

Written submission

Submission from The King's Fund to the VCSE Review's discussion paper on challenges and solutions to better investment in and partnership with the VCSE Review

Authors

Lisa Weeks and Helen McKenna

Introduction

The King's Fund is an independent charity working to improve health and health care in England. We help to shape policy and practice through research and analysis; develop individuals, teams and organisations; promote understanding of the health and social care system; and bring people together to learn, share knowledge and debate. Our vision is that the best possible care is available to all.

We welcome the opportunity to comment on the Voluntary, Community and Social Enterprise (VCSE) sector review and its interim report. The King's Fund works closely with representatives of organisations from both the voluntary and community sector (VCS) and commissioning sectors.

Through the annual GSK IMPACT Awards (funded by GSK and run in partnership with The King's Fund) we work with a range of community health charities, identifying and rewarding innovative charities that are doing excellent work to improve health and wellbeing across the United Kingdom. Winners receive a range of benefits including the opportunity to attend a three-day development programme and membership of the GSK IMPACT Awards Network – a unique learning network that supports health and wellbeing charities to develop their leaders on an ongoing basis. There are currently 99 members of the Network, representing 62 award-winning charities from around the United Kingdom.

The Network explores many issues faced by health charities, with recent topics including influencing skills and the VCS's relationship with commissioners.

This short discussion paper is based on the feedback we have heard through our work with representatives of both commissioning and VCS organisations. It seeks to air some of the issues we frequently hear through our contact with both sectors. We hope that it will be of use to the review specifically in relation to two of the consultation questions:

7. How can commissioners and VCSE organisations at a local level be encouraged to work better together in co-producing local plans within health and social care?
8. Do you know of any relevant evidence or examples of good practice locally or good partnership-working between the VCSE and statutory organisations?

In developing this short paper we have drawn on our own publications (Curry *et al* 2011; Weaks 2014; Naylor 2015), on case studies from members of the GSK IMPACT Awards Network and on insights from a range of commissioners as well as facilitated meetings with commissioners and the VCS.

The feedback we have heard from commissioners and VCS organisations can be grouped under five main themes:

- taking a system-wide view
- the commissioning process
- measurement / return on investment
- encouraging more activity between the two sectors
- behaviours and organisational culture.

Background

The main statutory national health bodies have recognised the role of the voluntary sector in health and its potential to 'impact well beyond what statutory services alone can achieve' (NHS England *et al* 2014). In the *NHS five year forward view*, NHS England calls for 'stronger partnerships' between the NHS and charitable and voluntary sector organisations. It commits to developing a national alternative to the NHS standard contract with the aim of reducing the time and complexity associated with securing local NHS funding.

Despite this recognition, our work with commissioners and VCS organisations suggests that the voluntary sector's potential to help the NHS meet its objectives is not always realised.

Common themes arising from our work with commissioners and VCS organisations

In this section we outline some of the challenges we have observed, as well as examples of positive working relationships and suggestions about what has enabled these. Our insight is based on a facilitated discussion between 12 health and social care

commissioners and 31 leaders of voluntary organisations (all members of the GSK IMPACT Awards Network) in March 2014, as well as a meeting with the Network and commissioners in July 2015. We have also drawn on a number of other examples and case studies from both commissioning and VCS colleagues.

Taking a system-wide view

In their conversations with us, both commissioners and VCS organisations emphasise the importance of taking a system-wide and strategic view, to include consideration of each other's strengths, priorities and the pressures they are operating within.

How can we provide solutions that fit what the system needs? It's not about us saying our cause is the most important – that does the VCS a disservice. It is a system that we are all operating in and we need to use our knowledge and expertise to support it.

VCS leader

If you give money to one place it has to come from somewhere else. Unless you are saving enough to close a whole hospital ward, it doesn't show savings.

CCG commissioner

One of our fears about having discrete third-sector budgets is that in times of cuts they are the most vulnerable.

CCG commissioner

A starting point for organisations wishing to develop a system-wide view lies in building relationships between the sectors. However, building these relationships takes time and work – and some of the differences between the two sectors can sometimes make engagement appear daunting.

The engagement bit is seen as a waste of time – the system does not give value to building the relationships. How can that be privileged in the system? What do we understand the job of the commissioner to be?

CCG commissioner

You always hear that commissioners have not got time – but we can't afford to not give it the time. We need to make time to do things differently.

CCG commissioner

In our area there are over 700 charities – how we deal with the complexity and range and how they work together is crucial.

CCG commissioner

Commissioners are becoming paralysed as they think they need to speak to everyone – but they should not need to do this.

VCS leader

The VCS is part of the local system and you have to think creatively to unleash it – they need to be at the table.

CCG commissioner

The importance of involving the VCS at an early stage of the commissioning process (before tenders have been drawn up) was raised. VCS organisations tell us that this would enable them to use their local knowledge to shape commissioning priorities and give more time to form consortia or collaborations if appropriate.

If you want the doorway to a thousand voices you should speak to us at the start.

VCS leader

We should have a conversation about what we are jointly trying to achieve before we start talking about the money – the conversation is the wrong way round.

CCG commissioner

We try and talk to commissioners as early as possible – before tenders are published, and offer a service.

VCS leader

We have also heard that the mode of engagement is important, with a particular emphasis on transparency and openness.

We have a close relationship with our specialist services commissioner because we truly collaborate to find the best solution for the very restricted funds we have to work with. We are transparent and open – no hidden agenda. Our commissioner knows we will do our best and we know they would give us more money if there was some.

VCS leader

We have worked to build a strategic partnership with the LA [local authority] based on a relationship of communication, education, trust and cooperation rather than confrontation, as this is the most successful way to effect change for services users.

VCS leader

In our area the VCS is very aware of our financial position and the constraints we have. How you engage is important and requires effort, honesty, recognising the VCS's value and strong involvement.

CCG commissioner

The commissioning process

Many of the organisations we speak to in the voluntary and community sector comment on the complexity of the commissioning process and the difficulties associated with not having a clear understanding of commissioners' requirements and processes. These can feel particularly burdensome for smaller organisations.

We lack clear guidance on what they want, what they want reported, how often or who to talk to. We have to spend ages identifying the staff with whom we can work.

VCS leader

The commissioning organisation is not very good. We have no commissioning manager and I am not sure that there is any link between those who pay the invoices and those who commission the service ... what would really make a real difference is if those who commission the service could promote it to their frontline staff. Having 'sold' the service to the commissioner, we have often to 'sell' the service all over again to those who could use it.

VCS leader

As a VCS organisation we need to be clear about our costs – such as to attend multiple meetings. If you are working in a consortium with big organisations maybe 10 different people can attend meetings, but in the VCS we often multi-task.

VCS leader

We have also heard concerns about how quickly commissioning processes change and that VCS organisations find it hard to keep up with developments.

There have been challenges – not least the transition to a lead provider model meaning that smaller providers have been concerned their relationship with commissioners will be lost. The move to an NHS standard contract, introduction of CQUIN payments and measures, and the major issue of information governance have all been hurdles to overcome.

VCS leader

Where commissioners have taken the time to help the VCS to understand processes, this has worked well.

The CCG has developed a peer-to-peer relationship with us and the other providers, working to understand how to overlay organisation-specific governance with NHS contractual obligations. This has worked well, although there are still improvements to make.

VCS leader

It has been a supportive process and there is a shared confidence that we have the capacity and ability to deliver high-quality services in the sector.

VCS leader

In order to bring these smaller providers together, the CCG offered a 12-month period of support and consultation.

VCS leader

From a commissioning perspective, we have heard from commissioners that they are keen to work with the VCS, but that they lack clarity about how to fund the sector.

We make some grants to organisations for pilots or individual projects. However, the framework for CCGs making grants without going through tendering and

procurement is really unclear. It needs to be made easier to award contracts and to commission from the VCS.

CCG commissioner

Different methods of commissioning such as pooled budgets were highlighted as a possible solution by one commissioner:

We have created a commissioning framework for the VCS with some pooled budgets across health and social care so we can offer longer-term arrangements.

CCG commissioner

Finally, we have heard concerns from both sectors about the need for greater collaboration to be encouraged, rather than competition, which can drive out smaller providers with local knowledge and networks.

VCS organisations would work better together at a local level if they were not being constantly pitted against each other in competitive tenders to deliver services. It is getting to the point where you hardly dare voice a good idea in front of a VCS 'partner' ... groups of smaller local organisations may end up bidding against for-profit companies or larger national organisations with little local knowledge. Local statutory organisations cite EU commissioning rules, but by taking these very literally, they may work against good collaborative voluntary sector work.

VCS leader

One issue is how the VCS behaves towards each other. We have heard of small local organisations being driven out by larger charities. The sector needs to look at its behaviour and what it is modelling. We would like to find ways to incentivise the sector to work more collaboratively.

CCG commissioner

Evaluating impact and return on investment

The importance of demonstrating a clear return on investment was raised, as well as the complexity of some VCS interventions, and the need to develop new types of measurement or frameworks.

Some of the VCS's interventions are very subtle and we need to be more creative about how we evaluate impact. How can we help all of us to measure this in a different way and quantify non-financial impact?

CCG commissioner

Sometimes the VCS has just assumed you had money to give. We are not cash-rich and money is very tight and we need to be really clear on return on investment and value for money from any work we fund.

CCG commissioner

We have had to adapt, invest in data capture tools and staff – and in part provide a conduit between the smaller organisations and the CCG, managing and holding

some of the data and quality reporting.

VCS leader

We develop costed models and work out cost avoidance to prove the value of our work. Then we 'sell' the solutions to commissioners.

VCS leader

Two key things we do really well are to offer a high-quality service and to communicate well. Our service is good and we have both data and patient stories to illustrate this. Secondly, we communicate well at all levels. We communicate with the patients we help which means we have new positive quotes about the service which we record every month.

VCS leader

Encouraging more activity between the VCS and commissioners

Some of our meeting participants queried why good practice in joint working between commissioners and the voluntary sector was not spreading. As one council commissioner said:

No one is joining up the examples of good practice – we need somewhere to collect the examples. The only way you read about them is in a report – there should be one place to learn about this.

There are opportunities for NHS providers to sub-contract to the VCS, such as in mental health for counselling and support services. It would be good to have strong case studies of where this works well and what models look like.

CCG commissioner

Behavioural and organisational culture

Some of the key barriers to effective joint working which emerged from our discussions include different organisational cultures and behaviours, as well as a lack of understanding of each other's pressures and needs.

The third sector really needs to get its house in order, and change some of its behaviours if we are to really collaborate and be seen as equal partners.

VCS leader

I realised there was a lot I didn't know about how the NHS and public sector worked and the power base was not where I thought it was. It really grew my empathy ... It is important for the VCS to understand the context in which the NHS is operating and the pressures they are under ... Understanding this has helped me frame my conversations with commissioners and it changes behaviours.

VCS leader

Some felt that leadership was a particular issue that could make a difference.

A lot of this is about politics and place – power, control, influence – it's the people and relationships that make the difference.

Local authority commissioner

One of the key things for the VCS is to join the leadership party – become system leaders and co-create the outcomes.

CCG commissioner

In order to build resilience and better understand the interconnectivity of health, social care and people's lives, the new ways of working outlined within the FYFV need deeper connectivity and a new model of collaborative leadership. In some areas, the third sector is coming together to provide this leadership and drive forward a shared vision for the communities we all serve.

VCS leader

We were given one example from a VCS leader who had taken part in a facilitated programme that brought together all parts of the health system working with the NHS and other chief executives. This had helped to change behaviours and perceptions and to break down barriers:

...[the programme] gave us intelligence, networks and contacts on which to build. It also allowed statutory sector leaders to see me in more depth, and to challenge some preconceptions about the third sector, showing that we can work at a strategic level, and not just represent our own organisation. It also provided shared space to build mutual understanding.

Discussion

The commissioners we spoke to were keen to find ways of working more effectively with the VCS, but some were experiencing difficulties. Equally many VCS leaders wanted to develop better partnerships with their commissioners, and some were frustrated by the commissioning process, feeling that they had a lot to offer the system but that their voice was not being heard. We heard from VCS leaders who had strong and productive commissioning relationships and those who did not – and why they thought this was.

The issue of competition between VCS organisations was raised, and the need to find ways to foster greater collaboration and ensure that smaller local providers do not get driven out. Finding new ways to measure the impact of 'subtle' or non-clinical interventions is important, with mechanisms to link these to NHS priorities and outcomes. A number of commissioners said that they would find it helpful to have access to best practice case studies showing examples of positive collaboration between commissioners and VCS organisations.

Through our work with both sectors, we have been able to observe a range of issues that get in the way of genuine collaboration, as well as hearing suggestions of what works well. The complexity and challenges of the commissioner / VCS relationship are not new, but are unlikely to alter significantly without some type of intervention. Some of these challenges are practical, such as the problems both sectors experience with the

commissioning process. However, others are rooted in the differences between organisational culture and behaviours. Through our experience of running a wide range of leadership programmes across the health system, we believe that a key part of the solution lies in leadership and through developing teams and leaders who can adapt, collaborate and lead differently.

This paper provides a snapshot of some of our discussions. In writing it we wanted to present an independent view of commissioning, taking account of both the commissioner and VCS perspective. It is not intended to be a comprehensive analysis, but seeks to highlight the complexity and some areas that need to be considered for change to occur.

If it would be helpful, we would be very happy to meet to discuss the issues raised in this paper in more detail. Finally, we would like to thank all those who contributed quotes for use in this paper.

Further information

For further information about the GSK IMPACT Awards, please visit:

www.kingsfund.org.uk/projects/gsk-impact-awards

For information about the leadership development programmes offered by The King's Fund, please visit: www.kingsfund.org.uk/leadership

References

Curry N, Mundle C, Sheil F, Weaks L (2011). *The voluntary and community sector in health: implications of the proposed NHS reforms*. London: The King's Fund and NCVO. Available at: www.kingsfund.org.uk/publications/voluntary-and-community-sector-health (accessed on 6 November 2015).

Naylor D (2015). 'Meeting of minds' [online]. *The commissioning review website*, 21 October. Available at: www.thecommissioningreview.com/article/meeting-minds (accessed on 6 November 2015).

NHS England, Care Quality Commission, Health Education England, Monitor, NHS Trust Development Authority, Public Health England (2014a). *NHS five year forward view* [online]. London: NHS England. Available at: www.england.nhs.uk/ourwork/futurenhs/ (accessed on 6 November 2015).

Weaks L (2014). 'Evaluation: voluntary service' [online]. *The commissioning review website*, 4 September. Available at: www.thecommissioningreview.com/article/evaluation-voluntary-service (accessed on 6 November 2015).