

# LOCAL COMMISSIONING

THE EXPERIENCES OF HAMPSHIRE'S VOLUNTARY SECTOR

## SUMMARY

To download full report, please go to:

[actionhampshire.org/local-commissioning-the-experiences-of-hampshires-voluntary-sector](http://actionhampshire.org/local-commissioning-the-experiences-of-hampshires-voluntary-sector)

### Introduction

An on-line survey was circulated around Hampshire's voluntary and community sector organisations in October/November 2017, which asked 12 questions about local commissioning practices. 181 responses were received.

### Do you currently have contracts with any of the following?

Almost 60% of respondents said that they currently had contracts with statutory bodies. Of those holding public sector contracts, the largest proportion of respondents reported having contracts with Hampshire County Council (67%), followed by 'Other local councils' (52%) and CCGs (34%).

### Have you applied for contracts (successfully or unsuccessfully) with other statutory bodies within the last 5 years?

Approximately 65% of respondents either hold a current contract or have applied for a contract in the last 5 years. Again, Hampshire County Council was mentioned by the most respondents, with Hampshire Fire & Rescue and Hampshire Constabulary not being mentioned at all.

### Have you stopped bidding for contracts from any statutory bodies?

34% of respondents said that they had stopped bidding for statutory contracts. The reasons provided for stopping bidding for contracts were varied, however some clear themes emerged:

- Complexity and time consuming nature of process
- Contracts becoming larger and less appropriate for small/medium sized organisations
- Contracts underfunded and likely to cost charities to deliver
- Commissioners seem to want "sparkly new ideas", rather than tried and tested solutions
- Timescales often too tight
- A sense that commercial organisations are preferred and the playing field is not level
- Processes are "inaccessible, hostile, biased and riven with interpersonal politics".

## Are you *considering* stopping bidding for contracts from any statutory bodies?

30% of respondents said that they are considering not bidding for further public sector contracts.

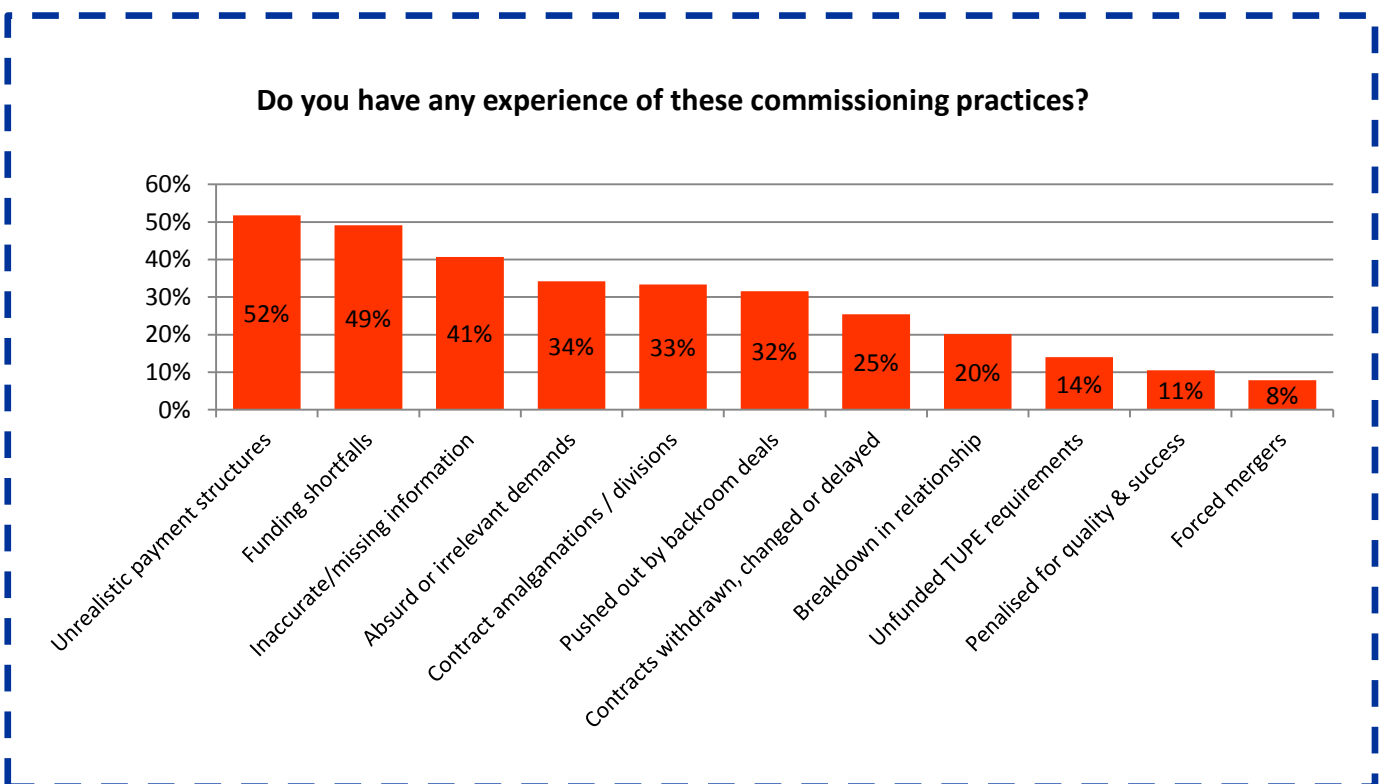
Most cited the same reasons listed in the section above, but also...

- Increasingly, the lowest price wins, regardless of quality. Weighting of contract price can be 80%, even for highly technical projects.
- Payment terms unhelpful, particularly for smaller organisations
- Difficult and time consuming to access the data that commissioners want included in bids
- Bias towards current contract incumbent
- Being expected to adopt unsafe or unethical practices to save money

## Poor commissioning practices

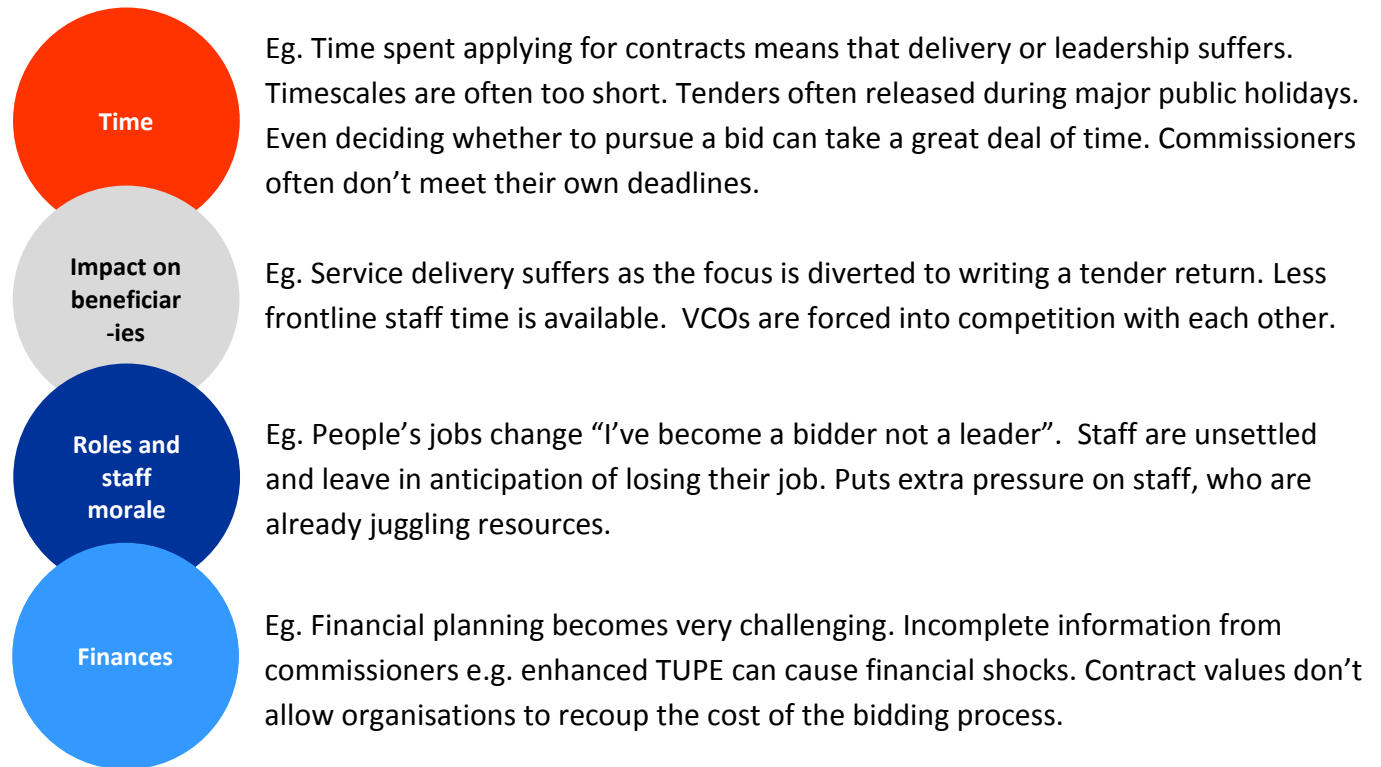
The Lloyds Bank Foundation's recent "Commissioning in Crisis" report identified a number of areas of poor practice in public sector commissioning nationally.

Respondents were asked if they had experienced any of these issues at a local level. 85% of respondents had experienced one or more of the following commissioning practices and many were felt to be standard practice. Many local examples were provided.



## What impact does tendering have upon your organisation?

Overwhelmingly, respondents said that tendering and procurement has a huge impact on their organisation. The 4 key impacts that emerged were:



### Do you have any examples of good local commissioning processes or practices?

- **Effective communication**
- **Commissioning by outcomes**
- **Proportionate and 'sensible' process**
- **Stakeholder involvement**
- **A desire to enable small and medium sized charities to compete**
- **Commissioners having knowledge about the service they wish to commission**

### Do you think the Social Value Act has any impact (positive or negative) on your organisation, or on local commissioning practices?

A significant number of respondents had either not heard of the Social Value Act, or did not know how it worked. Many others knew about the Act, but felt that it had not had any impact on either their organisation or on local commissioning practices. Somewhat alarmingly, only 3 respondents felt that the Social Value Act had made any impact locally.

## How could Hampshire's local commissioning practices be improved?

1. Follow existing good practice guidance such as the National Audit Office's 8 Principles of Good Commissioning (part of the NAO's "Successful Commissioning Toolkit")
2. Prize the additional social value that many voluntary organisations bring. Build the principles and spirit of social value into commissioning frameworks, regardless of contract size.
3. Consider commissioning by outcomes and leaving tenderers to work out the delivery mechanism. At the very least, ensure potential providers understand what the commissioner is ultimately trying to achieve.
4. Make the commissioning processes as straightforward as possible e.g. clear communication, straightforward language, standardisation, having a 'go to' person.
5. Be proportionate in your requirements of bidders.
6. Publish planned commissioning calendars in advance and allow plenty of time for submissions (particularly where partnership approaches are encouraged). Avoid tender windows during major public holidays.
7. Consider small and local organisations. If you value their services, ensure that tendering processes do not automatically rule them out.
8. Understand that most local voluntary sector organisations do not have specific tendering resources. Every hour spent on a tender, is an hour not spent on beneficiaries.
9. Ensure that commissioning is driven by officers who have a sophisticated knowledge of the subject matter (including TUPE and other relevant legislation) rather than by 'process'.
10. Share risk – don't make voluntary sector organisations shoulder all the risk.
11. Consult stakeholders about service commissioning plans. Apply co-production principles.
12. Cost vs Quality. Don't lose sight of overall Value for Money in the quest for financial savings.
13. Experience vs innovation. Sometimes 'tried and tested' is the best way – there's a reason it works. If commissioners want innovation, accept that it comes with risk.
14. The statutory bodies' stated values should be embedded in procurement and commissioning practices. E.g. If a statutory body believes in promoting localism and community resilience, their procurement practices should reflect and enable this.
15. Accept that contracts are not always the best way. Sometimes, a well targeted grants programme will provide better (and cheaper) outcomes for everyone.