

Voluntary, Community and Faith Sector Commissioning Framework

18 November 2011



1. Introduction and background

1.1 -The Cabinet Office in its paper Building the Big Society makes the following statement

We want to give citizens, communities and local government the power and information they need to come together, solve the problems they face and build the Britain they want. We want society – the families, networks, neighbourhoods and communities that form the fabric of so much of our everyday lives – to be bigger and stronger than ever before. Only when people and communities are given more power and take more responsibility can we achieve fairness and opportunity for all.

1.2 - Wirral Council understands that the voluntary, community and faith sector is central to the provision of services to vulnerable people which promote wellbeing; reduce the risk of deterioration to an individual and which helps to maintain independence at home. Within Wirral the sector has held this position for many years. As well as this Wirral Council are reviewing their existing Commissioning and procurement processes, of which this framework will be part, to ensure greater involvement of the Voluntary, Community and faith sector.

1.3 - Wirral Councils cabinet on 9th December 2010 recognised the role of the Voluntary, Faith and community Sectors and made the following resolution

Cabinet is aware that Voluntary, Community and Faith Sector Organisations already play a crucial role in enriching the lives of Wirral residents and therefore commits our Administration to supporting their continued development, ensuring that Wirral becomes a shining example of how a Council can work in close partnership with the sector in the future for the benefit of local people. Cabinet recognises that this commitment requires a new way of working and thinking and that it will be at the heart of all we do in the future.

1.4 - Wirral Borough Council signed up to a Compact (Community Pact) with the Voluntary and Community sector in May 2006 in order to define and strengthen relationships between the Statutory Sector and the Voluntary and Community Sectors for the benefit of Wirral people.

The Wirral Compact sets out:

- A shared vision and principles
- Commitments of principle for both the Council and the VCS
- The Council's commitment to respect the independence of the VCS
- Systems to help ensure that the agreement works

The Compact was developed by the Wirral Compact Working Group (WCWG), which included representatives from voluntary, community and statutory sector groups.

1.5 - Wirral Corporate Procurement (2010) strategy sets out the following principles for all procurement within the Council

- Transparency, openness and accountability
- Sustainable partnerships
- Contribution to the councils saving targets and maximising efficiencies
- Operating a mixed economy of service provision
- Realising Social, environmental and community benefits
- Providing equality of opportunity
- An efficient and effective procure to pay process
- Risks are identified and managed
- Consideration of the environment
- Procurement that is undertaken by informed, professional procurement staff

1.6 - The Commissioning and Procurement Sub Group of the Comprehensive Engagement Strategy has provided a vehicle to establish a set of principles by which the Voluntary sector services will be commissioned and to deliver this framework in which there is a clear rationale for the commissioning and procurement of voluntary sector services. The Commissioning and procurement sub-group is made up of senior representatives from several local authority departments, NHS Wirral and Voluntary and Community Action Wirral.

1.7 - Wirral Council is working towards an Outcome Based Commissioning framework as recommended in the Cabinet paper June 2nd 2011

2 Purpose of the commissioning Framework

2.1 - The council in its Cabinet meeting of 9th December 2010 discussed the outcomes of the Councils consultation "Wirral's future: Be a part of it and resolved that:-

"Cabinet agrees with all the task forces that if frontline services are to be sustainable for the future the way they are managed and delivered will have to change. Also there is an opportunity to procure a range of services more cost-effectively from the Voluntary Community and faith sectors. This will be subject to a robust performance management framework that will ensure the quality of outcomes for service users are maintained or improved. The council will provide support and help to enable the sector to develop and grow and to provide a seamless transition for service users and a fairer charging policy to protect the vulnerable.

The Chief Executive be instructed to ensure all necessary steps are to taken to enable contracts with the Voluntary, Community and faith groups and organisation , which are due to tend in March 2011 are

extended by three months to facilitate service continuity during a period of contract review “

2.2 - This framework is therefore being developed to support the Council resolution in respect of the contract review and commissioning of Voluntary, Community and Faith sector contracts in the longer term and the establishment of the robust performance management framework required.

2.3 - This framework is intended to be of advantage to both the Council in delivering its priorities and to the Voluntary, Community and Faith Sectors

2.4 - In addition the HM treasury cross cutting review of 2002 demonstrates that using Voluntary, Community and faith sector organisations to deliver services can be beneficial because they:-

- Have specialist knowledge, experience or skills
- Have particular ways of involving people in service delivery, whether as service users or self help/ autonomous groups
- Are independent from existing and past structures / models of service
- Have access to the wider community (without institutional baggage)
- Are flexible and free from institutional pressures
- Are responsive services which are user centred.

This framework is therefore designed to provide an accessible, equitable and transparent process for commissioning from the voluntary, community and faith sector and which allows the sector to demonstrate their potential to provide high quality, value for money services to the citizens of Wirral. Commissioning from the third sector can also provide added social, economic and environmental benefits that promotes public policy and well being

2.5 - This framework will help to develop and maintain effective procedures, resulting in sound funding decisions that support well delivered, quality services, activities and programmes.

2.6 -The framework applies to all Council Departments and to its corporate functions. The framework also applies across the range of organisations in the sector.

2.7 - The framework covers all the funding the Council provides to the VCS. It also covers funding channelled through partnership-based programmes where the Council is the lead agency or accountable body.

2.8 - For the purposes of this framework the following Definitions apply:-

Voluntary, Community and Faith Sectors – *This includes charities voluntary organisations, community groups, faith groups engaged in voluntary social action, not for profit organisations, community interest companies, User led organisations and social enterprises,*

Commissioning – *Securing the services that most appropriately address the needs and wishes of the individual service user, making use of market intelligence and research, planning accordingly. (Definition from the Institute of Commissioning Professionals)*

Procurement – *the specific aspects of the commissioning cycle that focus on the process of buying services (Partnerships in public services. An action plan for Third sector Involvement)*

Outcomes- *Outcomes are defined as ‘changes, benefits, learning or other effects that service users experience as a result of services provided, (Charities evaluation services).*

Outcome based commissioning - *outcome based contracting as ‘shift the focus from activities to results, from how a programme operates to the good it accomplishes.’ This is a move towards allowing service providers to deliver services in a less prescriptive, flexible manner providing they achieve the needed outcomes for individuals or communities.*

2.9 - Eight principles of Commissioning and Procurement for Wirral were established by the Comprehensive Engagement Strategy sub group and agreed at the Local Strategic Partnership Assembly on 6th October 2010

- Understanding the needs of users and other communities by ensuring that alongside other consultees, we engage with the third sector organisations, as advocates to access their specialist knowledge, and involve the third sector in setting priority outcomes for users
- Ensures that outcomes for users at the heart of the strategic planning process, which includes capacity building for provider and communities where appropriate.
- Mapping the fullest practical range of providers with a view to understanding the contribution they could make to delivering those outcomes.
- Ensuring contracting processes are transparent fair and streamlined, facilitating the involvement of the broadest range of suppliers, including considering sub contracting and consortia building where appropriate
- Ensuring long term contracts where possible, as ways of achieving efficiency and effectiveness and
- Seeking feedback from service users, communities and providers in order to review the effectiveness and impact of the commissioning process in meeting local needs.

- Priority will be given within the procurement process to organisations and services which can demonstrate added social value
- Developing innovative approaches to commissioning and procurement, including pooling of resources.

2.10 -The Council will work with the Voluntary Community and Faith Sector to ensure that every funded organisation has an appropriate 'exit strategy' in the event that a particular source of funding should cease in order to plan in good time for different situations to reduce any potential negative impact on both beneficiaries and the organisation if/when funding ends

2.11 – Once it is determined that a service is to be contracted out, take steps to determine the relevance of equality matters to the service to be delivered. Then decide, to what extent, if any relevant equality matters should be incorporated into the various stages of the procurement process taking into account proportionality.

3 Scope and reach of the Framework

3.1 - This framework has been designed to apply to the commissioning of Wirral Council Services that have been identified as currently being provided by or potentially suitable for delivery by the Voluntary, Community and Faith sector.

3.2 - This Framework sits alongside the corporate plan and Wirral Council's Procurement Strategy.

3.3 - The Framework should be seen as an enabling mechanism to enhance the relationship between the Council and the VCS. The Guidance covers the Council corporately and each of its Departments.

3.4 All commissioning should be considered with reference to the Joint Strategic Needs Analysis (JSNA)

4. Wirral's Joint Strategic Needs Assessment (JSNA)

4.1 The Local Government and Public Involvement in Health Act (2007) placed a duty on all local authorities and Primary Care Trusts (PCTs) to undertake a Joint Strategic Needs Assessment (JSNA).

[The Big Picture: Health & Wellbeing in Wirral'](#),

Is the name for Wirral's Joint Strategic Needs Assessment.

4.2 What is Joint Strategic Needs Assessment (JSNA)?

The definition from the [Department of Health's](#) JSNA Guidance is, "Joint Strategic Needs Assessment describes a process that identifies current and

future health and wellbeing needs in light of existing services and informs future service planning taking into account evidence of effectiveness. Joint Strategic Needs Assessment identifies 'the big picture', in terms of the health and [wellbeing](#) needs and inequalities of a local population."

4.3 Why have we produced a Joint Strategic Needs Assessment (JSNA)?

The JSNA will therefore inform future service planning and inform the commissioning process and local partnerships must set out explicitly how they are going to prioritise based on the information contained within the JSNA.

4.5 Why is our Joint Strategic Needs Assessment (JSNA) important for Commissioning?

The JSNA is an important starting point when considering what services should be commissioned in Wirral. It is an evidence based approach to demonstrating the need for the provision of services to improve the health and wellbeing of the people of Wirral and to narrow the gaps where there are health and/or service inequalities.

5. Use of this framework

5.1 - This framework will apply to contracts and grants, as commissioning needs to be proportionate to the size of the grant or contract. The main areas where a grant will apply, rather than a contract will be:-

- To support and develop new and emerging areas of service
- Fund certain niche and specialist providers
- Fund certain community run projects and activities.

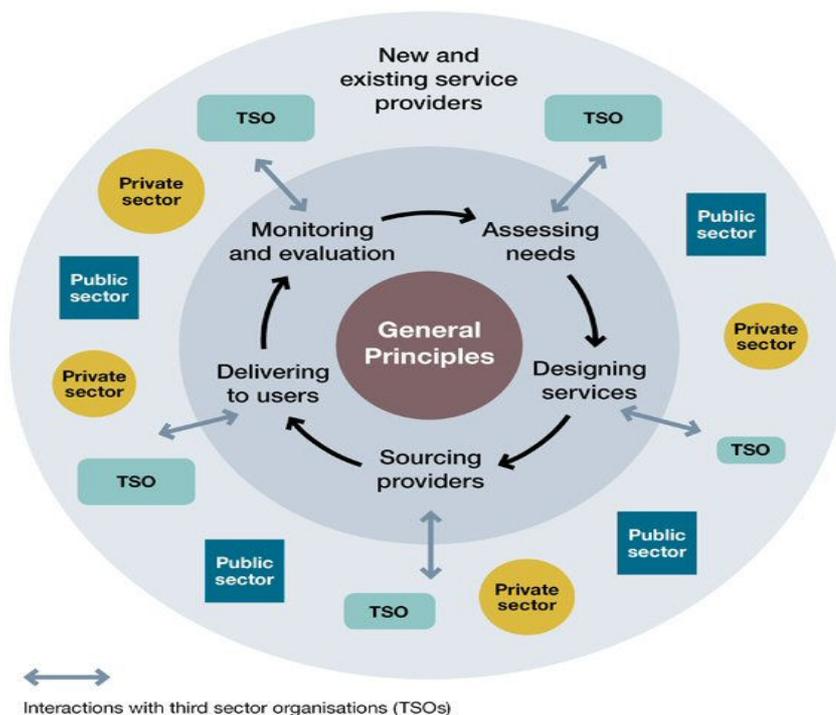
5.2 - The commissioning model options for this framework are:-

- Procurement The rules for using procurement are that -a function of the public body is to be outsourced and that the money is available in a suitable block relative to the goods or service that to be bought
- Competitive grant - A grant is a useful way for a public body to fund a voluntary community or faith sector organisation for an activity that is in line with one or more of the public body's objectives. In this instance there will be an open or limited competition for the grant. The process will proportionate to the value of the grant.
- Allocated Grant -As above but no competition as targeting a grant towards an organisation that is uniquely placed to deliver the required outcomes
- Investment in Capacity – Contracts that provide for an element of capacity building within the delivery organisation. This would help to support the development of the market.

- Direct payments / Personal Budgets. Where people who use services and / or their carers make a decision to purchase a service from a provider (usually from an approved list) directly
- Joint funding with other public bodies. Where funds are pooled often to provide economies of scale especially in the management and administration of the money. Equally this approach can be appealing to Voluntary, Community and Faith sectors due to the higher costs of working with multiple funding streams and management requirements.

The Council will enter into a formal commissioning process using one of the models above. This will be done in accordance with the Council’s Financial Regulations and Standing Orders. The public bodies will agree a lead Commissioner and contracting organisation.

5.3 - A model for the commissioning environment, process and interaction with third sector organisations as developed by the National Audit Office is shown below



http://www.nao.org.uk/help_for_public_services/third_sector/successful_commissioning/toolkit_home/introduction/nao_model_of_commissioning_and.aspx

6. Process for Commissioning with Voluntary Community and Faith Sector

6.1 - For the purposes of this document Wirral Council has divided the commissioning process into 4 stages. This is in line with the National Compact Commissioning Guidance for commissioning the Voluntary,

Community and Faith Sectors (VCF) and will be familiar to most commissioners that already commission services. The four stages include: **Analysis** and identification of need, **planning** a service to meet the need, **sourcing** a provider to deliver that service, and **monitoring** the delivery of that service against agreed outcomes, evaluating the service and re-assessing the need

6.2 Stage 1 Analysis.

Effective analysis is important as it creates a solid basis for the commissioning. This should provide a robust understanding of the needs of service users' highlights where resources should be directed and defines those outcomes that need to be delivered.

Engaging with a wide range of stakeholders including people who use services, carers, advocates, communities of interest, voluntary, community, faith sectors, and other stakeholders including front line staff is an essential part of the analysis. It increases the opportunity to find the most appropriate provider to deliver a responsive, effective and outcome focussed service. The success of the services delivered will be dependant on how effective the analysis is undertaken. This can be undertaken by running information sessions/workshops or meet the commissioner sessions.

To develop an effective Voluntary Community and Faith commissioning framework is important to engage with the sector at this first stage of commissioning allowing sufficient time for them to respond. Voluntary Community and Faith organisations can often operate with a small amount of paid staff and several volunteers, and freeing up time to take part in consultations and meetings additional to the running of their organisations can take careful planning of their resources in terms of staff time.

It is also beneficial for commissioners to work with infrastructure support organisations such as Voluntary Community Action Wirral (VCAW) to provide support or capacity building to Voluntary Community Faith organisations to enable them to effectively participate in the analysis phase. Making use of VCF provider directories is a useful way of contacting the sector and gaining knowledge of the size of the market

If as a result of the analysis the service no longer meets the required outcomes and is to be decommissioned the Voluntary Community and Faith organisations need to be given 3 months notice in writing stating the rationale for the decision.

The outcome of the analysis will be:-

- Understanding and evidencing the needs of service users
- Identifying unmet needs
- Understanding and mapping who delivers services

- Identifying gaps in service provision and considering how these gaps can be addressed
- Being clear and defining the outcomes to be delivered.

In some instances this analysis may have been completed in advance through the development of a strategy e.g. Wirral Adult Social Services Advice, information and advocacy strategy. Where this is not in place then the Service Analysis document will need to be completed prior to the next stage.

Part of the analysis, prior to the final decisions on commissioning being made, should include the completion of an Initial Equality Impact Assessment on the Commissioning of the Service.

6.3 Stage 2 -Planning

Effective planning is important as it allows commissioners to secure the most appropriate provider to deliver those outcomes identified at the analysis stage. The approach taken by the commissioner to fund a service is dependent upon the outcomes identified and the objectives of the commissioning body. The needs of all protected groups will be integral to the commissioning and procurement process.

The appropriate funding and commissioning approach will be decided at this point e.g. grant funded or competitive tendering. The effective planning will allow the management of risk of service delivery failure, by creating the right conditions for providers to focus on delivering outcomes.

Processes should not create bureaucratic barriers and discourage competent providers from applying. The engagement of the sector will be the responsibility of the lead commissioner for the service.

Planning is divided into four sub sections: *designing the service, knowing the market, commissioning approach, shaping the detail.*

7 - Designing the service

7.1 - To ensure a joined up approach with the VCF sector in achieving desired outcomes relationships need to be developed and encouraged to grow, developing a culture of mutual trust between the sectors. Consulting with VCF organisations that have local knowledge and expertise can enable the formation of new solutions to service delivery that meets the outcomes needed.

7.2 - VCF sector involvement will increase the likelihood of the views and needs of vulnerable or disadvantaged being heard and incorporated into service planning.

8 - Knowing the market

8.1 - Commissioners should know their markets to enable them to encourage as many high quality VCF organisations to bid for contracts as possible. Understanding the market can be improved by working closely with the infrastructure support organisations, such as VCAW that hold information and databases of VCF organisations.

8.2 - Making information available at the earliest possible time is recommended when communicating with VCF organisations to allow for the widest range of service providers to respond.

9 - Commissioning approach

9.1 - There are different ways of commissioning services, one off pieces of work or projects, the approach will be determined by the outcomes that are to be achieved using one or a combination of approaches including: **Procuring by contracting with VCF**, **investing to build capacity for future benefit**, for example infrastructure bodies providing training to VCF organisations and **giving by providing grants that contribute to the goals of VCF organisations to enable them to progress**.

10 - Factors influencing the approach

10.1 - Commissioning models will include:

- Open competitive tendering
- Spot Purchasing
- Invitations to tender
- Approved provider list
- Partnership Commissioning
- Developmental Commissioning
- Supporting Consortium building

The size of the contract and the level of risk should influence the approach; if, for example the contract is of low value, or very specialised with limited providers then a grant may be more appropriate.

Take into account the impact of the approach that is used on smaller VCF organisations.

11 - Shaping the detail

11.1 – Social value should be an integral part of Commissioning and should demonstrate the positive and negative impact and how this can be tackled. At the end of Contracts social value should be captured but the outcomes should

not be the baseline for further commissioning i.e. achieving more for the same money.

<http://democracy.wirral.gov.uk/mgChooseDocPack.aspx?ID=3062>

11.2 - Engage VCF organisations in the design of the service to be delivered; this is possible without contravening procurement law. However it must be ensured that all potential providers are treated equitably. This is possible by inviting private and public sectors to get involved in the analysis and planning stages of the commissioning process.

11.3 - Make use of VCF organisations as consultants during the design phases; conflict of interest can be avoided by carefully setting the consultancy specification so that VCF consultants are not involved in writing service specifications if they were to bid for the service to be provided.

11.4 - It is recommended that service users are engaged in the design of services to be commissioned.

12 - Specifications

12.1 - Ensure that they are clear but not overly prescriptive, focus on the outcomes to be achieved. Do not take a 'one size fits all' approach as it may discourage service providers from demonstrating the extent of their skills and abilities to deliver the service; flexibility and personalisation should be accommodated within the specification. A clear specification will enable VCF organisations and other providers to determine if they have the necessary capacity skills experience and resources to deliver the contract, thereby minimising risks.

Specifications ideally should ask providers to demonstrate local knowledge and understanding of needs; this should be evidenced in a way to demonstrate genuine links to local needs, not simply demonstrating that they have an office located in the service delivery area.

12.2 - Specifications should demonstrate the *Added Value* of the VCF sector delivering relevant contracts. This can be demonstrated in assessment criteria and the contract and fits with Compact (see Compact website) and Procurement Law 2006 regulations. The 'best value' regulations allow social and environmental factors to be a part of the assessment criteria.

12.3 - Adding a 'social clause' into the contract will provide added social value through fulfilling social, environmental or economic aims and allows the commissioners to achieve broader outcomes than just project deliverables. This may increase the opportunities for VCF sector organisations to demonstrate their ability to add value without preventing other types of providers from bidding.

12.4 - Value for Money (VFM) should be considered in all contracts. Government policy states that this does not necessarily mean choosing the cheapest price. The Office of Government Commerce (2008) promotes 'Buy and make a difference' as a good source of information for commissioner in considering social value in contracts. By adding social considerations into specifications where they are directly relevant to the subject matter of the contract, additional benefits can be realised.

12.5 – Where relevant and proportionate it may be useful for the specification to set out what equality outcomes the contractor is to achieve e.g. how the goods, services or works that are being provided will meet the needs of protected groups, or how take up will be increased for groups that may face barriers in accessing the service. The Contractor should be required to monitor and report on these outcomes.

13 - Stage three Sourcing - Procurement

13.1 - Choosing the most appropriate provider to deliver the required outcomes is vital; it will mean that individuals and local communities receive the most appropriate services and enjoy the greatest impact.

13.2 - This document should be read alongside Wirral Council's Procurement strategy. All commissioning must comply with the Council's Financial Regulations and standing Orders in relation to contracts, including the Contract procedure rules. Further information and advice is available from Wirral Council's Corporate Procurement team and on Wirral Council's website at

www.wirral.gov.uk/my-services/business/tenders-and-contracts/how-do-business-wirral-council

This framework provides guidance on how to make the contracting process more accessible to the VCF sector.

13.3 - The application of the principles outlined in the planning section help to create the right environment to source the most appropriate provider to deliver the outcomes. The decision process as to who delivers the service needs to be open and transparent and awarded on the basis of value for money.

The sourcing phase can be divided into seven sections: *Procurement options, Procurement timescales, Pre-qualification stage, Invitation to tender, contract and payment terms, tender evaluation, awarding the contract.*

14 - Procurement options

14.1 - The process undertaken to shape a contract and the tendering process can strongly influence whether VCF organisations are able to compete for contracts.

To make the process more accessible it is recommended that Procurement staff encourage the involvement of potential VCF sector providers. Allowing for a mix of providers to deliver a contract rather than one large provider as well as encouraging consortia bids can enable more VCF sector organisations to bid.

14.2 - Consortia bids can often deliver greater outcomes than just having one provider and bring together organisations with different but complementary skills. This approach requires additional time for VCF organisations to form consortia and needs to be reflected in the procurement timescales.

14.3 - Consider the length of contracts a minimum of three years is recommended wherever possible. VCF organisations do not always have the resources to allocate to continual bidding; doing so can stop the organisation for progressing and becoming sustainable.

14.4 - To reduce the administrative process council can operate a 'preferred provider' approach, introducing an accreditation system that is clear and transparent to enable VCF organisations to demonstrate they fit to deliver services.

14.5 - Review tender thresholds as they may impact on the ability of small and inexperienced VCF organisations to bid, in particular if a 'Part B Service' is to be commissioned and where full European Union tendering process is not mandatory. Part B services include health and social services, education and vocational health services, recreational, cultural and sporting services and are not always subject to European Union regulations. Information can be sourced from Pathways through the Maze guidance (2009) on Procurement Law.

15 - Procurement Timescales

15.1 - Procurers need to allow sufficient time for some VCF sector organisations to bid for contracts, especially the larger contracts that are subject to EU rules. A short lead in time for smaller contracts can also prevent VCF organisations from bidding: the timescales should be Compact compliant.

16 - Pre-qualification stage

16.1 - The pre-qualification process will impact on the extent to which VCF sector organisations, especially smaller organisations engage in tendering for contracts. It is essential that the pre-qualification process criteria are proportionate to the value of the contract and the level of risk involved.

16.2 - Flexibility about the level of financial information required is needed. The Office of Government Commerce states that accounts should only be requested for two years or dependant on the size of the contract other evidence to demonstrate financial stability for example financial projections.

16.3 - The lack of track records or externally validated quality systems can discourage VCF organisations from bidding as they can be costly to obtain. Dependant on the complexity of the service being delivered or the size of the contract and subsequent risk less complex quality systems such as Practical Quality Assurance Systems for Small Organisations (PQASSO) may be more appropriate quality systems for smaller organisations.

17 - Invitation to tender

17.1 - If a tendering process is too complex it may again discourage smaller VCF sector organisations from bidding. A way of countering this is to offer support in the form of capacity building including: understanding the tendering process and expectations. It is useful to work in collaboration with the infrastructure support organisation, which in Wirral is Voluntary Community Action Wirral (VCAW).

17.2 - Tender packs should be written in clear and concise language and should include the following: Background to the project/service requirement and desired outcomes, the organisations strategic objectives/priorities (including the organisations commitment to equality and their obligations under legislation), tender specification document allowing space for highlighting the added value of consortia partners, outline procurement process and timetable, scoring assessment criteria showing values against each question, clearly defined roles and responsibilities, clear contract management arrangements and named officer for queries.

17.3 - Risk should be discussed with VCF organisations to enable them to understand the size and nature of the risk involved in the contract. Providers of services will be responsible for the delivery of the outputs/outcomes and bears the risk of failing to deliver these. Agreement should be reached about demand for service and the VCF organisation should not be penalised for lack of demand, arrangements should also be reached about sharing or dealing with unexpected demand.

VCF organisations should be made aware of TUPE regulations and directed to the appropriate source for support if required.

18- Contract and Payments terms

18.1 - When agreeing the contract and payment terms there must be an awareness of the impact these could have on providers. It is important to ensure that the contract terms and conditions are proportionate to the scale and complexity of the contract. Accepting terms and conditions of some

larger contracts will result in the VCF organisation requiring external legal advice.

18.2 - The payment terms can impact on the cash flow of VCF sector organisations and some organisations may be put off from accepting contracts due to insufficient cash flow. Advance payments would be helpful in these situations or upfront payments for the purchase of the additional equipment required to deliver the contract. Payments regimes need to be flexible wherever possible to meet the cash flow needs of organisations.

18.3 - Ensuring that organisations are paid within 10 working days also enables VCF sector organisations to manage their cash flow more effectively and providing a named person to follow up on enquiries regarding payments.

18.4 – Contract conditions should include as a minimum

- Prohibiting the contractor from unlawfully discriminating under the Equality Act.0.
- Require them to take all reasonable steps to ensure that staff, suppliers and sub-contractors meet their obligation under the Equality Act.

19 - Tender Evaluation

19.1 - When evaluating tenders it is recommended that there is sensitivity to those areas that the VCF sector can add value. Criteria and weightings should be developed to measure the best bidder able to deliver the value for money required from the contract.

19.2 - To ensure that the added value contributed by the VCF sector is taken into account this needs to be detailed in the specification and reflected in the evaluation criteria and given appropriate weighting/scoring so that they can be properly assessed. The evaluation panels need to have the right skills and experience to assess proposed service and ensure compliance with social impact criteria. Expertise on panels could be sourced from independent members of the VCF sector.

19.3 - A full cost recovery approach including relevant elements of overhead and administrative costs needs to be acknowledged in considering tenders for VCF organisations. This means that the direct cost of the service delivery and any overheads legitimately incurred in the support of the service are included. Ignoring these additional expenditures can result in VCF organisations subsidising public sector services and eroding charitable reserves. Some of the costs included in delivery may include: Premises, equipment, staff costs and human resources, finance and project management costs, support of membership structure, volunteer structures/trustees, monitoring and evaluation, quality assurance, travel and subsistence and training and supervision.

19.4 – When advertising the Contract – there is a need to set out how the ability to meet any relevant equality related matters will be assessed.

20 - Awarding the Contract

20.1 - Effectively tendering for contracts is a skill that VCF organisations have to varying degrees. Some are able to compete on a local regional and national level whilst others require substantial support. Providing feedback to both successful and unsuccessful organisations is a valuable part of the learning process and increases the likelihood of future successes.

20.2 - VCF organisations should be made aware that feedback is available and encouraged to access feedback. Providing feedback is a part of EU procurement directives and should be provided even when the tender is below EU threshold.

It is advisable to agree transition arrangements with new providers to enable them to get staff in place and factor this into any project timescale.

21 - Stage 4 Monitoring and Review

21.1 - Effective monitoring based on outcomes serves two purposes. Firstly it allows funders to obtain assurances that services are delivering value for money. Secondly, it provides information for both commissioners and providers to consider whether changes are required to improve service delivery.

21.2 - Proportionate reporting also allows third sector providers to focus resources on service delivery rather than bureaucracy. There is a need to clearly communicate with the provider in relation to service monitoring requirements that allows them to adequately prepare.

21.3 - The monitoring needs to be transparent and proportionate to the value of the tender or grant and must focus on the outcomes. Where appropriate people who use services and carers should be involved in monitoring and service review. Monitoring and Review incorporates two sub sections: *contract management and service evaluation*.

21.4 – There will be a need to review the contractors performance on any equality conditions in the contract. Prompt action is required for poor non performance on the equality requirements, as the Authority may be liable under the general equality duty.

22 - Contract Management

22.1 - Actively involving VCF sector organisations in developing and agreeing contract management arrangements can reduce misunderstandings on both sides and lead to increased efficiency and effectiveness of service delivery.

22.2 - Making the reporting requirements too complex or changing service requirements with little notice can lead to difficulty in terms providing information

required by commissioners. Commissioners' reluctance to communicate with VCF organisations can also lead difficulties in understanding what is required and therefore undue difficulty in implementing the required changes.

22.3 - Keeping the reporting mechanism simple, dependant on the complexity of the contract leads to better results. One option is to instigate a system where the report is by exception rather than everything that is happening. The National Audit Office provides guidance on monitoring in their intelligent monitoring guidance (2009).

22.4 - When a project is jointly commissioned it makes sense to have just one system or a standardised system where the information can be sent to both commissioners.

22.5 - Outcomes more than outputs are the focus of commissioning and need to be reflected in the monitoring information required. This allows the VCF organisation a greater degree of flexibility in how the contract is delivered. Several tools are available to measure outcomes, of which 'the outcomes star' developed by Triangle Consulting Limited is one. (www.outcomesstar.org.uk)

22.6 - In the case of the service not being deliverable organisations will need clear and straightforward guidance on how this may be achieved. There may need to be a degree of flexibility on the part of both the commissioner and the service provider in situations where it is possible for the provider to deliver the service more effectively than originally stated in the specification. Alternatively changing policy and need may require the commissioner to liaise with the provider to modify the service to better meet end user needs.

22.7 - Communication regarding performance of services is essential. VCF organisations need time to adjust to changes in service delivery requirements, sufficient notice if the contract is to be terminated and should have exit strategies in place.

23 - Service Evaluation and Feedback

23.1 - Assessing performance evaluating it against original objectives and identifying changes to inform future commissioning and outcomes is an essential part of the commissioning process. It is useful to actively involve VCF sector organisations in the evaluation process as they may have valuable insight into what works and why.

23.2 - VCF sector organisations should be encouraged to come forward with new ideas, providing they do not compromise their competitive position. Involving them in service reviews and future business planning cycles acknowledges the VCF sector as an important partner in the co-production, delivery and review of services.

23.3 – Eliciting the views of people who use services and their Carers is also an important part of the evaluation as it can inform future service delivery.

Feedback from people who use services (which will be anonymous) can assist in shaping service so that they can meet their needs more effectively.

24 - Support for the Voluntary, Community and faith sector

24.1 - This framework has been developed in partnership with the Voluntary Community Action Wirral and is in line with the Compact Commissioning Guidance. It will be agreed by the Commissioning and Procurement sub group of the Comprehensive Engagement Strategy.

24.2 - A named lead commissioner for each service will be identified who will be able to ensure that appropriate consultation and analysis has taken place where appropriate offer workshop / information days to ensure an understanding of the market place and appropriate Council procedures.

24.3 - Voluntary Community Action Wirral will provide ongoing support, advice and training to organisations within the sector to ensure they are best placed to apply for funding effectively from Wirral Council.

25 – Consultation Process

25.1 – The Voluntary Community & Faith sector have been consulted in the development of this framework. This has taken place through a number of ways; workshops, electronic versions have been disseminated across the VCF sector by VCAW and comments have been incorporated into the framework. The following organisations have been consulted (Karen's bit)

26 – Equality Impact Assessment

26.1 – This framework has been equality impact assessed and the following actions will be taken. The framework will be reviewed on a regular basis, it will form part of a corporate commissioning and procurement framework. As the council becomes aware of any additional protected groups the framework will be assessed to ensure that it still meets the needs of all groups.