Swansea Council for Voluntary Service

Your local county voluntary council

3. Working with others

3.7 Commissioning

Historically in the public sector the award of grants has been based on an open application process by organisations seeking funding for services they wish to provide. Inevitably this tends to lead to a patchwork of provision with gaps in coverage of some services and duplication of others.

What is commissioning?

Recently the public sector has moved to a 'commissioning' model, by which it means that it will identify the services it wishes to buy from the voluntary or private sector.

'Commissioning has been defined by the Audit Commission as follows: Commissioning is the process of specifying, securing and monitoring services to meet people's needs at a strategic level. This applies to all services, whether they are provided by the local authority, NHS, other public agencies or by the private or voluntary sectors.'

Commissioning is the term used to describe a cyclical process, designed to improve services. It has a number of stages:

- identifying and measuring the need for services
- reviewing the existing levels of service provided
- identifying the resources available
- agreeing the outcomes to be achieved
- deciding on priorities
- arranging for delivery of the service
- monitoring and review of what is delivered
- modifying and revising the strategy

Local authorities will have a much greater focus on the outcomes it wishes to achieve with funding. These outcomes will be based on their priorities, which in most cases will have been agreed with the voluntary sector and other partners, and which are published in a number of planning documents.

Local authorities will be encouraging the sector to propose services which will meet these outcomes and agree some performance indicators which will help them to identify whether the outcomes have been achieved.

Action plan

On 6 December 2006 the Cabinet Office published its action plan for third sector involvement in public services ('the action plan'). It sets out the steps that government has already taken to support the sector in the public services arena, and the steps that will be taken in the future.

The action plan recognises the contribution that the third sector can and does make to creating and delivering high quality public services that people value.It also clarifies that the potential role of the sector goes beyond direct delivery of services to include:

- bringing innovation to partnerships with the public sector;
- helping to design services; and
- campaigning for changes to service provision.

At the same time, the action plan acknowledges that there are many third sector organisations that may have no interest in public services that should nevertheless be able to access full government support.

The action plan recognises shortfalls in current contracting processes which have been well-documented in recent years, including short term funding, inappropriate balance of risk, failure to meet full costs and excessive monitoring processes.

The plan builds on the work that is already going on in government and:

- outlines proposals to improve partnership, particularly in commissioning
- brings together existing opportunities for the sector to be involved in improving services; and
- details measures to improve the capacity of the sector to deliver public services

The government remains committed to providing grant funding where appropriate. Particular barriers are short-term funding, inappropriate balance of risk, pricing systems which impede full cost recovery and excessive monitoring and evaluation requirements. There are a number of moves across government to reduce the bureaucracy associated with contracting. For example, the Department for Work and Pensions (DWP) is developing an accreditation system that will measure progress in performance and therefore will encourage providers to make year-on-year improvements. However, more can be done to streamline and standardise processes.

The Department of Health Third Sector Commissioning Task Force has already developed a model contract for health and social care. While it would not be appropriate to develop a single contract across the full range of service areas, all the departments involved in the action plan will review the scope to use template contracts in specific areas within children's services, education and training, employment services and prison and probation services. These contracts should include multi-year funding, focus on outcomes, minimised bureaucracy, appropriate balance of risk and full cost recovery.

Government recognises that many third sector contracts and grants are inappropriately short-term. Therefore, HM Treasury has signalled that both central and local government will be expected to pass on the security of their three-year funding arrangements to the third sector bodies that they fund from April 2008.

The action plan recognises the innovation that the sector can bring to public services, particularly in terms of prompting organisational improvements within the public sector; developing innovation in existing services; developing innovations in connecting services to their users; and establishing new services.

The action plan recognises the role that third sector organisations can play in empowering individuals and communities and thus holding public services to account. Government has increased attempts to engage with the sector, including through the Office of the Third Sector strategic partners, the Third Sector Review and others. Discussions are also continuing on patient involvement in health and the creation of Local Involvement
The action plan recognises the contribution that the sector has made to public services over the last ten years, and suggests areas where this role could grow substantially in the future:

- prison and probation services, particularly probation interventions;
- learning and skills for offenders;
- provision of information about public services, particularly to disabled people;
- personal and community development programmes
- parental and family support services;
- Children's Centres and wider provision of childcare services;
- extended schools and positive activities for young people;
- community equipment and wheelchair services;
- community transport;
- local waste management services;
- enabling vulnerable people to live independently

Further information

Office for Civil Society
www.cabinetoffice.gov.uk

Getting Ready for Contracts - A guide for voluntary organisations 2nd Edition - www.sandy-a.co.uk

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