

NEW MODELS OF COMMISSIONING

KEY PRINCIPLES AND NEXT STEPS

CURRENT LANDSCAPE

- Inconsistent processes across the public sector
- Competitive processes feel like the default position
- Confusion around the difference between contracts and grants
- Common understanding of social value
- Price/ Value for money scoring is unrealistic
- Lack of sufficient time and support to build effective partnership and collaborative arrangements
- Limited understanding of the impact of commissioning/ de-commissioning decisions on the VCSE

THE OPPORTUNITY

- Integrated commissioning is the direction of travel
- Increased focus on the role of the VCSE as a key delivery partner alongside public sector organisations
- Live examples of collaborative and partnership approaches to deliver services in the city (Hospital Discharge, Health Inequalities, elements of Community Services)
- Support from VCSE Sector across Humber and North Yorkshire
- Appetite to think and work differently from public sector partners
- Carnall Farrar 'magic formula' demonstrates the financial value of the VCSE

COMMISSIONING PROCESS

- *Horizon scanning and forward planning – replace with:*
- Understanding of the landscape informed by the VCSE reality
- Approved provider list to support streamlined future processes
- Open, transparent and efficient processes
- Co – design and Co-production approach with VCSE organisations and users of services *by default wherever possible*
- Increased market *testing* and engagement to support all commissioning
- Consistency of approaches across all parts of the public sector
- Incorporate sufficient time to develop collaborations and partnerships as part of the tender process
- Realistic timescales to support the procurement process
- Commissioners abide by their set timings
- Consideration of the application of financial thresholds as part of the process
- Good quality and consistency of tender documents
- Transparency around when and how decisions will be made
- Shared definition and understanding of Social Value (if applicable)
- Proportionality in commissioning processes used *according to size and complexity of contracts*
- Clearer process for managing TUPE
- Commissioners have a good understanding of what they are commissioning

CONTRACTS

- Consideration of longer-term contracts (beyond 3-year maximum) wherever possible
- Understanding the difference between contracts and grants in determining the preferred procurement route
- Consider a range of contract options at the start of the procurement process – lead provider/ sub-contracting, alliance contracting etc.
- Consistency and **proportionality** around performance management, contract review and the awarding of potential extension periods
- Inflationary increases to be supported as part of longer-term contracts
- **Increased contract values that keep up with inflation**
- **Contracts that enable flexibility and adaptability**

MONEY

- Payment in advance rather than arrears
- Agile contracting and payment processes (30-day standard)
- Consistency in contracting and payment processes across all parts of the public sector
- Consideration of a finance envelope rather than cheapest price in commissioning decisions
- Full cost recovery
- Annual uplifts

DE-COMMISSIONING

- Advance notice of a minimum of three months (ideally 6) **by default** *wherever possible*
- Clear rationale for the decision to be shared
- Offer of additional support from VCSE Infrastructure to explore sustainability and future funding options
- Equality Impact Assessments to be completed to support all de-commissioning decisions
- Negotiated 'wind down' and exit strategy to be agreed **which should be proportionate to the size of the organisation and contract**

Commitments from VCSE

- To abide by timeframes
- Participate in market engagement and landscape scanning
- Explore collaboration where financial element permits
- Be resourceful, innovate and creative

NEXT STEPS

- Commissioning horizon scanning and forward planning via the Integrated Commissioning Forum
 - Initial roundtable Social Value conversation has taken place
 - Initial discussions on Approved Provider framework have taken place
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- Testing the principles with the wider VCSE and the Integrated Commissioning Forum
 - Complete the work on the Approved Provider framework
 - Complete the work on Social Value