture of how commissioning relates to the voluntary and community sector arises from the uncertainty as to what the term *commissioning* actually means. There also appears to be a lack of awareness of the differences between various terms – such as 'commissioning', 'procurement' and 'contracting' – and whether they are interchangeable.

This is highlighted by a variety of publications, including those by SOLACE (2007), National Association of Voluntary and Community Action (NAVCA) (2004), Smyth (2007), Department of Health (2006), and Holmes and Lewis (2006). SOLACE (2007) states that:

The term 'commissioning' is loosely understood and applied to a variety of approaches from straightforward procurement of supplies and services to individual care packages and school meals.

The Department of Health (DH) (2006) stated that there did not appear to be a universal understanding of what was meant by commissioning. The Department for Education and Skills (DfES) (2006) stated that:

Commissioning processes in the area of positive activities remain underdeveloped, insufficiently strategic and highly disjointed across authorities, resulting in potential inefficiencies and duplications in service delivery.

A variety of definitions of commissioning are also being distributed, adding to this confusion. Some very simple definitions are available including:

working out what you want to buy from whom. (NAVCA 2007)

However, NAVCA themselves recognise that this definition does not fully chart the cyclical nature of what is now being outlined as 'commissioning and the need'. OPM (2007) states that:

achieving a shared and consistent understanding of its meaning will greatly facilitate change for children.

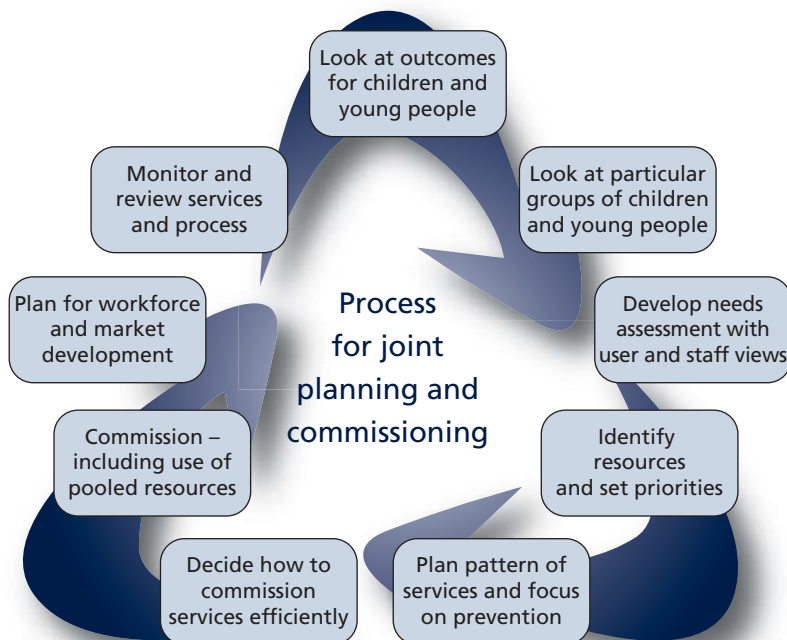
This view is also echoed by Bichard and de Groot (2007).

The research also identified a need to move away from a focus on balance sheets and budgets, seen within many procurement processes, to an identification of needs and the achievement of outcomes within the commissioning process.

Only when commissioning moves from dry balance sheet discussions to real and living outcomes will we truly achieve innovative solutions and service transformations that will reflect the needs of our citizens in our localities. It is by developing innovative solutions that local government will continue to shape places and deliver outcomes that local people want and value. (Edwards 2007)

Commissioning, in its broadest terms, should be a cyclical process of identifying need, deciding how best to meet the identified need, and ascertaining who is best placed to meet that need. This process is clearly outlined within the commissioning framework (HM Government, ECM 2006).

Figure 1: Process for joint planning and commissioning



Source: www.everychildmatters.gov.uk

Figure 1 shows that to effectively commission, it is essential for accurate information to be gathered on the genuine needs within the community. The commissioning process, as outlined, is also not a one-off activity of buying a service but a continual process of monitoring, evaluation and improvement.

Why is commissioning viewed as important?

During this research it has become evident that there is uncertainty, and a lack of clarity, about the nature of commissioning. It is clear, though, that commissioning is seen as vital to accomplishing the aims outlined within the ECM document of achieving better outcomes for children, young people and families. Commissioning as a process is also linked to the government's approach to public sector reform, including the introduction of greater competition and contestability in the provision of public services as outlined in Bichard and de Groot (2007).

This desire to create greater contestability is a reflection of the recognition that there are currently over 26,000 third sector organisations delivering health and social care services in England, with a combined annual income in excess of £13bn (DH 2006, Home Office, Active Communities Unit 2004).

The need for commissioning is also linked to a variety of other government drivers, including:

- central government's suspicion of the effectiveness of local government
- central government's drive for greater efficiency, e.g. HM Treasury 2004
- the aim to use delivery partnerships to bring about savings
- the objective of making services more responsive to local needs
- the goal of increasing the voluntary and community sector's involvement in public services by 5 per cent, by 2006. (NAO 2005)

The wish for increased delivery by the third sector is based not only on its size and scale but also on a recognition of its values and ability to create social capital within local communities (Cabinet Office 2006).

From these values often flows responsiveness to service users and awareness of their needs, along with a capacity for innovation, which can make such organisations particularly valuable partners for government in the delivery of public services. (Rt Hon Gordon Brown, from HM Treasury 2006)

This recognition would appear to be present right across current Labour Government ministers, including Phil Woolas, Patricia Hewitt and Gordon Brown. The involvement of the third sector is seen as vital to the success of structures such as Local Strategic Partnerships, children's trusts and the delivery of Local Area Agreements (ODPM 2001, ODPM 2006, DfES 2005, Home Office Active Community Unit 2004).

The importance of moving to a commissioning approach is also seen as a recognition of the deficiencies of previous grant regimes. These deficiencies include a lack of focus on achievement and outcome within many grant regimes (CIB 2006b, DH 2007). Other failings of the grant system have included the creation of a competitive environment within the voluntary and community sector, and a reluctance to work in partnership.

Grant funding has created an over competitive funding environment with everyone bidding against each other leading to mission drift as we chase the next buck. (CIB 2006c)

For many within the VCS, the move from a more benign grant regime to a focused, outcome-based commissioning model will bring challenges. For some it

may bring considerable unrest and problems (CIB 2006c, NCVYS 2007a). Not all voluntary groups will recognise or identify this change, through a lack of information or an unwillingness to accept that funding routes and opportunities may have moved and changed.

Many people still believe that new grant funding will turn up because it always has. There is a general fear of change and the unknown. (CIB 2006a)

Some authors believe that it will not be possible to change the funding structures of all organisations and that it is necessary to keep some form of grant-funded provision, particularly for the smaller VCS organisations (NCVYS 2007b).

Themes arising from desktop review

There is recognition, within many of the reports and literature examined, that commissioning is an emerging concept that is not yet fully formed. However, even within its short lifespan, a number of issues have begun to emerge.

1. Inflexibility of commissioners

As stated earlier, one of the issues with commissioning is that elements of the process are not new, having been utilised within local authorities for some time. This familiarity is leading to inflexibility within some commissioning models and a reluctance for commissioners to move out of their comfort zones and embrace new models and new providers. There is no 'one size fits all' model for commissioners, even though some people wish there was (Bichard and de Groot 2007, DH 2007). Cultural and behavioural change within statutory organisations is often a long-term programme but one that is critical and integral to the ongoing reform process (DH 2006).

2. Relationships with the voluntary and community sector

Whilst some commissioners have clearly put considerable effort into developing a wider range of providers, particularly from the voluntary and community sector – for example Sandwell Children's Fund 2006 – it is clear that in other areas, relationships with and attitudes towards the VCS are contributory factors to VCS providers *not* securing contracts for the delivery of children's services.

I am deeply saddened by the attitude that some people in the public sector have towards the third sector. At its worst, there is a lack of common decency including a refusal to communicate and respond to phone calls and an expectation that it will be possible to deliver quality and continuity on the basis of a one year contract. (Williams 2007)

At times, the voluntary and community sector is seen as simply a cheap option. The recent Leader Survey undertaken by NCVYS (2007b) stated that:

- Nine per cent of local authorities saw the VCS as a key partner, but 44 per cent did not know if their processes were transparent and in line with the principles of the Compact – which is defined as 'the agreement between government and the voluntary and community sector to improve their relationship for mutual advantage and community gain' (www.compact.org.uk).
- Only 17 per cent thought full-cost recovery was needed to enable services to be commissioned from the VCS.

Ensuring that the VCS moves through the various stages of Inform, Consult, Involve, Devolve, is recognised as one of the key challenges (CCC 2007, DH 2006).

Concern has also been expressed that during the transition from existing commissioning arrangements to a new model of commissioning, funders are, when it

suits them, mixing business and grant models. They want VCS organisations to be more business-focused – achieving targets and quality standards – but still subject to payment in arrears (NAVCA 2006a, CIB 2006b). This is of particular concern within organisations that support the black and minority ethnic (BME) community (Black Training and Enterprise Group 2002, 2003). Concern is also being expressed that the move to commissioning is leading to services being taken back in-house. The Frontline Hopscotch report from NAVCA (2007) found that 5 per cent of the VCS groups surveyed stated that services previously delivered by the VCS were now delivered in-house. Also, 6 per cent had seen cuts in funding in the last 12 months.

3. Monitoring requirements

As stated earlier, one of the perceived failings of the previous grant regimes was their inability to ask for, or demonstrate, clear outcomes and achievements for funding that had been given. Within many VCS organisations, there is recognition of the need for some form of monitoring and evaluation (Sandwell Children's Fund). However, it is clear that the volume and complexity of monitoring required for some commissioning processes is felt to be excessive and overly bureaucratic (Sandwell Children's Fund 2006, NCVYS 2007b, DH 2006).

4. Compact compliance

For many VCS organisations who are beginning to be involved in providing commissioned or contracted services, there is a clear frustration that whilst some funders have embraced the concept of the VCS as a provider of services, very few funders seem to have embraced the fair funding practices outlined within the Compact (Home Office 1998) and HM Treasury Review 2002.

It is clear that a considerable barrier to VCS groups is the failure of funders to embrace concepts outlined within the Compact, namely those of:

- full-cost recovery
- funding in advance
- multi-annual funding.

Despite the Compact having been originally written and proposed by government in 1998, there is considerable friction that these principles are still not being backed with action (NCVO 2006c, NCVYS 2007b). A recent survey by the Association of Chief Executives of Voluntary Organisations (ACEVO) of 151 members, found that 97 per cent thought that these principles would never be embraced by funders. One in four organisations say they are still being paid late (NCVYS 2006).

5. Continuity and sustainability

It is felt that the failure of many existing commissioners to embrace the principles (in the bullet list above), has had a considerable effect on the VCS workforce and its ability to be fit-for-purpose within a commissioning regime.

The insecurity of funding leads to both:

- an inability to recruit or retain quality, trained staff, particularly to undertake more detailed training and qualifications
- a lack of funding for training and continuous professional development (Sandwell Children's Fund 2006, Gordon Associates UK 2004).

Voluntary and community sector organisations are also concerned that, whilst commissioners have made the strategic decision to stop grant aid arrangements, the new commissioning processes and procedures are not always in place to take over. Organisations are clearly concerned that they will be forced to chase funding and create new and innovative projects rather than continue with existing and valued

projects. This gap increases both the vulnerability and lack of continuity within the voluntary and community sector (NCVYS 2006, Gordon Associates UK 2004).

6. Focus just on outputs and targets rather than quality

Of considerable concern to many within the VCS is the clear focus within commissioning on the achievements, targets and outputs and the potential loss of quality and social capital. It is felt that for many commissioners the focus is too heavily based on achieving targets (Edwards 2007, Gordon Associates UK 2004). However, the opposite view to this would be that the voluntary and community sector needs to embrace cultural change.

Third sector organisations also need to demonstrate to commissioners their potential to deliver services, and communicate their unique selling points in the context of the Government's vision for more flexible and responsive services. (DH 2006)

There is considerable concern at the lack of transparency within commissioning and procurements. When surveyed, 79 per cent of VCS organisations believed that competitive tendering involving in-house bids lacked transparency and openness (NAVCA 2007).

7. Pooling budgets

The pooling of budgets has been seen to offer considerable benefits to the voluntary and community sector. These include reducing the number of different applications to be made; economies of scale; reducing duplication; creating integrated decision-making; and offering opportunities for partnership working (Sandwell Children's Fund 2006, Smyth 2007). However, the members of local children's trusts pooling budgets to create a single pot of funding may also generate considerable concerns for the VCS. These include a need to drive down costs and strive for cheaper services, as well as a loss of independence as organisations would be reliant on just one funding source (Smyth 2007, Sandwell Children's Fund 2006).

8. The capacity of the voluntary and community sector to deliver

Whilst many within the voluntary and community sector have welcomed the statements by ministers and civil servants on the importance of involving and funding the VCS, it is clear that many within the sector itself question whether the sector has the capacity to deliver the role expected of it (NCVYS 2007a, NAVCA 2007).

9. Structure of commissioning

In the current literature, there is a lack of clarity as to the most appropriate structure for commissioning. At the same time, the VCS believes it needs to consult and discuss with providers the needs and potential solutions that lie beyond the formal contracting process; and for providers to discuss with them the best way to achieve better outcomes once the contract or service level agreement is put in place (Bichard and de Groot 2007).

If these discussions do not take place then there is a danger that the VCS will merely inherit poor delivery models.

If it is the design of the service that is poor it will not matter who delivers it, it will still be poor. (NCVO 2006b)

There is also considerable support for a new style of commissioning that would centre on the person using the service and on community well-being. So whilst it is accepted within the DH (2007, DH 2006 and DFES 2006) that commissioning should be user-focused, it is felt by some within the VCS that it should also take into account the needs of the community itself (Bichard and de Groot 2007, NCVYS 2007b).

An outline structure of the elements needed to set up and implement a commissioning framework could include:

- strategic needs assessment
- area profiling
- market mapping
- developing a commissioning strategy
- agreeing a commissioning framework
- provider identification and market development
- tactical procurement
- workforce planning within statutory and VCS organisations
- quality monitoring and review
- managing decommissioning and market failure
- collecting evidence of better outcomes and unmet needs.

(Bichard and de Groot 2007)

Skills needed in the VCS

For many VCS organisations, commissioning is a move away from their traditional method of funding and monitoring. As a result, there is clearly a need to develop new skills and abilities.

The skills identified are those of knowing how to:

1. develop new services that respond or continue to meet clearly identified needs (rather than continuing with existing projects that are not meeting clear or prioritised needs)
2. gain an awareness of the commissioning process and how to operate within it
3. identify and demonstrate the achievement of clear outcomes, for example through systems such as results-based accountability
4. be proactive in seeking new contracts, including the effective marketing of an organisation so as to convey what it offers and how these services meet ECM outcomes
5. work in partnership rather than in competition with other VCS organisations and statutory agencies
6. achieve and demonstrate clear quality standards, including lobbying for one common set of quality standards (rather than the current multitude of different standards)
7. identify, calculate and justify the full cost of the services provided
8. utilise a management database to record and monitor information on the services provided
9. maintain a track record of service delivery and securing contracts
10. develop and maintain the capacity to meet the obligations and level of services desired
11. demonstrate adherence to good governance frameworks and clear accountability
12. write tenders and provide evidence of skills and capacity to deliver
13. deliver practical services such as ICT, HR and administration of the payroll
14. become solution-focused rather than problem-focused
15. deliver the full range of business planning, project management and financial management skills
16. implement change management, accepting that commissioning and procurement is the way forward for some VCS organisations
17. provide leadership and management
18. develop relationships, political awareness and strategic influence.

(The sources for the above are: NCVO 2006b, CIB 2006b, NCVYS 2007b, DH 2006 and 2007, Bichard and de Groot 2007, NCVO 2007b and NCVO 2007c, BTEG 2002, Friedman 2006, and VCS Engage/NCVYS 2007.)

Skills needed by commissioners

The review also made clear that, whilst commissioning has taken place within some agencies such as PCTs and social care departments, the need for skills development still exists.

The skills identified are those of knowing how to:

1. develop clear and transparent commissioning processes, through consultation with a wide range of partners including the voluntary and community sector
2. gain expert knowledge of the available market to commission from
3. develop a market of providers and promote contestability
4. gain an understanding of the third sector, that is
 - a. its culture and ethos; potential to add value to needs assessment; strategic planning; the way in which it empowers service users and builds capacity in the community; as well as how it delivers services
 - b. where the VCS can and does deliver multiple outcomes and 'outcomes based collaboration' within one service (NCVO 2006c, BTEG 2002)
5. uphold the principles and practice of commissioning and contracting that recognise and value the full range of providers as equal partners in delivery, including those from the third sector
6. ensure that those services that are commissioned are used to meet the needs of the individual, rather than the needs of the service or the funder
7. develop effective partnerships with a wide range of organisations and providers, and ensure effective communications systems are in place, for example the pooling of information and data

Our conclusion is that a partnership approach, based on mutual trust and understanding between organisations concerned, with commissioning and delivering services that people want and value will be achieved by improved communication and changed behaviour. (DH 2006)

8. seek innovation and promote a culture of creativity. (Bichard and de Groot 2007)

Barriers to voluntary and community sector involvement

As well as the need to gain new skills and abilities, this research makes it clear that there are other barriers to the VCS succeeding in providing commissioned services.

These barriers include the:

1. lack of a proven track record (DH 2007, VCS Engage/NCVYS 2007, Gordon Associates UK 2004, Home Office Active Community Unit 2004, BTEG 2002)
2. lack of a clear understanding about what commissioning is and the difference between grants, procurement and commissioning (CIB 2006c, VCS Engage)
3. presence of tough conditions for entering the market (Bichard and de Groot 2007, DH 2007)
4. view of commissioners that the voluntary and community sector is not professional

It is difficult for people like me and my colleagues as we are not 'professionals', we don't have any professional qualifications, titles, we are common volunteers. It tends to put you on an uneven footing. People aren't as willing to take a risk with a voluntary group.

5. (see the quote below) (Sandwell Children's Fund 2006, Association of Chief Executives of Voluntary Organisations (ACEVO) 2007, DH 2006, VCS Engage NCVYS 2007)
6. the predominance of short-term contracts at present that make it difficult for VCS organisations to recruit, train and develop staff (National Audit Office 2005) – research shows that many voluntary and community sector organisations have not seen any general improvement in funding practices since 2002, and in some cases funding practices are perceived to have worsened (National Audit Office 2005)
7. contracts that place excessive risk on providers, rather than risk being balanced between funder and provider (Cabinet Office 2006, Home Office Active Community Unit 2004)
8. excessive burden of monitoring and evaluation, which diverts resources away from the front-line service (Cabinet Office 2006) – in a NAVCA survey, 40 per cent of the organisations questioned decided not to tender due to the level of bureaucracy (NAVCA 2007)
9. lack of capacity within some VCS organisations; and a *perceived* lack of capacity within them by local authorities – according to VCS EngageNCVYS (2007), 71 per cent of senior council officers said sector capacity is a major barrier to commissioning services
10. lack of capacity-building support for front-line organisations or investment in VCS infrastructure (VCS EngageNCVYS 2007, BTEG 2002)
11. unwillingness of many within the VCS to abandon competitive approaches and work in partnership (VCS EngageNCVYS 2007)
12. failure of the sector to always admit to the skill gaps and shortages that it has – though it needs to be acknowledged that this may be due to the competitive nature of current structures, where admitting to skill gaps would lead to loss of income and contracts (Woolas 2006)
 - a. significant skills gaps in the sector-specific skills of fundraising, volunteer management and trusteeship (found during research by the Voluntary Sector National Training Organisation (VSNTO 2003)
 - b. need for the VCS to receive support to develop leadership and management skills (HM Treasury 2002)
13. lack of skills in writing and submitting tender documents, particularly within the short time scales often seen (Gordon Associates UK 2004, Change Up Workforce Hub 2007).

Possible solutions

For some organisations within the VCS, commissioning offers a real opportunity to move out of the merry-go-round of short-term grants and poorly funded contracts. However, for others, particularly the smaller voluntary and community organisations, the barriers outlined above seem too large to overcome. Even for the larger VCS organisations, it is clear that the sector itself and funders need to assist in finding solutions. This would involve:

1. proactive marketing by VCS organisations to showcase the solutions they can offer and provide for the public sector (Richard de Groot 2007, DH 2006, NCVO 2006b)
2. creating effective and resourced representational structures for the VCS, enabling them to liaise with commissioning frameworks and commissioners (Government Office for the North West (GONW) 2006)
3. changing the VCS outlook from problem-focused to solution-focused and stopping them '*whingeing*' (ACEVO 2007)
4. giving the VCS and the community a greater say in the identification of needs and how to meet them

This can only be achieved if there is a new relationship between the citizen and the state, a relationship based on power-sharing equality, mutual respect

and trust, and one that is characterised by adult-to-adult conversations.
(Williams 2007, DH 2006)

5. offering the VCS, wherever possible, the chance to be involved in redesigning services rather than becoming decommissioned (Dugdale 2006)
6. adopting procurement practices that are fair and open – involving neutrality between different types of providers; transparency on pricing; a minimising of transaction costs; and allowing providers to frame realistic economic tenders – as the most straightforward way to deal with the issue of 'full-cost recovery' (DH 2006, Gordon Associates UK 2004). Though changing procurement processes alone are not thought to be a sufficient solution:

If government continues to focus on strengthening procurement processes to achieve transfer rather than the more wide-ranging changes needed to achieve transformation, then these objectives are unlikely to be met. (NCVO 2006c)

7. enabling commissioners to gain the skills and working relationships to undertake effective commissioning, achieved by investing in the skills of the 2,000 most significant commissioners for the third sector. The government will develop a National Programme for Third Sector Commissioning (DH 2007, Cabinet Office 2006)
8. building, with the help of the commissioners, the capacity of the VCS to deliver and thereby building in contestability and increasing the market
 - a. by using a developmental or capacity-building style of commissioning (DH 2007, Sandwell Children's Fund 2006, NCVYS 2007b)
 - b. by providing loan finance and asset development, for example the Futurebuilders, £30 million Community Assets Fund (DH 2006) and Innovation Exchange (Cabinet Office 2006)
9. partnership working rather than competition working in the VCS, with large organisations acting as brokers where appropriate

There were good examples of voluntary sector brokerage, where larger organisations supported by the commissioners have acted as secondary distributors of information using their own specialist knowledge of the voluntary and community sector. (Sandwell Children's Fund 2006, Gordon Associates UK 2004)

10. the Office of the Third Sector committing to promoting longer-term contracts, 'full cost recovery', and the fair balance of financial risk between commissioners and providers. Full implementation of the Compact at local, regional and national government level; clear incentives for joining the kitemark scheme and penalties for those bodies who fail to meet the standard. The Office of the Third Sector is committed to taking this agenda forward (Bichard and de Groot 2007, NCVYS 2007B, NAVCA 2007, Cabinet Office 2006)
11. adopting streamlined management and monitoring requirements across children's trusts (DH 2006)
12. providing support and advice to assist with developing appropriate structures, technology and networks.

VCS phone research: introduction and methodology

Phone conversations with 127 voluntary and community groups were used for this section of the research. National VCS infrastructure bodies, such as NCVYS, NCVCCO and UK Youth, identified individuals to take part in the research. Care was taken to gain, as far as possible, a representative sample that included a balance of small, medium-sized and large organisations, and a balance of trustees, volunteers, workers and managers.

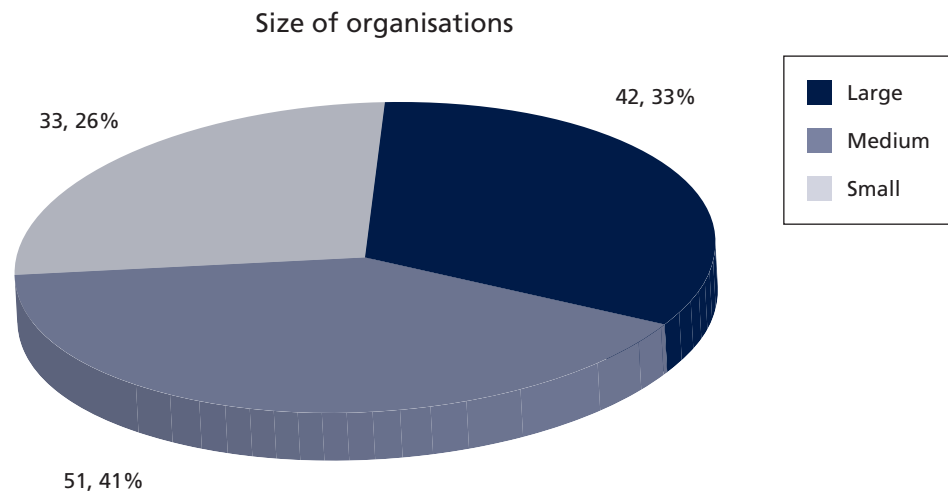
The phone interviews were based on a questionnaire developed in consultation with CWDC. Issues and themes arising from the desktop review formed the basis of the questions. The researchers involved in the project had been keen to engage voluntary and community groups in a narrative discussion of the issues emerging from the questions, rather than merely noting the answers to the questions themselves. This provided a much wider range of opinions and data, as it built up trust and empathy with those being interviewed.

Views and opinions expressed

A wide spread of organisations and individuals were contacted to ensure that the views and opinions gained were representative of the VCS for children, young people and families.

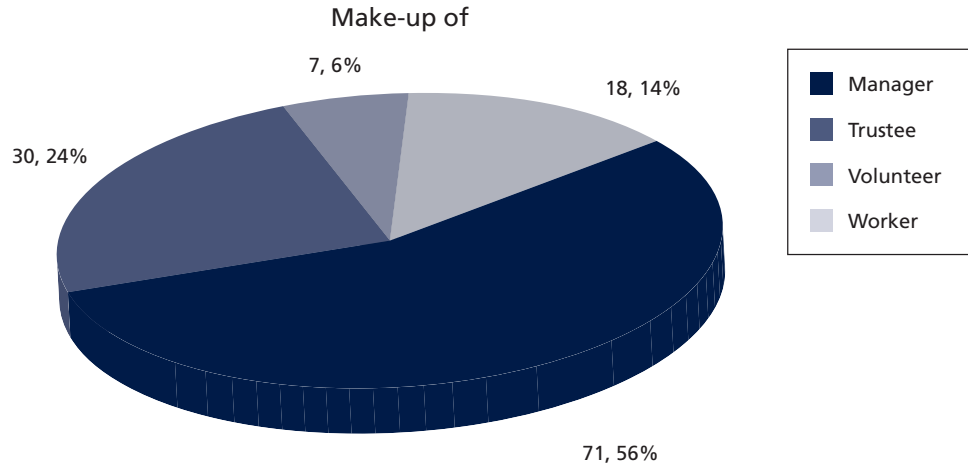
The results are shown in figures and tables, Q1 to Q16, and explained in the text alongside.

Q1. How would you describe your organisation: small, medium or large?



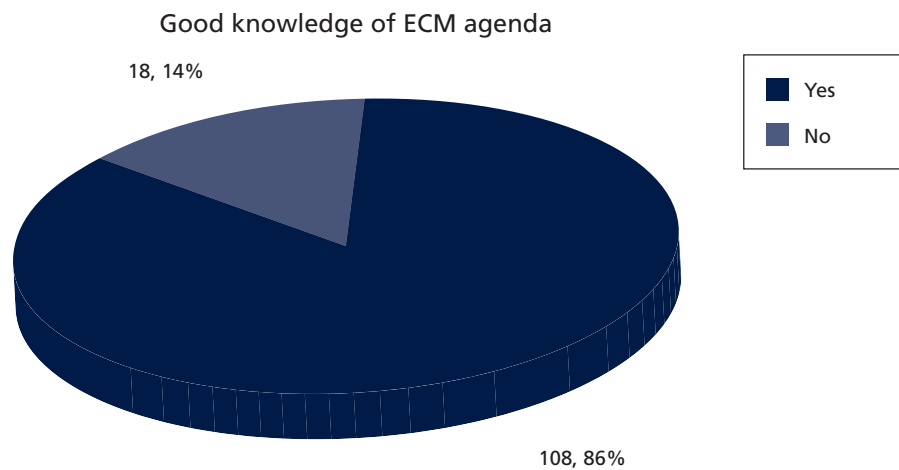
For this question, 'large' was defined as having over 25 employees; 'medium' as having five to 25 employees; and 'small' as under five employees.

Q2. How would you describe yourself: manager, trustee, volunteer or worker?



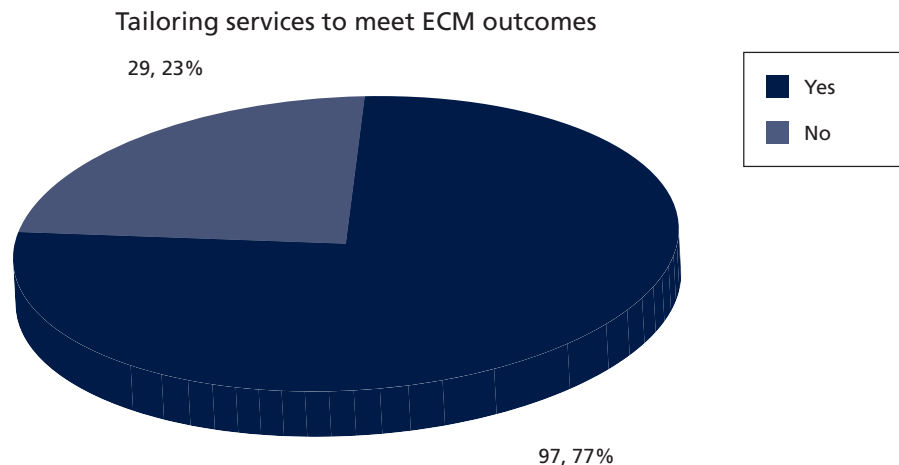
The responses to Q3 would indicate that VCS organisations appear to have a good understanding of the ECM agenda. However, evidence from some answers given in other parts of the questionnaire would question to what depth this understanding goes.

Q3. What do you understand by Every Child Matters?



VCS organisations stated that they are tailoring their services to meet ECM outcomes (Q4). However, as with the answers to Q3, it is unclear whether this is true in practice or merely outlined within tendering documents.

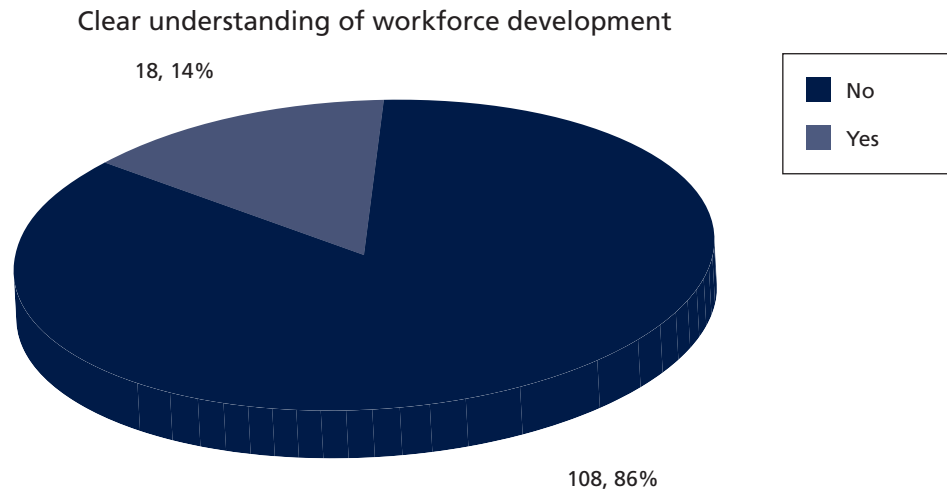
Q4. Are you clear on how your organisation achieves ECM outcomes?



This understanding of Every Child Matters outlined above was aided considerably where there was a resourced infrastructure in place to support VCS organisations.

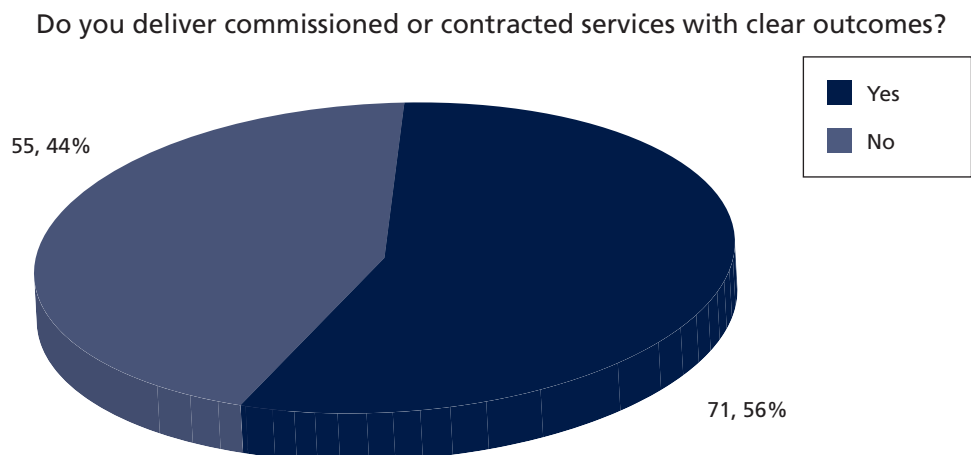
Answers to Q5 indicated that respondents had little knowledge of how to develop the workforce. Only a few links to local workforce strategies were evident. There appeared to be little knowledge and understanding of common induction standards, national occupational standards, or current moves to make children's work a graduate profession.

Q5. What do you understand workforce development to be?



There is a move towards VCS organisations delivering contracted services with clear outcomes. Many organisations recognise that to gain funding they must give clear evidence of outcomes and outputs. However, there is concern that commissioners need to recognise both hard and soft outcomes, and that there is a danger of VCS organisations becoming so outcome driven that they lose sight of their mission and core values.

Q6. Are you currently providing commissioned or contracted services?



Responses to Q6 confirmed that many VCS groups are unclear of the differences between: commissioning, procuring, contracting, service level agreements and grants.

There is also a lack of clarity in VCS organisations as to why they are not successful in gaining commissioned funding, as responses to Q7 showed.

Q7. Do you know why you were unsuccessful in gaining commissioned funding?

NA	21
Lack of staff capacity	21
Tender documents too hard	19
Not enough profile	17
Too small	16
Competition from statutory sector	16
Poor marketing	8
Lack of qualifications	7
Lack of financial processes	7
Lack of quality standard	6
Little workforce development	4
Poor planning	2
Not proving outcomes	2
Lack of monitoring	2
Lack of policies	1
Lack of governance	1

The criteria that groups are being asked to meet to gain commissioned funding is inconsistent (Q8). A number of groups stated that they were not really asked to provide anything, as they were already known. For groups already 'in the loop' this was viewed as positive, but for those outside and unable to break in it was viewed as unfair and showed a lack of transparency.

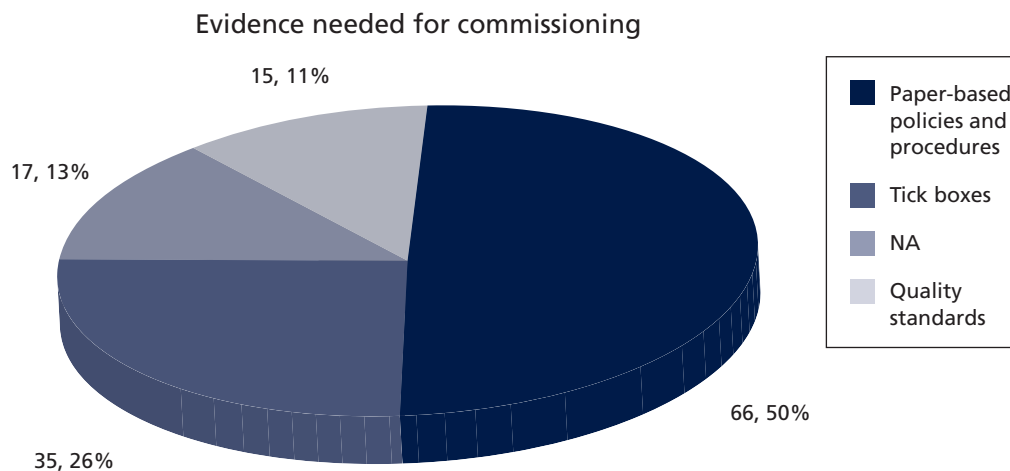
Q8. What criteria did you have to meet to gain commissioned funding?

Equal opportunities policies	59
Health and safety policies	58
Safeguarding and child protection	57
Finance policy and procedures	52
Insurance	43
Governance frameworks	41
Clear understanding of ECM	35
Quality standards	34
That you take part in CAF processes	25
Management and leadership	25
Individual staff qualifications	17
Evidence of how you meet tender specification	10
Undertake common inductions for staff	9
Completed pre-qualification questionnaire	5

There is a lack of clarity on what evidence is needed in order to gain a commission and little evidence that 'quality standard' frameworks for commissioning are being used (Q9). Groups also outlined considerable duplication as there were multiple

pre-qualification questionnaires to complete and duplicate administrative processes to follow.

Q9. What evidence did you have to demonstrate to gain funding?



Answers to Q10 showed that VCS groups feel that they are predominantly valued by commissioners for their reputation. However, it was not always clear whether this was a historical reputation or a genuine 'track record' reputation for delivery. VCS organisations' relationships with the local community and their awareness of, and ability to meet, local needs was also felt to be a key strength that had led to them being commissioned. Whilst partnership working was highlighted, it was not always clear if this meant partnerships with funders or wider collaborative and networking partnerships.

Q10. What characteristics have led to your organisation being commissioned?

Good reputation	90
Relationships/links with local community	88
Skilled at partnership working	87
Awareness of local needs	84
Achieving targets and outcomes	74
Customer focused	69
Good skills mix within the organisation	68
Flexibility	68
Forward thinking	67
High level of qualified workers	65
A can-do or solution-focused culture	61
Clear monitoring systems	57
Fundraising	46
Access to volunteers	29
Cheap	19

Many VCS groups feel that they are valued as having a high level of integrity and honesty (Q11) and are often subject to more rigorous scrutiny and monitoring than statutory services. Other personal characteristics, such as vision and being outcome-focused, were also thought to be valued by commissioners. However, once again,

concerns were raised about the potential for mission drift resulting from being too outcome led.

Q11. What personal characteristics led to you being commissioned?

Honesty	87
Integrity	84
Visionary	75
Innovative	72
High profile	66
Outcome-focused	60
Entrepreneurial	54
Dynamic	54
Politically aware and astute	9

Q12. What personal skills have led to you being commissioned?

Communication skills	93
Partnership working	80
Leadership	80
Organisational skills	76
Management	74
Creativity	68
Fundraising	64
Planning	61
Passion	21
Business skills	15
Joining up the dots	8
Signposting to other services	4
Adaptability	4

VCS groups felt that the personal skills most valued by commissioners are communication, leadership, partnership working, planning and creativity (Q12). They also thought that whilst VCS organisations were recognised as being more willing to go the extra mile this was, at times, abused by local authorities.

Q13. What barriers exist to you being commissioned?

Failure to offer funding in advance	74
Lack of capacity to deliver	72
Lack of trust in the voluntary and community sector to deliver	69
Failure to offer full-cost recovery	67
Competitiveness from statutory providers	60
Lack of some core skills to deliver to a contract	53
Timescales	48
Petty politics	8
Poor communications	7
Inability to research	6
Not marketing what they can offer	5

The VCS groups interviewed felt that most of the barriers to their being commissioned were outside their control (Q13). These included a lack of capacity to deliver, which was often felt to be due to low levels of funding from statutory sources. A lack of continuity of funding resulting in high staff turnover and failure to replace quality staff has also reduced capacity to deliver. Other barriers outlined included timescales and processes for tendering that were too short and too complex. However, it may be necessary to ask whether VCS organisations are perhaps unwilling to acknowledge their failure and address barriers that they could change and help to remove (Q14).

Q14. What barriers exist to the wider voluntary and community sector being commissioned?

Capacity	70
Timescales to submit tenders of bids	69
Overly complex or long tendering processes	68
Quality standards	33
Monitoring requirements	33
Targets and outcomes that need to be achieved	31
Competition from statutory and voluntary sector	19
Staff qualification framework	17
We are viewed as too expensive	7
Lack of opportunities for commissioning	6
Lack of links to commissioners	6
Resistance to change	1

The additional barriers to the wider VCS being commissioned were felt to be mainly beyond the control of the VCS groups themselves, and included a lack of capacity due to poor funding. It was also felt that poor funding led to a lack of staff and management capacity to undertake tasks such as supervision, fundraising and marketing services. Other barriers identified were a lack of trust in the VCS, competition from statutory providers and a failure of funders to be Compact compliant. Whilst 53 individuals did identify a lack of core skills, this was not matched with an identification of skills gaps in later questions.

Q15. What skills gaps do you think are stopping you being commissioned?

Writing bids and tenders	61
Sector-specific skills, for example youth work, child care, etc.	37
Monitoring and evaluation	34
Management – strategic management	33
Financial management	33
Performance management	32
HR and personnel	31
Leadership	25
Business planning	12
Marketing	11
Child protection and safeguarding	10
Skilled people to train and develop volunteers	4
Good continuing professional development (CPD)	3

It was evident that many people interviewed were not willing to identify their skills gaps (Q15). This may have been because they did not know what they were, or because they felt that if they identified their skill gaps this would be held against them rather than eliciting support in helping them fill the gaps. The main gaps identified were writing tenders; strategic management; sector-specific skills; and performance management, including good monitoring and evaluation.

Q16. What training or support would help you be more commission-ready?

Training in writing bids and tenders	79
Buddying from a larger VCS organisation	69
Training in how to monitor and evidence outcomes	59
Financial systems training/business planning	49
Help with policies and procedures	34
Training in health and safety and risk assessments	32
Safeguarding training	27
Help with appropriate governance frameworks	25
Strategic management at higher level	8
Business planning	6
Outline of what is coming	4
The statutory sector understanding the VCS better	3
Quality assurance	3
Research into what is coming	1

The main area of training and support identified by VCS groups was how to engage in commissioning by writing good tenders (Q16). Many VCS groups also felt there should be a role for large VCS organisations to buddy and support smaller ones. Other areas of training and support included financial systems and business planning, and monitoring and identifying outcomes. Managers, in particular, identified a need for more in-depth higher level training rather than large numbers of taster or

introductory courses. Groups also explained that, as they were unsure what the requirements for commissioning would be, they were unsure what training or support they would need.

Commissioners' research: introduction and methodology

This section of the research was undertaken using two approaches.

Firstly, 20 face-to-face interviews were held with individual Commissioners of Children's Services. These commissioners had put themselves forward to take part in the research following email bulletins from CWDC Regional Development Managers and also the DCSF (who coordinate a national commissioners group). A questionnaire that mirrored the questions used in the phone interviews with VCS groups was used to enable comparisons and contrasts to be identified and explored.

The following local authorities were involved:

1. Blackburn	6. Cumbria	11. Halton	16. Plymouth
2. Bradford	7. Derby	12. Liverpool	17. Rochdale
3. Bristol	8. Derbyshire	13. Manchester	18. Sheffield
4. Bromley	9. Devon	14. Newham	19. Shropshire
5. Cornwall	10. Gateshead	15. Northampton	20. Warwickshire

Secondly, ten focus groups – made up of commissioners and those procuring services from the VCS – were held to give an additional perspective and viewpoint.

The focus groups were a mixture of local authority clusters, regional commissioning forums as well as specialisms.

The following focus groups were involved:

1. North West Commissioners Group	6. Wakefield
2. North East Commissioners Group	7. Blackburn
3. Merseyside	8. Health
4. Haringey	9. London
5. Cheshire	10. Wirral

Due to the nature of focus groups and the number of views and opinions being expressed, only five key questions from the existing questionnaire were used.

These were as follows:

1. What are some of the barriers you have to commissioning VCS groups?
2. What are the characteristics of a commission-ready organisation?
3. What are some of the skills present within a commission-ready organisation?
4. What are some of the skills gaps within VCS organisations?
5. What training and support should be provided to VCS groups and who should be providing it?

Findings: commissioners' views

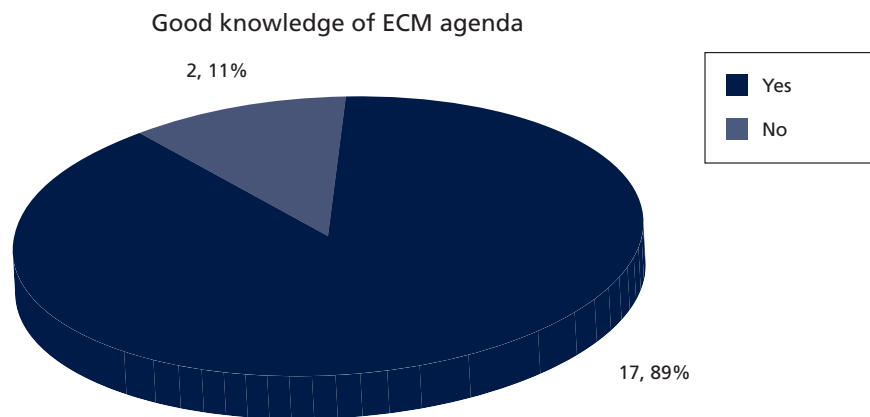
Understanding of ECM

Of those commissioners contacted, most agreed with the VCS groups' conclusions that the organisations that the commissioners fund have a good understanding of the ECM agenda (Q3). Commissioners acknowledged that this understanding had often been generated by groups undertaking the commissioning or contracting process.

Concern was expressed that this may lead to a commitment from VCS groups to ECM contractual outcomes and a narrow focus within those outcome areas that groups were commissioned for, rather than a commitment from VCS groups to the wider ECM agenda and values.

However, commissioners also stated that awareness-raising sessions on ECM and children's trusts had been held by local infrastructure organisations and the local authority. The only exceptions to this were in areas where there was felt to be a poor relationship with the VCS and where no identifiable or resourced VCS infrastructure existed.

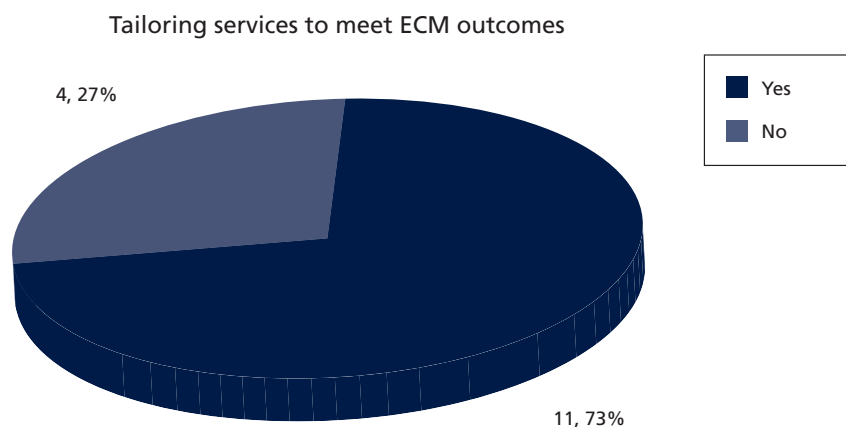
Q3. Does the VCS in your area have a clear knowledge of ECM?



ECM outcomes focused

Most commissioners felt that VCS organisations are, in most cases, tailoring their services to meet ECM outcomes (Q4). Again, engagement in this area was often led by groups who were undertaking this as part of the commissioning or contracting process. This is greatly assisted where a commissioning strategy has been put in place through discussions with the VCS. Early experiences with local Children's Fund programmes had also encouraged VCS groups to be more outcome focused.

Q4. Does the VCS in your area tailor its services to meet ECM outcomes?



There was agreement from commissioners that the VCS understanding of the ECM agenda and the practice of tailoring services to meet outcomes is enhanced considerably

where there is a resourced VCS infrastructure in place to support VCS organisations. Nonetheless, many commissioners bemoaned the fact that they did not have flexibility in their budgets to fund capacity building and VCS infrastructure. It was recognised that commissioners have different views and opinions on what capacity building is and who should undertake it; and that more clarity on the terms and outcomes which are required would greatly aid the development of local capacity building programmes, and a wider acceptance of the need to support and capacity build the VCS.

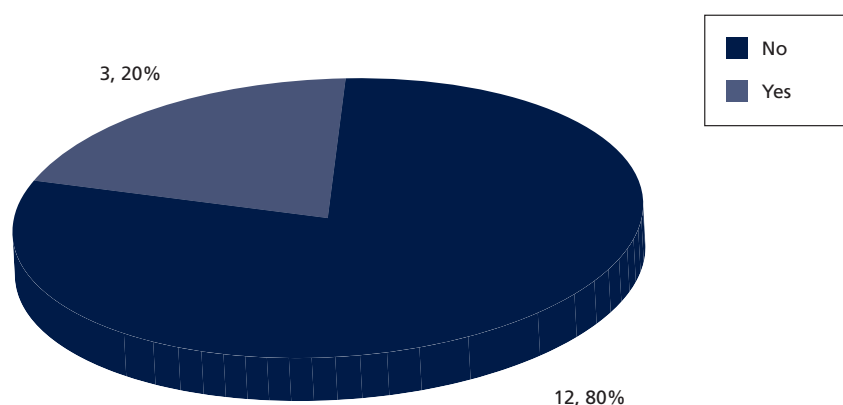
Commissioners also acknowledged that their understanding of the VCS market and what it achieves could be improved, and that the gaining and sharing of market intelligence would also help identify what segments of the market needed developing through capacity building, so as to avoid, a concern of some commissioners in capacity building areas of the market, an oversupply.

Workforce development

There was agreement that VCS awareness of workforce development is generally low, although there were some exceptions. Most VCS organisations appear to have little knowledge and understanding of common induction standards, national occupational standards, or the moves to make children's work a graduate profession. Commissioners seemed unwilling to recognise the responsibility of Workforce Development Lead Officers to integrate the VCS into local workforce strategies. It was also acknowledged by some, that workforce strategies were not even in place but are still being developed.

Q5. Does the VCS in your area understand workforce development?

Clear understanding of workforce development



Funding to the VCS

Most commissioners felt that, despite the statements made in *Frontline Hopscotch* (NAVCA 2007), there has been an expansion of funding to VCS providers and more VCS organisations are now delivering contracted services with clear outcomes. But few commissioners could give clear evidence of this beyond a general hunch and were not able to give clear amounts or percentages of children's trust or children's services budgets being allocated to the VCS.

Questions also elicited responses suggesting that whilst more funding may be going to VCS providers this was often to a very small group of large VCS organisations. Alongside this there was a recognition that much of this funding has come from short-term funding streams such as Children's Fund and the Neighbourhood Renewal Fund (NRF). Commissioners felt that these funding frameworks have led to most VCS organisations recognising that to gain funding they must give evidence of outcomes and outputs achieved.

Commissioners echoed some of the concerns expressed that VCS organisations could become so outcome driven that they lose sight of their mission, core values and the ethos that made them good in the first place, and could therefore reduce the

elements of social capital generated, particularly in the most marginalised communities. Most commissioners interviewed spoke very positively about the VCS and in some cases were VCS advocates. For some commissioners interviewed, this was a result of them actually having worked within the VCS. This contrasted sharply with how many of those in the VCS viewed commissioners.

The commissioning process, criteria and barriers

Most commissioners acknowledged a lack of clarity on the terms used within commissioning and accepted that they are not always clear on what is meant by commissioning, and how to do it. Commissioners expressed frustration and feelings of isolation because they are not able to explore this with other colleagues in Children's Services or with commissioners in other areas. The North West Commissioners Group has agreed to write a short guide to terms that all North West Commissioners will sign up to. This feeling of isolation was seen in particular within a number of focus groups, who stated this was the first opportunity for them to come together and discuss issues around commissioning and, in particular, the VCS.

Most commissioners felt that there had been few occasions where the VCS have been decommissioned, despite views outlined in *Frontline Hopscotch* (NAVCA 2007). Where this had occurred, commissioners stated that this had usually been due to poor performance over some considerable time. Commissioners did outline the need to move away from historical funding to a more transparent approach. It was suggested by some VCS groups that this is merely decommissioning by another name.

It was clear through the Health focus group that some Primary Care Trusts (PCTs) have particular difficulty in engaging with the VCS, and in some areas PCTs are noticeably absent from commissioning groups. If effective commissioning strategies and pooling of budgets is to be achieved, local PCTs need to become more integrated and involved within their local children's trusts.

Q7. Where you have not commissioned the VCS, what barriers stopped them from being successful?

One-to-one interviews

Not meeting tender specification	9
Lack of staff capacity	8
Not proving outcomes	6
Tender documents too hard	5
Lack of governance	5
Lack of financial processes	6
Lack of monitoring	4
Too expensive	3
Not enough profile	3
Lack of qualifications	4
Lack of policies	3
Not enough funding to commission	2
Little workforce development	3
Too small	2
Lack of quality standard	3
Poor planning	2

Focus groups

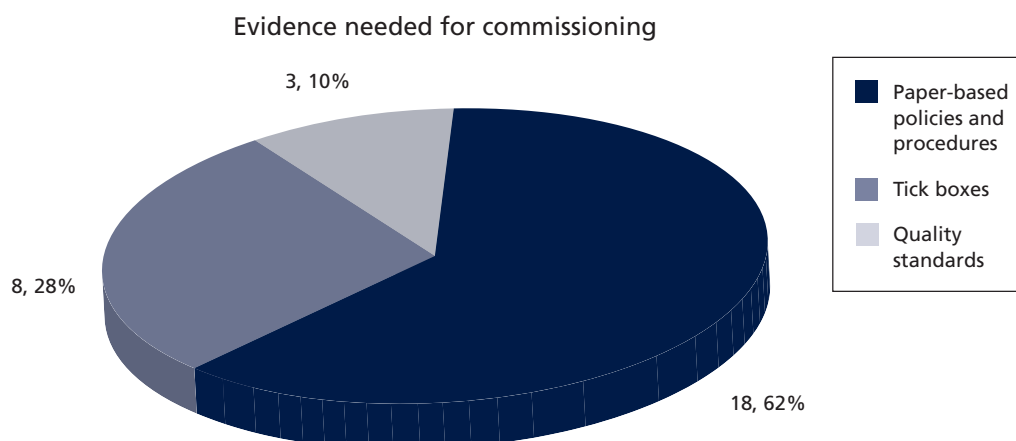
Not understanding commissioning	6
Not demonstrating outcomes	5
Not taking VCS seriously	5
Competition from VCS groups	3
Lack of a level playing field	4
Clinical governance	2
Not enough funding	2
NHS legislation	1
Don't understand or agree with full-cost recovery (FCR)	1

Most commissioners agreed that the criteria that groups are being asked to meet is inconsistent. Many outlined that they are working hard to rectify this through clear commissioning packs and frameworks, which in some areas were developed with the involvement of the VCS. Some commissioners did admit that time constraints meant that sometimes one of the main criteria for success is being known or being in the right place at the right time. The development of clear pre-qualification questionnaires could improve and speed up the commissioning process. It could reduce duplication with groups having to send the same information with every tender and assist in the development of an approved provider list.

Q8. Where you have commissioned, what criteria did VCS have to meet?

Finance policy and procedures	14
Safeguarding and child protection	14
Health and safety policies	14
Equal opportunities policies	14
Evidence of how you meet tender specification	10
Governance frameworks	11
Insurance	7
Management and leadership	4
Quality standards	3
Individual staff qualifications	2
That you take part in CAF processes	2
Undertaking common inductions for staff	0

Q9. What evidence did VCS groups have to supply?



Many commissioners acknowledged that there is a lack of clarity on 'quality standard' frameworks for commissioning, particularly on one that would be appropriate for the VCS.

There was considerable similarity between commissioners, focus groups and VCS groups on what aspects of an organisation is valued by commissioners. This was felt to be:

- their reputation
- their relationship and links with the local community
- the degree of trust they instilled – VCS groups were often more trusted than statutory services.

It was also felt that many VCS groups are actually better at demonstrating outcomes than statutory services. This was seen as a result of the high level of monitoring associated with many of the short-term funding regimes that the VCS accesses. This has undoubtedly not led to greater levels of VCS organisations receiving mainstream funding.

The VCS was also acknowledged as often being more effective at contacting and working with harder-to-reach groups. VCS groups have stated that this does not seem to have resulted in the VCS receiving mainstream funding for preventative services, despite the evidence of success within many Children's Fund programmes.

A number of commissioners were concerned that in the move to be more outcome focused, some VCS organisations can suffer from mission drift and lose touch with their values, ethos and what originally made them special as VCS organisations. Nevertheless, there was also recognition from commissioners that some of the processes they are putting in place are pushing VCS organisations down this path. A number of commissioners outlined that they were not overly concerned with qualification frameworks within the VCS. This again could be an example of a lack of clarity and the sending of inconsistent messages in this area.

Q10. What characteristics or key strengths have led to you commissioning VCS groups?

One-to-one interviews

Relationships/community links	13
Awareness of local needs	14
Flexibility	12
Skilled at partnership working	11
Achieving targets/outcomes	11
Clear monitoring systems	8
Customer focused	8
A can-do solution-focused culture	6
A strategic view	6
High level of qualified workers	5
Forward thinking	4
Good reputation	4
Put a good bid together	3
Passion	3
Fundraising	1
Access to volunteers	1

Focus groups

Achieving targets and outcomes	9
Awareness of local needs	8
Flexibility	8
Clear monitoring systems	8
Skilled at partnership working	6
Community focused	5
A can-do solution-focused culture	4
Keeping hold of its missions	4
Relationships community links	4
Open to change	3
Forward thinking	3
Cheap	1

Commissioners were in agreement on many of the personal skills that were seen within commission-ready VCS groups. These included effective communication skills, listening skills, leadership and partnership working. It was also recognised that most VCS organisations are willing to go the extra mile and show considerable flexibility as well as, in many cases, a high level of honesty and integrity.

Q11. What personal skills are you looking for to commission VCS organisations?*One-to-one interviews*

Communication skills	12
Partnership working	12
Achieving outcomes	8
Management	8
Business skills	6
Creativity	5
Planning	5
Fundraising	3

Focus groups

Evidencing need	8
Partnership working	6
Performance management	7
Achieving outcomes	5
Leadership	5
Business skills	5
Evidencing value for money	4
Marketing	4
Awareness of commissioning agenda	4

Q12. What barriers prevent you from commissioning the VCS?*One-to-one interviews*

Not knowing who is out there	7
Time and capacity constraints in the VCS	5
Chasing money at the expense of mission	5
Not enough funding available	4
Poor perceptions of VCS, historical views	4
Lack of governance within the VCS	3
VCS' unwillingness to change	3
Focus on internal commissioning	2

Focus groups

Not understanding commissioning	6
Not demonstrating outcomes	5
Timescales and capacity	4
Competition for funding	4
Not taking the VCS seriously	4
NHS legislation	2
Clinical governance	2

There was agreement from commissioners that one of the biggest barriers to commissioning VCS groups was their lack of capacity to deliver new work. However, a number of commissioners stated that this was relatively easy to overcome through the funding available within commissioning, which would enable the VCS groups to expand. There was also agreement that capacity problems for the VCS are often due to short-term funding streams.

Many commissioners felt that they could only give the VCS short-term funding agreements due to their own short-term funding arrangements with national government. Commissioners also felt that capacity issues were sometimes worse within the VCS as they did not maximise the opportunities to raise additional funding, and looked to commissioners to provide continuation funding.

There was also agreement that many commissioning tenders had timescales that were too short for some VCS groups to complete. It was unclear whether commissioners often utilised the VCS because of their flexibility and ability to 'hit the ground running', or because the desperation of VCS groups often meant that they would apply for funding no matter how short the timescale.

Other barriers were seen as a lack of understanding of commissioning, which could be addressed through training and awareness. A more worrying barrier outlined within some of the focus groups was that officers within the local authority were not taking

the VCS seriously. This historical baggage and prejudice towards the VCS may take longer to change.

Though not outlined in the tables above, full-cost recovery was a very contentious issue for commissioners and many felt that it is being used as a stick to beat commissioners with. There was also a lack of understanding of full-cost recovery, with commissioners unable to do a comparable cost analysis of in-house services. It was also felt that many VCS organisations do not know how to evidence full-cost recovery or judge when it is, or is not, appropriate to be used. Other barriers to the VCS being commissioned were felt to be a failure to deliver and an unwillingness to change.

There are clearly two sides to the full-cost recovery debate. What also became evident is that the telephone interviews with the VCS outlined a view that commissioners were more concerned with cost than quality. Commissioners were very clear that they were more concerned with quality than price and would rarely accept the cheapest tender.

Q13. What skills gaps do you feel are present within the VCS?

One-to-one interviews

Writing bids and tenders	12
Financial management	10
Performance management	9
Monitoring and evaluation	8
Business planning	6
Leadership	7
Sector-specific skills	7
Management – strategic management	6
Marketing	4
Child protection and safeguarding	4
Continuing professional development	2
HR and personnel	2

Focus groups

Business/financial planning	6
Clear governance	4
Evidencing outcomes	4
Organisational risk analysis	3
Marketing	4
Good delivery	2
Costing services	2
Systems and frameworks	2
Management skills	1
Poor strategic planning, not 'seeing over the hill'	1

Commissioners were very clear on the skills gaps present within VCS organisations but stated that there was often more willingness to explore skills gaps in the VCS than in statutory services. As seen within the VCS interviews, one of the main skills gaps identified is writing tenders.

Many VCS groups still write a tender based on what they want to deliver, rather than what the commissioner wants to buy. VCS groups are often more concerned with the process that their work undertakes with children, young people and families than the product or outcome that is achieved.

Other skill gaps were felt to be in the areas of strategic management and having a longer-term view, business planning and performance management, including evidencing outcomes and marketing the services that the VCS organisations could provide to commissioners.

Some concerns were also raised by commissioners, that some VCS groups could not demonstrate clear and effective governance within their organisation. This is a concern following the emphasis given in this area through the Change Up

Programme (a programme that focuses on improving capacity building and infrastructure within the sector). It was also noted that this was not a skills gap or concern that was identified by VCS groups themselves.

Q14. What skills or knowledge gaps do you have as a commissioner?

Clarity on commissioning, terms and processes	6
Knowledge of VCS, what it does and what it offers	6
Full-cost recovery, principles and calculation	3
How to engage with the VCS	3
Children, young people and families involvement	2

Commissioners were open about the skills gaps that many of them had. These gaps included a clear grasp of the commissioning process and how to make it a reality. Commissioners were in many cases unclear of what the VCS actually offered within their area, and what quality and quantity was being delivered. Commissioners were aware that some of their colleagues were unaware of the professionalism of many within the VCS and made the assumption that 'voluntary equals amateur'. It was acknowledged, however, that many commissioners currently had considerable freedom in relation to their commissioning decisions and that, whilst they would not want to be seen as giving special favours to the VCS, they could undertake intelligent commissioning as advocated in the Audit Commission Report – *Hearts and Minds: Commissioning from the voluntary sector* (2007).

Q15. What training support or guidance would help the VCS to be commission-ready?

Training in writing bids and tenders	13
Training in how to monitor and evidence outcomes	12
Buddying from a larger VCS organisation	11
Financial systems training/business planning	10
Help with appropriate governance frameworks	9
Business planning	6
Outline of what is coming	4
What commissioning is	4
Safeguarding training	4
Help with policies and procedures	3
Training in health and safety and risk assessments	2

There was again considerable similarity in the main areas of training and support identified as needed by VCS groups to engage in commissioning. This included a clear understanding of what commissioning is and how it differs from grants and service level agreements.

Training on how to write good tenders was seen as a clear need, linked to recognition and understanding by VCS organisations that the relationship with a commissioner who is buying a service from the VCS is different from the more benevolent relationship with a funder who is giving a grant. Commissioners also acknowledged the benefits to smaller organisations of buddying support from large VCS organisations on their bid-writing and delivery process.

Commissioners did acknowledge the competitiveness and suspicion evident between many VCS organisations. They were unsure as to whether outlining in contracts the need for large groups to work with smaller community groups would solve this.

Q16. Who should be providing practical support and training to VCS?

VCS infrastructure bodies	7
Through children's trust or local authority	5
Through large VCS organisations buddying smaller groups	5
VCS forums and networks	4
VCS champion at officer or elected member level	3
Through business development units	2

Analysis and recommendations

In undertaking an analysis and making recommendations on this research, there is a need to acknowledge the relatively small sample of interviews undertaken with commissioners (20) and commissioning focus groups (10). In tendering for this piece of work, the researchers had wanted to undertake a greater number of one-to-one interviews with commissioners. However, budget constraints meant that this was not possible.

Within this section we will seek to achieve some of the aims identified at the start of this report. The research undertaken has been of an iterative nature and has developed as it has gone along. As a result, the research has explored and identified issues that may not have been part of the initial research brief.

The key aims of this research are listed below, as points 1 to 4.

1. Describe the characteristics of VCS organisations and individuals that have the appropriate skills to secure and deliver public sector contracts for services to children, young people and their families.

Characteristics of a commission-ready organisation

There was considerable similarity and synergy between the characteristics of a commission-ready organisation as identified by VCS groups and by commissioners.

The key characteristics identified primarily by both groups were having:

- a good reputation, honesty and integrity
- good relationships and links with the local community
- an awareness of local needs.

These characteristics illustrate the importance of local VCS groups developing and building their relationships with the local community. This relationship building will often involve becoming aware of local needs and also working with the local community to help meet them. The fact that many VCS groups have been set up by the community to meet a clearly identified need has clearly assisted this process. This characteristic was recognised and valued by commissioners who admitted that, due to the processes outlined above, the community often has a higher level of trust and confidence in VCS groups than in statutory services. The VCS was often recognised by commissioners as being much more effective at contacting and working with the most disadvantaged and hard-to-reach groups.

There was agreement between the groups on a further set of characteristics, including being able to:

- achieve targets and outcomes
- work in partnership
- be flexible
- have an awareness of new agendas and a strategic view.

The achievement of targets and outcomes was seen as a key characteristic in a commission-ready organisation. VCS organisations that have a funding relationship through either commissioning or procurement, have recognised that funding is now inextricably linked to the achievement of outcomes and outputs. A number of commissioners stated that they felt the VCS was often better at demonstrating the achievements of outcomes and outputs than statutory services. This was thought to be due to the fact that the majority of funding for the VCS comes from short-term programme funding, such as the Children's Fund or Single Regeneration Budget (SRB), which is often subject to much higher standards of monitoring and evaluation than mainstream funding. This was clearly an area of some frustration and annoyance for a number of VCS groups. Concerns were raised by both the VCS and commissioners, that the focus on achieving outputs and outcomes could lead to VCS organisations stepping outside of their charitable objectives and suffering mission drift. Many VCS organisations also outlined that they struggle to understand the difference between outcomes and outputs, with many VCS organisations focusing more on soft outcomes, such as confidence building and self-esteem, than on measurable outcomes.

A key characteristic of a commission-ready VCS organisation was also seen to be effective partnership working. This was seen not merely as creating partnerships based on shared funding but those based on mutuality and shared values. The importance of collaboration and cooperation is embedded in the Every Child Matters agenda; and many VCS groups are recognising that they need to embrace working with others. Concern was raised by VCS groups that partnerships also need to tackle the issue of power and status. Whilst equality may not always be achievable, statutory services need to make a greater effort to develop relationships based on power-sharing and equity. Commissioners also outlined the importance of VCS groups embracing partnership working with other VCS groups, and of submitting joint-commissioning proposals to bring together shared experience and knowledge rather than acting in competition.

The VCS groups' flexibility and willingness to change was rated highly by commissioners and was, in their eyes, a key component of a commission-ready organisation. This clearly enabled commissioners to develop quality programmes with VCS providers, often within relatively short tendering timescales and short-term funding regimes. Whilst VCS groups also highlighted this area as a key component of a commission-ready organisation, some groups were extremely proud of their ability to respond quickly and get programmes in place. Other groups outlined that, at times, they felt this flexibility was open to abuse by commissioners. The fact that many VCS groups continue on a hand-to-mouth existence has meant that they are more likely to have to chase funding, cooperate with very short timescales and not push for full-cost recovery.

A further key characteristic that was identified by both groups was an awareness of new agendas and a strategic viewpoint. However, many smaller groups stated that they did not have sufficient capacity for staff or managers to study the latest reports or government documents and explore the potential impacts or benefit to their organisation.

The role of infrastructure bodies was felt to be crucial in this area and their ability to read, summarise and disseminate key policy documents and reports was a huge help to organisations that were members of youth-specific infrastructure organisations.

2. Key skills of a commission-ready organisation

Once again, there appeared to be considerable similarity in what the VCS groups and commissioners identified as the key skills of a commission-ready organisation. These skills included:

- communication
- partnership working
- leadership
- management
- achieving outcomes.

Both groups rated good communication and listening skills top. These skills were felt to be vitally important for creating a sense of mutuality and co-dependence between the VCS and statutory services – as opposed to the sense of mutual antagonism and paternalism that both commissioners and the VCS commented on. Also seen as vital was the ability to be clear and honest about what both sides required, and to compromise, hear and respect the other person's point of view.

Whilst leadership and management were acknowledged as being different skills, they were similarly highlighted by both groups as skills within a commission-ready organisation. It was clear that where VCS groups had shown good leadership, demonstrated good management and been proactive with commissioners, their organisations had often been successful in gaining considerable additional funding through commissioning. A number of VCS trustees outlined their view that the vision and leadership demonstrated by their manager or chief officer was what had made the difference between a successful and unsuccessful VCS organisation. Commissioners were clear that to gain funding through a commissioning process, VCS groups would have to demonstrate a considerable suite of management skills, including staff management, performance management and organisational management.

The achievement of outcomes was clearly perceived as a key characteristic as well as a skill, and perhaps underlines its perceived importance – particularly in the minds of commissioners, where achieving outcomes and outputs is clearly the currency for funding.

Whilst there were considerable similarities in the skills identified by both the VCS and commissioners, there were some differences. For commissioners, business skills were felt to be a clear need within a commission-ready organisation. For groups to be able to put together a good tender, to effectively cost the project and manage the project once started, it was felt essential that VCS groups possess and demonstrate good business principles. Though this skill did not appear to have equal weighting in all VCS groups, this may have been due to the concerns expressed by some VCS individuals that, by becoming too business focused, VCS organisations would lose sight of the very essence that made them special. This in turn would make it difficult to note the difference between VCS and statutory services, other than the fact they may deliver the service more cheaply.

3. Develop a skills gap analysis to inform future training activity

Skills gap areas identified:

- writing bids and tenders
- financial management
- performance management
- monitoring and evaluation
- business planning
- sector-specific skills and qualifications
- developing effective governance.

There was agreement between commissioners and VCS groups that the largest skill gap was in writing bids and tenders. Through discussions with both groups it was clear that this gap lay not only in the process of writing tenders and completing the complexity of forms and processes, but also in the culture of commissioning. It was clear that many groups have not grasped the difference in culture between grant regimes – which were based on money being given by a benevolent sponsor such as a local authority, often because the group was known and liked – and commissioning, which is based on a purchaser/provider culture with commissioners buying and expecting the achievement of clear outcomes and outputs.

While undertaking the telephone research, it became clear that some VCS groups were uncomfortable in admitting to researchers that they had skills gaps. When explored further, it was felt that for some individuals this was a reaction to the competitive environment that has been created by the many funding streams for the VCS, and that for them to admit to having skills gaps would lead to funding being withdrawn rather than support or training being provided to fill the gaps. It was also recognised that it was difficult for some VCS groups to identify skill gaps in becoming commission-ready because they did not understand commissioning itself and were therefore unaware of what skills they would need or what skills gaps had arisen.

VCS groups and commissioners were in agreement that there were additional skills gaps in financial management and business planning. It became clear that very few people within the VCS had been able to access finance or business training, and were therefore unable to gain an awareness of cash flow, budgeting, cost accounting and full-cost recovery. As a result, many VCS groups did not have the systems in place to manage funding even if they were fortunate enough to gain it from commissioners or other funders. This was of considerable concern to the commissioners. It was stated that in some cases this proved too much of a risk for them, and they were unwilling to give large amounts of public money to groups with poor financial and business skills.

As already identified, some VCS groups clearly struggle to identify outcomes and outputs and monitor their achievements. Where some groups – particularly those who have been involved in the Children's Fund programme – have gained these skills, commissioners felt that they were more skilled at demonstrating outcomes and outputs than statutory groups. For other groups – particularly those who had not been involved in these processes and were predominantly volunteer-led – performance management, along with monitoring and evaluation, present particular difficulties. For some individuals and groups this is a problem of timing, as all their available time as volunteers is spent in face-to-face work. For other groups and individuals it is a moral issue, as they believe commissioners and funders should accept their track record and history as evidence of their good work rather than force them to jump through hoops to prove it. Whilst some commissioners had sympathy with this view, they stated that this was incompatible with the desire for continually improving outcomes for children, young people and families.

Leadership was identified as a key skill within a commission-ready organisation. Leadership, vision, political processes and the ability to see what is coming were also felt to be part of a skills gap in many VCS organisations. Some VCS organisations reasoned that they spend so much time struggling for survival that they have very little time or energy to develop leadership skills, or to undertake the research needed to gain a clear picture of what is coming round the corner. The lack of specific or affordable leadership training was also a key issue for many VCS groups. A number of individuals outlined the frustration that the only training available in this area appeared to be one-day taster and introductory courses.

There were, however, some differences in the skills gaps identified by VCS groups and commissioners. A number of VCS groups identified a lack of sector-specific skills, particularly in playwork and youth work, and felt that this lack of clear qualifications would be held against them by commissioners. Nevertheless, this did not appear as a skills gap identified by any commissioners. It was also stated by some commissioners that they did not see this as an issue and that, if they liked a VCS group, they would commission them even if the staff did not have the required professional qualifications. Whilst this discretion could be seen as an example of commissioners undertaking 'intelligent commissioning' as outlined in the recent *Hearts and Minds* report (Audit Commission 2007), it could also be seen as inconsistent with the message being presented by CWDC and other sector skills councils to improve qualifications to create a world-class workforce of the future. As already commented on within other sections of this report, the VCS would appear to have very little understanding of workforce development and the vital importance of developing good induction procedures for staff and building on this with ongoing continual professional development.

A skills gap that was identified by commissioners but not VCS groups was that of developing effective governance. This area did not appear as an identified skills gap in the telephone interviews with VCS groups and further discussions have since raised the issue of whether many VCS groups actually know or are aware of what effective governance is. This seemed of particular concern given the fact that governance was one of the key focus areas within the Change Up and Capacity Builders programmes; and that a National Governance Hub is now in operation. For some commissioners, the lack of an effective governance structure was a major concern. Some commissioners gave examples of where poor governance had resulted in negligence and fraud and led to significant financial losses for local authorities.

Training identified and recommendations

This research was clearly focused on VCS groups that were already delivering funded services on behalf of either local authorities or other funders within the children's trust umbrella. Of the groups, 5 per cent stated that they delivered contracted or commissioned services to deliver clear outcomes.

A number of other groups within the research also received grant aid for which there was no focus or clear outcomes framework. This report has enabled researchers to make contact with a broad spread of VCS organisations; a balance of large, medium and small organisations; and a balance of volunteers, trustees, workers and managers. It should be acknowledged that most of these organisations are involved in delivering funded services and would therefore be embraced within the funded voluntary and community sector rather than the volunteer sector. As a result, the levels of knowledge, needs and skills gaps identified within this research do differ from those identified within other research and consultations undertaken predominately with the volunteer sector.

4. Preparing VCS organisations for commissioning

As most of the organisations were from the funded VCS rather than the volunteer sector, the clearly identified training need was not that of gaining an awareness of Every Child Matters outcomes and structures, such as children's trusts, but rather for training that would help individuals prepare their organisation for commissioning.

Recommendation 1

To provide a 'preparing your organisation for commissioning' training course that would take VCS groups through the commissioning journey

This would explore the following subjects:

1. the culture of commissioning and why it is different
2. training in writing effective bids and tenders
3. identifying effective governance within VCS organisations in light of commissioning, ECM and children's trusts
4. creating good HR and staffing processes and workforce development, including common induction standards and national occupational standards
5. business planning, financial management and organisational risk assessment, ensuring that the organisation can complete what it is tendering for
6. marketing your organisation and the services it offers to commissioners
7. performance management, ensuring that VCS groups can manage the work they are commissioned to do and have suitable processes in place to measure outcomes, outputs and results
8. fundraising and social enterprise to assist VCS groups in practising sustainability.

The researchers are aware that the VCS Engage programme is currently exploring the development of a commissioning training course. It is hoped that the course would encompass many of the training issues identified here.

Leadership and management

An additional training need that was identified, particularly by medium and large VCS groups, was a tailored leadership and management programme. This would enable these organisations to gain the skills, knowledge and frameworks to help their organisations maximise the opportunities available to them. This programme would need to be extremely flexible as well as affordable to enable a wide range of workers and managers to attend. In order for the training to have status with commissioners it was also outlined that it should be at NVQ 3 or NVQ 4 Level.

Recommendation 2

To develop an NVQ 3 or NVQ 4 VCS leadership and management course, to be supported by local or regional funding and with funding for workers and managers to attend

This training would include: units on developing a vision for your organisation; writing tenders and bids; financial management; performance management; monitoring and evaluation; and business planning. The researchers were aware that an NVQ 3 Certificate in Youth Work Management already exists within Cheshire and contains many of the units outlined above.

Workforce development

A lack of understanding and knowledge about workforce development and skills development has been identified by both VCS groups and commissioners. For the VCS to maximise the opportunities available for their organisations to gain from commissioning, this skill gap clearly needs to be addressed. The CWDC Workforce Strategy Partners Programme – which is providing three-year funding to help engage the VCS in their local workforce strategy – will contribute to meeting this agenda. What is also evident from the research is that local authority workforce lead officers need to work harder at involving local VCS organisations and VCS infrastructure in developing and implementing local workforce strategies.

Recommendation 3

To put into place in each area a programme of 'workforce development awareness' training involving local VCS organisations in developing and implementing local workforce strategies

Full-cost recovery

One of the most disputed issues that emerged from this research is the area of full-cost recovery. Not offering full-cost recovery was seen by VCS groups as one of the major barriers to their increased involvement in commissioning. However, commissioners and focus groups often felt that full-cost recovery had become a stick to beat commissioners with and that, on many occasions, full-cost recovery was poorly understood by the VCS and not backed up with evidence as to how costs had been calculated.

Recommendation 4

To provide training on full-cost recovery, for VCS organisations, to ensure they have a clear understanding of it, its methodology and when best to use it. A method of calculation should then be agreed with local commissioners.

Marketing

This research identified that in some cases the VCS is not being proactive in ensuring that commissioners are aware of the level and quality of the services being provided by the sector. Where VCS groups have taken the initiative, been solution-focused and effectively marketed their services to commissioners, they have usually been successful in expanding their delivery. A lack of skills and awareness by VCS organisations of the need to market services and opportunities was clearly identified by commissioners, although this was not identified as a skills gap by the VCS themselves. However, from this research we believe that there is considerable synergy between the VCS and commissioners. Both groups seem to want similar things and improve outcomes for children, young people and families. This synergy needs to be conveyed by VCS organisations to commissioners.

Recommendation 5

To get VCS groups to identify and effectively market their services and skills to commissioners and, if need be, for VCS infrastructure organisations to provide support and training to undertake this

VCS infrastructure organisations

The key role and importance of an effective, well-resourced, supported and mandated youth-specific VCS infrastructure has been highlighted throughout this report, and was identified by VCS organisations and commissioners.

Increasing the involvement of VCS organisations in the delivery of children's services was clearly aided where a voluntary youth infrastructure organisation was in place. This organisation would also often be involved in developing a commissioning strategy and process.

Where a VCS infrastructure body was in place, it was also evident that the level of knowledge of the VCS about ECM was considerably increased, and that VCS organisations were tailoring their provision to ensure that it met and achieved ECM outcomes. These groups were also helping to ensure VCS involvement in the development of local children's plans and the development of local children's trust arrangements.

Recommendation 6

For local authorities to support and invest in the development of specific local infrastructure organisations that have a clear mandate for children, young people and families' services

Improved partnership working within the VCS

Throughout this research it has been clear that there is considerable friction between large national and regional VCS organisations and some of the smaller VCS groups, particularly those that are volunteer-led. There is undoubtedly a need for greater partnership working within the VCS to help reduce some of the existing competitiveness and power struggles. Also, if commissioners wish to develop community-based activity to meet locally identified needs, they will need to explore working through intermediaries such as infrastructure bodies and larger VCS organisations. However, the costs incurred in providing this support, back-office functions and help need to be recognised, and these would need to be included within any tender.

Recommendation 7

To explore, via VCS Engage and local voluntary sector forums, how large and regional VCS organisations can provide buddying support to smaller community-based and volunteer-led groups

Recommendations for local authorities and commissioners

The focus of this research was on the skills and characteristics of a commission-ready VCS organisation, identifying current skills gaps and making recommendations for future activity to support the development of skills. The findings from this research show that local authorities and commissioners can play a role in helping to achieve this. As a result, a number of recommendations have also been identified for local authorities and commissioners.

Recommendation 1

Local authorities to ensure that they have a strategic lead for commissioning employed at a senior level

Recommendation 2

Commissioners at a local and regional level to agree a common usage of terms within the commissioning framework

Recommendation 3

Local authorities to identify a VCS champion at senior officer or elected member level

Recommendation 4

Commissioners to map the resources they are giving to the VCS and identify the match funding that the VCS generates, so as to give an accurate picture of the status and value of VCS services to children, young people and families

Recommendation 5

Commissioners to be much more aware of the opportunities and services available within the VCS, to develop market intelligence and produce a comprehensive service directory and 'approved provider' list

Recommendation 6

Local authorities to make a commitment to full implementation of the Compact with clear penalties from the government on non-compliance

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VCS Engage commissioned the Children's Workforce Development Council (CWDC) to work with the programme on contracting and service delivery. CWDC commissioned an external party to carry out the research and deliver this report, which does not necessarily reflect the views of CWDC. CWDC will deliver a formal response to the document in due course.

Appendix 1: Individuals' questionnaire – skills and knowledge relating to contracting and service delivery

1. How would you describe yourself?	Management committee member/Trustee Manager Worker Volunteer
2. How would you describe your organisation?	Small and local: under five employees Medium and local or regional: under 25 employees Large local, regional or national: over 25 employees
3. What do you understand by Every Child Matters?	
4. Are you clear on how your organisation helps to achieve the outcomes of Every Child Matters?	
5. What do you understand workforce development to be?	
6. Is your organisation currently providing commissioned or contracted services for which you are measured to achieve clear outcomes and targets?	Yes No
7. If you have ever been unsuccessful in gaining commissioned or contracted funding, what do you think stopped you from being successful?	Lack of suitable qualifications Lack of policies or procedures Lack of financial processes Lack of quality standard marks, for example PQASSO, IIP, MATRIX Lack of staff capacity to undertake work Too small Not having a high enough profile Not able to meet monitoring requirements Lack of suitable governance framework

	<p>Tender documents too hard</p> <p>Organisation hasn't done its planning</p> <p>Lack of evidence of workforce development</p> <p>Not linking to ECM and proving outcomes</p>
<p>8. If you have been successful, what criteria did you have to meet to receive commissioned or contracted funding?</p>	<p>Health and safety policies</p> <p>Equal opportunities policies</p> <p>Safeguarding and child protection</p> <p>Finance policy and procedures</p> <p>Governance frameworks</p> <p>Management and leadership</p> <p>Quality standards</p> <p>Individual staff qualifications frameworks</p> <p>Insurance</p> <p>That you take part in Common Assessment Framework processes</p> <p>That you undertake common inductions for your staff</p> <p>That you have a clear understanding of Every Child Matters</p>
<p>9. What evidence did you have to supply to demonstrate you could meet their criteria?</p>	<p>Paper-based copies of policies and procedures</p> <p>Tick box</p> <p>Achievement of set quality standards</p> <p>NA</p>
<p>10. What characteristics or key strengths do you feel your organisation has that led to you being commissioned?</p> <p><i>If you are not commissioned, what characteristics do you think organisations that have been commissioned possess?</i></p>	<p>Forward thinking</p> <p>Good reputation</p> <p>Skilled at partnership working</p> <p>Achieving targets and outcomes</p> <p>High level of qualified workers</p> <p>Good skills mix within the organisation</p> <p>Clear monitoring systems</p>

	<p>Fundraising</p> <p>Relationships and links with local community</p> <p>Awareness of local needs</p> <p>A can-do or solution-focused culture</p> <p>Flexibility</p> <p>Customer focused</p> <p>Access to volunteers</p>
<p>11. What personal characteristics do individuals within your organisation possess that has led to you being commissioned?</p> <p><i>If you are not commissioned what characteristics do you think people in organisations that have been commissioned possess?</i></p>	<p>Dynamic</p> <p>High profile</p> <p>Visionary</p> <p>Honesty</p> <p>Integrity</p> <p>Innovative</p> <p>Entrepreneurial</p> <p>Outcome focused</p>
<p>12. What personal skills do individuals within your organisation possess that has led to you being commissioned?</p> <p><i>If you are not commissioned what skills do you think people in organisations that have been commissioned possess?</i></p>	<p>Leadership</p> <p>Communication skills</p> <p>Partnership working</p> <p>Management</p> <p>Organisational skills</p> <p>Fundraising</p> <p>Creativity</p> <p>Planning</p>
<p>13. What barriers do you believe exist to you or your organisation being contracted or commissioned to provide services?</p>	<p>Capacity</p> <p>Timescales to submit tenders of bids</p> <p>Overly complex or long tendering processes</p> <p>Staff qualification framework</p> <p>Monitoring requirements</p>

	<p>Targets and outcomes that need to be achieved</p> <p>Quality standards</p>
<p>14. What barriers do you believe exist for the voluntary, community and faith sectors in general being contracted or commissioned to provide services?</p>	<p>Lack of trust in the VCS to deliver</p> <p>Lack of capacity to deliver</p> <p>Lack of some core skills to deliver to a contract</p> <p>Competitiveness from statutory providers</p> <p>Failure to offer funding in advance</p> <p>Failure to offer full-cost recovery</p> <p>Timescales</p>
<p>15. What skill gaps are present in your organisation that prevent you from maximising your potential in delivering contracted or commissioned services?</p>	<p>Leadership</p> <p>Management</p> <p>Sector-specific skills, for example youth work, child care, etc.</p> <p>Writing bids and tenders</p> <p>Child protection and safeguarding</p> <p>Monitoring and evaluation</p> <p>Performance management</p> <p>Financial management</p> <p>HR and personnel</p>
<p>16. What training, support or guidance do you feel would help you to be ready to engage in commissioned or contracted services?</p>	<p>Help with policies and procedures</p> <p>Help with establishing appropriate governance frameworks</p> <p>Buddying from a larger VCS organisation</p> <p>Safeguarding training</p> <p>Financial systems training</p> <p>Training in how to monitor and evidence outcomes</p> <p>Training in health and safety and risk assessments</p> <p>Training in writing bids and tenders</p>

Appendix 2: Commissioners' interviews – skills and knowledge relating to contracting and service delivery with the VCS

<p>1. Please outline how you would define your commissioning and contracting relationship with the VCS.</p>	
<p>2. How well do you think the VCS in your area understand the Every Child Matters agenda?</p>	
<p>3. How well do you think the VCS are tailoring its services to achieve the outcomes of Every Child Matters?</p>	
<p>4. Where you have not commissioned or contracted the VCS to provide services, what stopped them from being successful?</p>	<p>Lack of suitable qualifications</p> <p>Lack of policies or procedures</p> <p>Lack of financial processes</p> <p>Lack of quality standard marks, for example PQASSO, IIP, MATRIX</p> <p>Lack of staff capacity to undertake work</p> <p>Too small</p> <p>Not having a high enough profile</p> <p>Not able to meet monitoring requirements</p> <p>Lack of suitable governance framework</p> <p>Tender documents too hard</p> <p>Organisation hasn't done its planning</p> <p>Lack of evidence of workforce development</p> <p>Not linking to ECM and proving outcomes</p>
<p>5. Where you have commissioned the VCS, what criteria did they have to meet to gain commissioned or contracted funding?</p>	<p>Health and safety policies</p> <p>Equal opportunities policies</p> <p>Safeguarding and child protection</p> <p>Finance policy and procedures</p>

	<p>Governance frameworks</p> <p>Management and leadership</p> <p>Quality standards</p> <p>Individual staff qualifications frameworks</p> <p>Insurance</p> <p>That they had taken part in Common Assessment Framework processes</p> <p>That they undertook common inductions for staff</p> <p>That they had a clear understanding of Every Child Matters</p>
<p>6. What evidence did you ask them to supply to demonstrate they could meet the criteria?</p>	<p>Paper-based, copies of policies and procedures</p> <p>Tick box</p> <p>Achievement of set quality standards</p> <p>NA</p>
<p>7. What characteristics or key strengths do you feel are present within organisations that are being commissioned?</p> <p><i>If you are not currently commissioning the VCS what characteristics do you think organisations that have been commissioned possess?</i></p>	<p>Forward thinking</p> <p>Good reputation</p> <p>Skilled at partnership working</p> <p>Achieving targets and outcomes</p> <p>High level of qualified workers</p> <p>Good skill mix within the organisation</p> <p>Clear monitoring systems</p> <p>Fundraising</p> <p>Relationships and links with local community</p> <p>Awareness of local needs</p> <p>A can-do or solution-focused culture</p> <p>Flexibility</p> <p>Customer focused</p> <p>Access to volunteers</p>

<p>8. What personal characteristics do individuals within successful organisations possess that has led to you commissioning them?</p> <p><i>If you are not commissioning the VCS what characteristics do you think people in organisations that have been commissioned possess?</i></p>	<p>Dynamic</p> <p>High profile</p> <p>Visionary</p> <p>Honesty</p> <p>Integrity</p> <p>Innovative</p> <p>Entrepreneurial</p> <p>Outcome focused</p>
<p>9. What personal skills do individuals within successful organisations possess that led to you commissioning them?</p> <p><i>If you are not commissioning the VCS what skills do you think people in organisations that have been commissioned possess?</i></p>	<p>Leadership</p> <p>Communication skills</p> <p>Partnership working</p> <p>Management</p> <p>Organisational skills</p> <p>Fundraising</p> <p>Creativity</p> <p>Planning</p>
<p>10. What barriers do you believe exist that prevent you from commissioning more services from the VCS?</p>	
<p>11. What skill gaps do you believe are present within VCS organisations that prevent them from maximising their potential in delivering contracted or commissioned services?</p>	<p>Leadership</p> <p>Management</p> <p>Sector-specific skills, for example youth work, child care etc.</p> <p>Writing bids and tenders</p> <p>Child protection and safeguarding</p> <p>Monitoring and evaluation</p> <p>Performance management</p> <p>Financial management</p> <p>HR and personnel</p>

<p>12. As a commissioner do you have any skills or knowledge gaps that are preventing you from effectively commissioning the VCS?</p>	
<p>13. What training, support or guidance do you feel would help VCS organisations become commission-ready?</p>	<p>Help with policies and procedures</p> <p>Help with establishing appropriate governance frameworks</p> <p>Buddying from a larger VCS organisation</p> <p>Safeguarding training</p> <p>Financial systems training</p> <p>Training in how to monitor and evidence outcomes</p> <p>Training in health and safety and risk assessments</p> <p>Training in writing bids and tenders</p>
<p>14. Who do you feel should be providing help and support to VCS organisations to help them to become commission-ready and gain the skills they need, as well as building a bigger market and creating contestability?</p>	

Appendix 3: Quotes from VCS groups' research

- There is a perception that because volunteers are unpaid they are not professional – all our counsellors are fully qualified!
- Being a faith based organisation, we need to convince people of the value of what we do – a holistic approach with young people and their families.
- The VCS is not as respected as the paid sector organisations – seen as 'dabbling' which can sometimes intimidate volunteers and lower their confidence.
- When submitting a funding application we try to work towards full-cost recovery by including all costs incurred e.g. management costs, admin, transport etc., however, these are viewed as core costs and often disallowed!
- Being 'kept out' by statutory organisations.
- Commissioners want us to do a certain thing – are we already doing it or do we have to reinvent ourselves to meet their criteria? Lots of funders want a 'new' project.
- The statutory sectors are frightened of letting go – the voluntary sector can do a better job because they take the time to get to know the kids!
- Too many funding pots about with little bits of money – better if there was one central place to apply.
- A big barrier for us is the vast amount of administration and monitoring required – this takes us away from face-to-face work with young people.
- If we were commissioned to run a project with failure to offer funding in advance we would have to rely on our reserves and this would leave us vulnerable.
- It's a very competitive, complex, knowledge-based market – sometimes who you know can work for or against you. You can be drawn away from your organisation's aims and objectives to secure funding and then there's a lot of additional paperwork.
- Often a key barrier for the voluntary, community and faith sector is either their lack of willingness to change or lack of business mentality – the necessity to be more commercially minded.
- Faith based organisations tend to attract a lot of volunteers who are 'do gooders'. Because of their lack of training they often perceive youth work as supervising the young people/converting them to the Christian faith ... it's obviously a lot broader than that!
- ECM – it's a load of [expletive deleted] – it's a lie – ECM is supposed to be about all young people e.g. the half decent ones not just the hard-to-reach young people e.g. NEET.
- Workforce development is a very loaded pot of money for the voluntary sector. It's focused on the VCS to improve their professional skills. The amount of money is miniscule compared to the statutory sector.
- The timescale for tenders can be so short that it seems to be a deliberate ploy to exclude groups. Again, monitoring takes time. The VCS are seen as amateurs and not as professionals. Sometimes the VCS is looked on as the cheapest option but we are not given enough money to achieve the outcomes.
- Training isn't a problem. Staff can do any course that's offered. Support and guidance, though, is another matter as there are no supervision or appraisal systems in place.

Appendix 4: Quotes from commissioners' research

- There's not as much innovation in the VCS as had been hoped for. There's an open tendering process but the response has been less than expected.
- I think the VCS understand ECM very well. There has been a lot of positive work undertaken to raise awareness in both infrastructure organisations and the VCS. VCS organisations are beginning to position themselves to achieve outcomes that will enable them to be involved in commissioning.
- VCS organisations have acted in isolation from each other and so don't have the range of services available. They could help themselves by developing a consortium approach.
- Lack of clarity over unit pricing. Not tailoring their services to meet need.
- We wanted organisations with strong leadership but receive more passive approaches.
- Many in the VCS will 'go the extra mile' that you don't find in the public sector.
- The VCS is also better placed to engage with hard-to-reach communities.
- They act professionally and display flexibility in their thinking. They have dedication, energy, commitment and perseverance. They also display an evaluative approach on their practice.
- There are perceptions and attitudes in LAs that see VCS as amateur. There are also expectations that VCS can't deliver services at the standard required.
- We also need to develop an effective partnership with the VCS. People are nervous about the VCS especially in evaluation meetings. There needs to be transparency of process and we need to communicate more effectively.
- Statutory agencies have a duty to grow the capacity of the market and its ability to engage in opportunities.
- Commissioners have a role in civic leadership and promoting partnership working. Often commissioners may be seeking a shrinkage of the VCS market due to too many providers and oversupply.
- Often the VCS doesn't understand their market position or how to promote it.
- NHS legislation doesn't allow health care funding to be freed up for individuals.
- One of the potential barriers is the growth of 'astro-turfing' and the setting up of pseudo voluntary organisations.
- The VCS need to develop a mutuality model towards commissioning.
- As far as ECM goes the sector is well versed but there is still a trend towards chasing funding no matter what the cost.
- The local authority is still guilty of coming to the VCS after prime decisions have been made and not before or during the discussion phase.
- The most common difficulty that we have is finding a sector voice.
- I do feel the sector is a bit like the motorcar industry in the early twentieth century – two or three hundred firms seeking to build the best cars with unique brands and only a few really coming up with the goods until some form of rationalisation (for example, General Motors!) came along and moved the whole game up a notch.

Appendix 5: Executive summary

The aims of this research were as follows:

1. Describe the characteristics of VCS organisations that were seen as being commission-ready.
2. Undertake an audit of the skills needed by VCS groups to be commission-ready.
3. Develop a gap analysis to inform future training activity.
4. Develop recommendations for future activity to support development of skills.

Research undertaken

To achieve the aims outlined above, the research undertook:

- a desktop review of existing literature and information about commissioning and procurement
- 127 telephone interviews with VCS groups
- 20 face-to-face interviews with individual commissioners
- to hold 10 focus groups with a variety of commissioners.

Characteristics of a commission-ready organisation

These comprise:

- a good reputation with partners, funders and the community
- good relationships and links with the local community
- an awareness of local needs and ability to tailor services to meet them
- the achievement of targets and outcomes
- an ability to work in partnership, and to be externally and strategically focused
- a flexibility and willingness to change and evolve
- an awareness of new agendas and a strategic view
- the ability to take a long-term view even in difficult circumstances.

Skills within a commission-ready organisation

These comprise:

- communication skills
- partnership working
- leadership-performance management, planning, strategic management
- management, including business planning
- effective governance and accountability
- achieving outcomes.

Skill gaps identified

These gaps fall into the areas of:

- writing bids and tenders
- financial management
- performance management
- monitoring and evaluation
- business planning
- sector-specific skills and qualifications
- developing effective governance.

Training identified and recommendations

VCS recommendations

Recommendation 1

To provide a 'preparing your organisation for commissioning' training course that would take VCS groups through the commissioning journey

Recommendation 2

To develop an NVQ 3 or NVQ 4 VCS leadership and management course, to be supported by local or regional funding and with funding for workers and managers to attend

Recommendation 3

To put into place in each area a programme of 'workforce development awareness' training involving local VCS organisations in developing and implementing local workforce strategies

Recommendation 4

To provide training on full-cost recovery, for VCS organisations, to ensure they have a clear understanding of it, its methodology and when best to use it. A method of calculation should then be agreed with local commissioners.

Recommendation 5

To get VCS groups to identify and effectively market their services and skills to commissioners and, if need be, for VCS infrastructure organisations to provide support and training to undertake this

Recommendation 6

For local authorities to support and invest in the development of specific local infrastructure organisations that have a clear mandate for children, young people and families' services

Recommendation 7

To explore, via VCS Engage and local voluntary sector forums, how large and regional VCS organisations can provide buddying support to smaller community-based and volunteer-led groups

Local authorities and commissioners recommendations

Recommendation 1

Local authorities to ensure that they have a strategic lead for commissioning employed at a senior level

Recommendation 2

Commissioners at a local and regional level to agree a common usage of terms within the commissioning framework

Recommendation 3

Local authorities to identify a VCS champion at senior officer or elected member level

Recommendation 4

Commissioners to map the resources they are giving to the VCS and identify the match funding that the VCS generates, so as to give an accurate picture of the status and value of VCS services to children, young people and families

Recommendation 5

Commissioners to be much more aware of the opportunities and services available within the VCS, to develop market intelligence and produce a comprehensive service directory and 'approved provider' list

Recommendation 6

Local authorities to make a commitment to full implementation of the Compact with clear penalties from the government on non-compliance.