



Welcome to the spring edition of Futurebuilders England's Commissioning Review, where we examine the issues that affect both the public sector commissioning environment and the third sector's ability to win and deliver public service contracts.

Our aim is to report on the progress made and the problems encountered by our investees, and to highlight ways in which the third sector service providers we invest in are addressing the challenges they meet.

In the three months since we published our last review, our investees have as always encountered a range of positive and negative messages and experiences about the commissioning environment.

One of the less encouraging developments has been the renewed uncertainty surrounding the nature and future of the National Offender Management Service (NOMS), whose ability to have a meaningful impact on the commissioning and delivery of services has not been enhanced by the announcement of yet another reorganisation.

As a result, there continues to be a dearth of applicants to Futurebuilders from organisations working to address offending, in spite of the clear potential of many third sector providers to deliver creative, innovative and, crucially, preventative services in this area.

Promising signs

Elsewhere, however, some investees have seen their fortunes improve.

Cross Herts Community Counselling

(CHeCC) has featured in several earlier Commissioning Reviews, both as an example of what can be achieved when a group of service providers work together in a consortium structure, and as an illustration of the drawbacks and frustrations that even the most politically aware and well-networked providers can face in the quest for long term service delivery contracts.

At the end of last year, CHeCC finally secured a substantial three-year contract to deliver counselling services for young people across Hertfordshire.

CHeCC manager David Evans feels that this is an important stage in the long battle

to establish prevention and early intervention at the heart of the local Child and Adolescent Mental Health (CAMHS) strategy.

"Some of our member organisations have been working in this field for many years, and since we set up CHeCC we have gathered and provided every kind of evidence to demonstrate the effectiveness – and the cost-effectiveness – of what we do."

The new contract is in many ways a vindication of CHeCC's consortium structure, which provides central services as well as carrying out contracting negotiations on behalf of all its members. "CHeCC has been able to collect and deliver evidence to strengthen our case and support our contract negotiations, alongside the actual services all our members exist to provide," says David.

"This has been effective in securing us the political space that has raised the profile of young people's emotional health and wellbeing, and its impact on communities at every level."

One of CHeCC's most significant

achievements has been to establish a reputation locally for professionalism in the way it negotiates and handles contracts, as well as its actual service delivery. All too often, this is an issue that public sector commissioners identify as a major barrier to contracting with the third sector.

Influencing commissioners

Futurebuilders has spent the last year working with a team of commissioning specialists whose role has been to engage with public sector commissioners, raise the profile of third sector providers and identify the barriers to greater contracting between the two.

Time and again, public sector commissioners declare their willingness to increase their engagement with the sector, but are held back by a widespread perception of organisational weakness within third sector service providers.

In cases like these, Futurebuilders is frequently asked what it can do to help overcome those weaknesses and provide some degree of assurance to commissioners, growing numbers of whom now ask us to help develop the skills of providers from whom it would like in the

long term to commission services.

Our response is often to offer development support to these providers, helping them to develop the organisational strengths and skills that commissioners need to see.

While Futurebuilders is in no position to prejudice the market in favour of its investees, we can in some cases help to ensure a level playing field.

For example, Futurebuilders has recently offered development support to **Rethink**, a fledgling consortium of mental health care providers from whom Lancashire Mental Health Partnership Board has expressed an interest in ultimately commissioning services. The Board has already carried out an audit and cut unwanted NHS beds and services from its budget, in order to free up the resources to increase its third sector commissioning.

More broadly in the same region, the North West Strategic Health Authority has taken steps to identify PCTs who have chosen to take a positive approach to engaging with the third sector. These include Blackburn with Darwen PCT, which in partnership with the SHA has recently supported a bid to Futurebuilders from a new organisation with ambitious plans to develop a groundbreaking drop-in paediatric care service.

Commissioner initiatives

Elsewhere, we increasingly encounter commissioning bodies who have moved beyond general expressions of support for the sector and are taking positive steps to open out their commissioning practices.

Some, like the London Borough of Barnet, have put in place specific measures to encourage the sector. In Barnet's case this includes postponing the tendering for Supporting People Floating Support to allow the voluntary sector to prepare its bids, and splitting the contract itself into smaller units, again as a way of helping to put the voluntary sector on a level playing field.

Similarly, Barnet's Children's and Young People's Plan 2007/8 – 2009/10 reiterates its commitment to increasing the number of its partnerships with third sector youth service providers. It is also working with Barnet Voluntary Service Council to commission services more effectively, and help to build the sector's capacity so that it can take a more proactive role in service delivery.

Cambridgeshire Children and Young People's Strategic Partnership (CYPSP) has also been proactive, stating "The voluntary and community sectors are vital to the successful delivery of our ambitions for children, young people, parents and carers. Their involvement is key not only as

providers of services, but also through the input they can make to the development and design of new services."

The CYPSP recently held a series of seminars to brief local third sector providers on the Office of Children & Young People's new approach to commissioning and the introduction of longer term funding arrangements, and to explain the rationale behind the changes.

Increasing numbers of local commissioners have been taking a similar approach, although not all have received a positive reception from their local third sector.

While many providers have embraced the opportunities offered by a move away from grant funding and towards contracting for service provision, others have been reluctant to enter into the more complex and accountable relationships this will entail.

False hopes

In some cases, a degree of wariness is understandable. In one London borough, Futurebuilders has given development support to a local Mencap that had been asked by two local authorities to work with them and other third sector providers on a complete redesign of local services for people with learning difficulties.

This came to Futurebuilders as an exciting

proposal that had been developed alongside purchasers and looked likely to result in a wholesale change in the quality and method of public service delivery in two London boroughs.

The Mencap in question has a long, well established history of supporting people with learning disabilities through direct service delivery and campaigning, and the shared long term aim of the scheme was to transform the way services were delivered by giving individuals more choice, opportunities and flexibility to engage in meaningful work, volunteering or leisure activities as opposed to more traditional and less productive day care services.

Futurebuilders supported the scheme development, giving the organisation the resources to prepare a strong business case and to work in partnership with their commissioners.

However, the latest news from the local Learning Disabilities Partnership has dashed everyone's hopes, since it is clear that the commissioner no longer has the resources to take the scheme forward and has resolved instead to settle for the existing, much less satisfactory, traditional care model.

It is hard to know what has caused this drastic change of direction, but past experience has shown that decisions like

these are all too often made in the light of sudden changes in central policy or reductions in funding streams, often leaving public sector commissioners with no choice but to scale down their most creative and, ultimately, cost-effective plans.

This Mencap had so far only been given development support by Futurebuilders – but it is by no means unheard of for full investees to find themselves in a similar position.

In Gloucestershire, the **Nelson Trust** has been obliged to turn down a Futurebuilders investment of over £900,000 because of continued uncertainty over national and local policy regarding residential treatment for young people with drug and alcohol dependency problems.

Signs of progress

However, there are still signs that, in some areas, positive change is on the horizon. CHeCC's experience demonstrates the benefits of refusing to give up and continuing to gather and publicise hard evidence of effectiveness.

In the West Midlands, a Futurebuilders investee is on the verge of securing a truly substantial long-term contract to deliver services to its local community; and the National Programme for Third Sector Commissioning is now well and truly

underway.

It is to be hoped that, in the not too distant future, the commissioning environment finally begins to change at the level where it matters, enabling third sector providers to win sustainable contracts that help them to deliver the best possible public services to the people who need it most.

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