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Enquiry service 0114 289 3989 or lcpu@navca.org.uk

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A beginner's guide to **commissioning**

A guide for development workers supporting local organisations with commissioning

John Dawson



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1

INTRODUCTION

What is this publication?

This publication is an introduction to commissioning for organisations that support, develop and champion local voluntary and community organisations. It discusses public bodies and their commissioning of public services such as healthcare, social care, advice, employment and skills, and children, families and young people's services. It doesn't go into the policy side of commissioning or public service reform and delivery. Instead it provides a brief, practical and jargon-free guide to what commissioning is and ways in which you can support local organisations to be more involved with it.

There are three main parts:

- Section 2 looks at what commissioning is
- Section 3 looks at ways of supporting local organisations throughout the commissioning process
- Section 4 looks at partnership and collaboration for public service delivery

The annexes provide useful further information.

Who is it for?

The publication is primarily for development workers in support and development organisations who need an overview of, and general knowledge about, commissioning. You may be new in post or need to refresh your knowledge about the subject. We know that job titles and positions vary, so don't be put off if you are a funding advice worker, a commissioning officer, a subject specialist worker (eg for health or children and young people) or a chief executive or, more likely, have a job title that fits none of the above.

It aims to give you an entry-level understanding of commissioning and its implications for local voluntary and community organisations. Wherever you read 'you', it is assumed that you are playing some role in supporting voluntary and community organisations, rather than delivering frontline services.

Many skills, and a certain level of knowledge, are required to influence commissioning and support interested organisations. You will, no doubt, already possess many relevant skills and also have a good working knowledge of the organisations and communities you support. We hope that this publication will provide information and knowledge that helps you apply your skills in this context.

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- ▶ See the SKiLD framework for information about skills for development workers www.skild.org.uk
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The field of commissioning and procurement uses some jargon and technical language, and we have written this guide in plain English to make it more accessible.

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- ▶ If you want to check out the meaning of some of the technical language that you'll come across, you will find a useful commissioning and procurement glossary on the resources and briefings page of our website www.navca.org.uk/localvs/lcp/briefings/
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Working on commissioning can, at times, require complex legal, business or financial skills and knowledge. No individual is capable of being an expert in everything, so remember to signpost organisations to subject experts when necessary.

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WHAT IS COMMISSIONING?

If you are new to commissioning, or don't feel too confident about the subject, this section will help to get you started. It covers what commissioning is and why it is important, understanding how it works in your area, who you might need to develop relationships with and the legal context.

Background

During the last few years the roles and functions of public bodies have been changing. Increasingly, instead of providing many services directly, public bodies are now looking to external organisations and companies to provide services on their behalf. Public bodies have been moving in the direction of becoming purchasers, rather than direct providers of services, for a number of years. Commissioning involves making decisions about whether to commission, what to commission and from whom, so enabling priorities and strategies to be translated into services delivered by different organisations and companies. Commissioning is therefore not just a set of technical exercises to purchase services, but is also profoundly shaped by the political environment and priorities of a local area.

There are many reasons behind why and how this has been happening. It is important to remember that the move towards commissioning is a massive process of change which is happening at different speeds and in different ways in different places. It is worth bearing in mind that it can take some time for the aspirations and goals of policies to translate into practice, and that this can vary considerably from place to place and service to service.

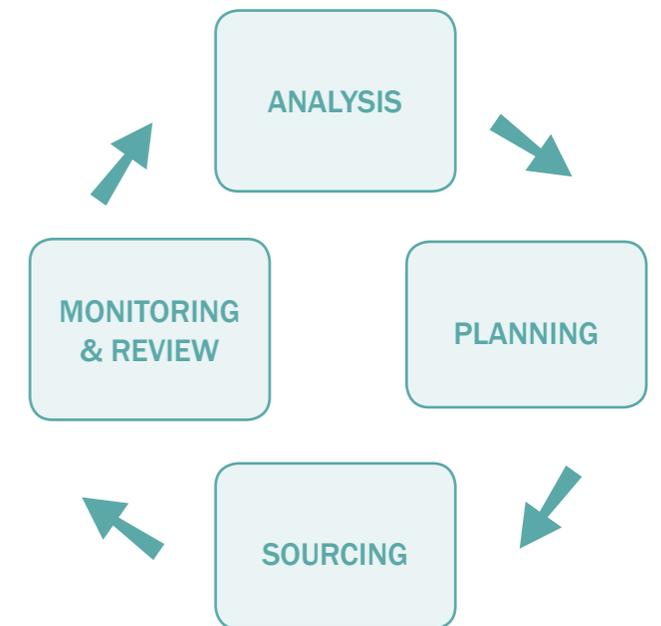
Commissioning

Commissioning is the cycle of assessing the needs of people in an area, designing and then achieving appropriate outcomes.

Modernising Commissioning: Increasing the role of charities, social enterprises, mutuals and cooperatives in public service delivery, Cabinet Office 2011

Commissioning is the process of deciding what public services are needed and their priority, what resources to allocate to provide these services and why, how and where. Service users, communities and voluntary and community organisations often have knowledge, ideas and skills that can be vital to the design and implementation of the best services possible.

Commissioning is commonly described as the whole cycle of identifying and delivering services, with four main stages.



The diagram above is a simple model of how commissioning works. In other words, the public body decides what it wants to achieve (its strategy), what services it wants (analysis), how much money it has for them (planning) and how it is going to get the services (planning), and then goes about putting them in place (sourcing) and making sure they are delivered properly (monitoring and review). This can be done

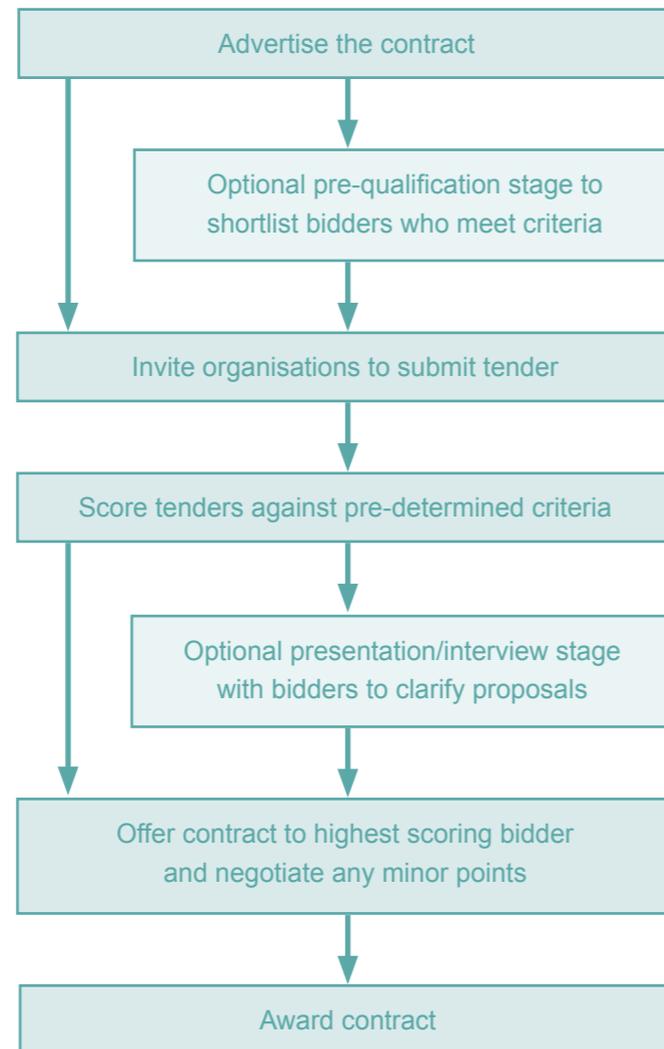
in several ways, but it usually involves buying them (otherwise known as procurement) or giving a grant to another organisation to deliver them. How this unfolds in practice will be more complex and vary widely across public bodies, departments, service areas and geographic areas. Some stages may overlap, and a thorough commissioning process can be time consuming.

Annex 4 lists the 'eight principles of good commissioning' that provide the basis of good practice in commissioning.

The term 'commissioning' is often misunderstood and used interchangeably with other terms, such as 'procurement'. The stages above emphasise that commissioning involves more than just 'procurement', 'grants' or 'tendering', even if these appear the most visible aspects. A lot of work also goes into the other stages of commissioning and will impact on how it operates.

What is procurement?

Procurement is one part of the commissioning process. It is about purchasing the service the public body has decided to buy and giving a contract to the organisation that provides the service. Because of the legal rules that govern this process, it usually involves competitive tendering. There is no single way of doing this, but the diagram below shows the main stages you can expect:



Why commissioning is important to the voluntary and community sector

Any major changes in a public body's policy or direction are likely to impact on organisations you support. If public bodies in your area are reviewing their commissioning arrangements, reducing public spending, moving from grants to contracts, 'floating off' internally provided services or changing priorities, this can have a significant impact on the local voluntary and community sector.

The changes brought about by commissioning have had a major impact on parts of the voluntary and community sector. The effect has varied, depending on place, size of organisation and sub-sector, but the increase in competitive tendering has probably had the most significant impact. Open competition with only the winner being awarded a contract means there is a 'winner takes all' situation, resulting in organisations winning tenders (and thus funding) at the expense of others. If organisations are unable to win tenders, and therefore do not gain the income from contracts, their sustainability may be threatened.

The voluntary and community sector's work often contributes towards public bodies' outcomes. Voluntary and community organisations will have useful intelligence that can contribute towards and shape what is commissioned, and they should therefore be involved in commissioning, by contributing to and influencing local decisions, priorities and services. However, there will also be organisations that have limited or no interest in commissioning. Figures suggest that over three-quarters of all voluntary organisations receive no income from statutory sources¹. Some will be interested in influencing, but not delivering, local services, so remember that your organisation's services will still be needed.

Commissioning

Commissioning is the cycle of assessing the needs of people in an area, designing and then achieving appropriate outcomes. *Modernising Commissioning: Increasing the role of charities, social enterprises, mutuals and cooperatives in public service delivery* Cabinet Office 2011 www.cabinetoffice.gov.uk

Procurement

The stage of the commissioning cycle that involves buying the service and leads to the award of a contract.

Tender

A formal offer to provide services, through a procurement process, as a response to a specification, usually for a stated price.

Grant

Used to fund an activity of a recipient because that activity is in broad alignment with a public body's objectives.

- For more detailed information about public sector commissioning and the different stages have a look at the National Audit Office's successful commissioning toolkit: www.nao.org.uk/guidance__good_practice/third_sector/successful_commissioning/toolkit_home/toolkit_home.aspx

¹ *The UK Civil Society Almanac 2010*, NCVO

Why commissioning is important for your organisation

Commissioning dictates the nature of your local services, how citizens' needs are met and how the area's resources are used. You are strategically placed to work both with voluntary and public sector colleagues. Even if you think that commissioning is not directly relevant to your work, it is likely that local voluntary and community organisations interested in commissioning will approach your organisation. It is therefore important that you are familiar with the subject, so that you can provide appropriate support. Local public bodies will look to organisations such as yours to provide links to local voluntary and community organisations and to find out about potential providers of services and expertise. Your involvement can help the commissioning process and improve its effectiveness.

How commissioning works in your area

Your local public bodies' approach to commissioning may be set down in commissioning frameworks or strategies. These will probably tell you what is being commissioned and how, and give details of local contacts. There may be one general strategy, or strategies that relate to voluntary sector commissioning or specific services such as health or children and young people. Familiarising yourself with these strategies will be a useful starting point for finding out how local public bodies aim to commission their services, and some of their priorities. You should be able to find these documents on council and primary care trust (PCT) websites.

Central government departments such as the Department for Work and Pensions, Ministry of Justice,

Skills Funding Agency and the Home Office commission some public services in local areas. They also publish documents such as commissioning strategies or plans and may have standards or good practice guidelines for commissioning.

Who are commissioners?

A key role for staff in local support and development organisations is making the right connections with commissioners. This isn't always straightforward. Don't rely on there being someone within the local authority or local NHS with the job title 'commissioner'.

The stages of a commissioning process are undertaken by different individuals and at different levels within public bodies. Public bodies will set priorities at a strategic level, but will draw on data and expertise from different sources and individuals. The tasks of interpreting policy and priorities, engaging with the sector, talking to providers and writing a service specification may fall to the relevant department within the public body, eg Adult Services. If a procurement process is used, legal departments and procurement departments will play a role. Once a contract or grant is agreed, another individual may carry out ongoing monitoring and financial arrangements.

Commissioning a service can also involve more than one public body (known as joint commissioning) or two tiers of local government. For instance, commissioning a service to improve the health outcomes of older people could involve:

- the council's adult services department;
- the relevant PCT or GP commissioning consortium;
- each public body's procurement department;
- each body's legal department;
- each body's finance team;
- elected members;
- external stakeholders.

You will have to stay on your toes to keep up with the right people to speak to. It is likely that you, and the organisations you support, will have to work with a number of people across departments and build up contacts throughout your area. It will not be possible to have relationships with all commissioners in your area, so it will be useful to decide which areas to prioritise, such as services for children and young people, or adult social care.

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- ▶ 'How to find a commissioner' gives useful pointers to help you find the right people:
www.navca.org.uk/localvs/lcp/briefings/
-

The legal context of commissioning

Having a good grasp of what is possible, both practically and legally, will help you make the case for a flexible approach to commissioning in your area. It will also give you some idea of what to watch out for if a process looks like it could be flawed and needs challenging.

It is a complex picture. A number of areas of law apply to commissioning, including:

- charity
- contract
- equalities
- public
- procurement.

Don't feel that you need to be an expert in these fields. However, a basic level of understanding, and awareness of where to find out more information, will be helpful if you need to encourage better commissioning.

Charity law

Charity law covers the rules relating to the setting up and operation of charities. The Charity Commission regulates charities and provides guidance in England and Wales: www.charity-commission.gov.uk/

Contract law

Contracts are legally binding agreements between two or more parties, with terms dictating the agreement. Breaches of contract can lead to claims for damages.

Equalities law

The Equalities Act came into force in 2010. Public bodies must ensure procurement and commissioning decisions do not run contrary to equalities legislation. See the Government Equalities Office for further information: www.equalities.gov.uk/equality_act_2010.aspx

Procurement law

There is a huge amount of information that you could read to learn about the commissioning and procurement legal environment. The best starting point is NAVCA's *Pathways through the maze*, written for voluntary and community sector organisations: www.navca.org.uk/maze

Public law

Public law is the set of legal principles that govern the exercise of power by public bodies. Remedies under public law are the means whereby public bodies can be held to account. They include judicial review, complaints procedures and ombudsmen schemes. Consultation, compact breaches and equalities issues can become public law cases. For further information see the Public Law Project: www.publiclawproject.org.uk/

Remember you can always contact the NAVCA Commissioning and Procurement Unit if anything doesn't make sense to you: www.navca.org.uk/localvs/lcp/

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WAYS TO SUPPORT LOCAL ORGANISATIONS

Now you have an idea of what commissioning is and how it might operate, how can you support organisations?

Getting started

Firstly you need to consider the support needs of organisations in your area. Then think about ways of working with the public sector to promote local services, connect organisations with commissioners and influence commissions. Finally look at the types of direct help organisations could need: this is covered at the end of this section.

If you are new in post, a good place to start is to find out about the local voluntary and community sector and public sector commissioning. There are a number of facts and data you'll need to gather to build up a picture. You could carry out a survey, talk informally to organisations about their knowledge and experiences of commissioning, read relevant documents such as procurement or commissioning strategies, and meet with public sector officers, all of which will result in making useful contacts. Some information you need may be quite easy to find. Some may take a lot of digging because it has not been routinely gathered or recorded in an accessible way, for example the value of contracts awarded to voluntary and community organisations. Some documents or data may not exist, such as a voluntary and community sector commissioning strategy, and this could help to identify gaps that need addressing. You'll probably find that information is patchy and that some services, departments and public bodies are more developed in commissioning than others.

Questions about the local sector

- What is the profile of the local sector – the number of organisations, their income levels, their service delivery models and levels?
- What are their current levels of awareness and involvement in local commissioning? (see the table on page 11)
- What experience have they had of commissioning and competitive tendering?
- What barriers are there to greater involvement?
- What are the development needs of the sector?

Questions about local commissioning

- What services do your local public bodies currently commission, eg children and families, young people, social care, advice?
- What is the value of the contracts?
- When are contracts due to be renewed, reviewed or re-tendered?
- What approaches to commissioning do the public bodies use, eg outcome-based commissioning?²
- Is any of this set down in policy, strategy or operational documents?
- What are public bodies' general intentions or specific plans for future commissioning?

² Outcome-based commissioning focuses on results, not on activities and processes. Instead of starting off a commissioning process with a service in mind (often the existing service) or set of outputs (again probably the existing outputs), it starts off looking at needs and considers what ultimate change will best address those needs. Successful outcome-based commissioning can lead to very different services being commissioned and using different methods to achieve the ultimate aim.

Levels of involvement

You will be working with a wide range of local organisations. Remember that the relevance of commissioning will vary for different organisations because it will impact each organisation differently. Some organisations will want to deliver services, but some will be more interested in influencing the shape of local services and outcomes. Indeed, service delivery will not be suitable, available or relevant to all organisations. Smaller organisations may find they lack

the scale or capacity to tender for and deliver services on their own, but could deliver part of a larger contract. Not all organisations will have the capacity to be involved in all stages of commissioning, nor might it be relevant for them to be so.

Have a think about the different organisations you work with. They will all have a different take on commissioning. Do any of these scenarios sound familiar?

Relevance of commissioning

Type of organisation	Details	Amount of support needed
Unaffected	Not currently involved in the local commissioning environment, and generally unaffected by it, both now and in the future.	None
Unaware	No knowledge or awareness of local commissioning but needs to know.	Some? ♦
Interested	Not currently involved in commissioning but interested in finding out what it is all about.	Some? ♦
Shaper	Not currently interested in delivering services to public bodies (eg may be too small to handle bidding and contracts), but interested in influencing some commissioning.	More? ♦♦
Future provider	Not currently providing services to public bodies, but would like to do so. Could deliver some services through sub-contracting. Probably interested in influencing local priorities and services.	Most? ♦♦♦
Provider	Currently providing some small-scale services, would like to continue or provide more.	Most? ♦♦♦
	Currently providing some services, future unstable, eg changing priorities, grants being moved to a contract.	Most? ♦♦♦
	Currently providing services, well-equipped to deal with future commissioning.	Some? ♦

Some support needs will be long term and ongoing; other assistance may be more immediate. If there is a 'live' commissioning process taking place you may find yourself in even greater demand, as organisations and public bodies look for timely assistance. Thinking about organisations' different interests and needs will help you plan out a tailored programme of support and link up with other available sources of information, advice and training. It will also help you to respond to more long-term development needs as well as immediate requests for help.

Example

Greater Merseyside ChangeUp Consortium identified the need for joined-up specialist support to organisations on tendering, and established Greater Merseyside Tendering and Procurement Support Service. It identified the different needs and gaps in knowledge and put in place a package of support covering workshops, accredited qualifications and in-depth master classes.

► See the Greater Merseyside case study: www.navca.org.uk/publications/bridgebetween/

Working with the public sector

Your role may include working with colleagues in the public sector. Making good connections within the council and PCT will be vital and will help you to establish their needs. Such contacts can also explain their processes, priorities and timescales both to you and, with a bit of gentle persuasion, a meeting of local organisations. Having supporters of the voluntary and community sector within a council or PCT is important. They can help you navigate the often complex landscape of the public sector, point you at decision makers, champion your cause in house and keep you posted on internal developments. It helps to have a constructive approach to the challenging situations that can arise when working in this field, and to think in terms of trying to help public bodies make commissioning work well.

You may also, in some instances, find yourself working with private sector professionals, such as accountants, solicitors and companies that sub-contract with voluntary and community organisations.

Promoting local voluntary and community organisations

One of the core roles of a local support and development organisation is to promote and champion the local voluntary and community sector and the contribution it can make to commissioning processes. There are a number of ways of doing this. Have you thought how you might highlight the useful work with which local organisations are involved? You will also need to think closely about who you are trying to influence. For instance, who makes decisions? Is it heads of service, the legal department, the chief executive or elected members?

Support and development organisations use a variety of methods to promote the value of their local sector. These include reports, websites, marketing publications and opportunities at face-to-face meetings. Having reliable data and information about your local sector, presenting it well and keeping it up to date will help to make a good case.

Examples

Some reports take a generic approach. For example, Nottingham CVS's '227 Million Reasons' demonstrates the financial contribution of the sector and its role in the economy.

► www.nottinghamcvs.co.uk/

Others are more focused on commissioning. Halton and St Helen's VCA produced a directory to help health commissioners identify potential providers. The 'Here to Help' catalogue lists local organisations' services against relevant strategic outcomes.

► www.haltonvoluntaryaction.org.uk/

Connecting organisations with commissioners

How do local organisations currently find out what is happening, and how do commissioners know about local voluntary and community organisations and their potential for involvement in commissioning?

Helping to develop relationships with public bodies can enable organisations to make important contacts and feel more confident about engaging in the commissioning process. You may be involved in building relationships between organisations and commissioners, both generally and for specific

commissions. This may involve you taking on the role of a sector representative or supporting others to do so.

It is also very valuable, at times, to help voluntary and community sector organisations and commissioners meet to have direct discussions. This is most useful when the public body is making definite moves towards commissioning, identifying needs for services, designing service specifications and starting a procurement exercise. Remember that it is good practice for commissioners to involve stakeholders at the different stages of the process. Some support and development organisations have run events in partnership with commissioners, to influence the design of services and let organisations' voices be heard before the tender documents are written. Some have run 'meet the seller' and 'meet the buyer' events, where commissioners and procurement departments meet organisations and provide information about specific procurement exercises.

► For examples of ways of influencing commissioning take a look at NAVCA's report and case studies 'A bridge between two worlds': www.navca.org.uk/publications/bridgebetween

Example

NAVCA's Local Commissioning and Procurement Unit helped one support and development organisation to work with its primary care trust (PCT) to shape the design of a commission in the pre-tender stage. The PCT wanted to commission short break services for severely disabled children and their families. Its knowledge of 'the market' (what organisations existed and what services they provided) was limited. NAVCA worked with the support and development organisation and the PCT to run an awareness day and let commissioners and potential new providers meet each other. The outcome was that a number of local organisations (many of which had never been commissioned before) were commissioned on short-term grants to trial some services. Once the PCT was aware of what services existed in the market it followed these grants with a tender process to commission longer service provision to meet the desired outcomes.

Networks

Your organisation may run a number of networks. Think about how these currently operate and how well they link into commissioning in your area. Are they mainly about communication and information sharing within the sector, or do they cross boundaries and help organisations to meet commissioners and find the right decision makers and information? Do they get involved when priorities are being set and services redesigned?

Example

At one end of the spectrum good networks can be used to link individuals from different organisations and sectors and share knowledge. Commissioners use some local networks to advertise opportunities, consultations and tenders quickly. This will require a good working relationship between you and your commissioners.

At the other end of the spectrum, some networks have moved from an information, knowledge and contact sharing role to a joined-up service delivery role.

► For example, see the Bolsover case study: www.navca.org.uk/publications/bridgebetween/

► For further information see the effective network checklist in annex 3.

Providing support to organisations

One of the most common roles of workers in support and development organisations is that of organisational development support. In the context of commissioning this often means helping organisations get ready for tendering.

What you provide will depend on the types of organisation in your area, their requirements and your priorities. Some support will involve long-term capacity building, while other support will be more responsive and immediate. The types of support you could provide and arrange are almost limitless, so you will have to consider where to concentrate your time, the areas of greatest need, your resources, and what will have the most impact. Here are some ideas of what you can do.

Ideas for commissioning support

Type of organisation	Ideas for support
Unaffected	These organisations will still benefit from support and services such as funding advice.
Unaware	<p>These organisations will benefit from finding out why commissioning is important and what it could mean for their organisation in the future.</p> <p>Consider raising their awareness by providing information and training on</p> <ul style="list-style-type: none"> the commissioning processes used by your local public bodies important changes in local policy and services.
Interested	<p>These organisations will benefit from information on what it all means locally and how they can find out more and get involved.</p> <p>Consider providing information and training on</p> <ul style="list-style-type: none"> the commissioning processes used by local public bodies how procurement works consultations and how to influence the early stages of commissioning.
Shaper	<p>These organisations have good connections with communities and can make a valuable contribution to local commissioning processes.</p> <p>Consider</p> <ul style="list-style-type: none"> providing information on local consultations and how to influence the early stages of commissioning telling them who the relevant commissioners are and how to contact them running or contributing to events that influence local policy and service design. <p>Also consider how commissioners can be made more aware of these organisations. You could try linking them up by inviting them to local networks and awareness raising events.</p>

Type of organisation	Ideas for support
Future / less experienced provider	<p>These organisations could need the most support.</p> <p>Consider these activities:</p> <ul style="list-style-type: none"> 'tender readiness' health checks training on commissioning and procurement training on how to complete tender documentation training / information on negotiating and contract management information about the policies and procedures needed for tendering helping them understand the implications of contracting training or advice in costing services advertising tender opportunities <p>These organisations would also benefit from linking into the right networks for their services and interests. They might be able to find a larger organisation or other contact who could mentor them or connect them with other opportunities.</p>
Current provider	<p>While these organisations might benefit from some of your more general approaches aimed at organisations above they could also need some one-to-one support to help them adapt to changing circumstances.</p> <p>As well as the activities in the box above, consider these areas of development:</p> <ul style="list-style-type: none"> advanced level tendering understanding outcomes-based commissioning how to measure and demonstrate the outcomes of their services circulating tender opportunities how to collaborate to deliver services

In some cases it might be a question of signposting organisations elsewhere. NAVCA members around the country have built up expertise in commissioning and may be able to share this.

standards for service delivery, particular policies and procedures, levels of financial turnover and types of insurance cover. Some support and development organisations have developed checklists of commonly asked-for information to help local organisations be prepared.

might include reviewing tender submissions, finding policies or asking for clarification about something in the paperwork.

Remember to consider any conflicts of interest if organisations you support are bidding for the same contract as each other, or as your own organisation. Transparency is essential in these circumstances. This area can be particularly complicated where local authorities commission a range of services at the same time, including infrastructure contracts. You may wish to think about developing a policy on how your organisation will manage such circumstances. One solution is to develop mutual arrangements with neighbouring support organisations to which you can signpost bidders.

- ▶ The Local Commissioning and Procurement website has a list of commissioning resources: www.navca.org.uk/lcpresources

- ▶ A sample checklist is given in annex 2.

- ▶ Make contact with other development workers in the navcaboodle commissioning and procurement group: www.navcaboodle.org.uk/

- ▶ See the sample Office of Government Commerce PQQ for an example of what is often asked for during a tender process with a pre-qualification stage: www.ogc.gov.uk/templates_tools_and_model_documentation_pre-qualification_questionnaire_for_tender_evaluation.asp

Organisational development – tender readiness

This involves helping organisations develop their capacity to tender for, and deliver, contracts. It is a big and complex task. Although it includes making sure that organisations have the necessary policies, procedures and systems in place, this is only part of the picture. Organisations that wish to tender for contracts must understand the nature of the contractual commitment, be sure that they can deliver the service to the required volume, timescale and standard, and report on contract delivery to the commissioner. They must be well governed and managed and financially viable. They will also need to learn how to complete tender documentation to win contracts.

Tendering

If organisations have not previously tendered for services, it can be a steep learning curve and involve a lot of paperwork. They may look to you for help with this or to signpost them elsewhere. Some public bodies provide detailed information about their requirements to help bidders understand and complete tender documents, and some even provide workshops to explain the process.

The best way to find out what organisations need to do to become capable of delivering contracts is to ask the relevant public bodies about their specific requirements and to see examples of their tender documentation. You should establish, for example, if they will require organisations to have specific quality marks or

Time is king in these situations. It is hard work for a small organisation to put in order everything it needs to complete a pre-qualification questionnaire (PQQ) or a tender, especially if it is for the first time. No matter how much development work takes place before an organisation tenders for contracts, you may be approached by organisations that need immediate help with submitting a tender or responding to a PQQ. This

Organisations that wish to tender for contracts must understand the nature of the contractual commitment, be sure that they can deliver the service to the required volume, timescale and standard, and report on contract delivery to the commissioner.

4

PARTNERSHIPS AND COLLABORATION

Smaller organisations interested in service delivery will not be able to deliver larger contracts on their own. There are a number of ways you can help such organisations.

Ideally, good commissioning takes account of the shape of the market. Therefore a possible first step is to make commissioners aware of the size of providers, and suggest they use processes that do not preclude smaller providers. You can encourage commissioners to keep contract sizes smaller where possible, so that smaller organisations can bid to deliver them. Other possibilities include smaller organisations becoming sub-contractors to large ones, and several organisations forming a consortium that can deliver larger contracts.

Partnerships can be effective ways of delivering large contracts. There are many possible approaches, and providers wishing to collaborate and commissioners wishing to simplify their arrangements with the sector may contact you about this. Support and development organisations' experience of helping to develop local service delivery partnerships and consortium models have shown that the time, patience and resources required should not be underestimated.

There are different models of formal partnership: the suitability of each will depend upon circumstances. To explore these areas in more detail you might need to get professional advice and speak to colleagues who have supported similar work. NAVCA can help put you in touch with relevant organisations.

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- Examples of support and development organisations supporting partnership for service delivery can be found here: www.navca.org.uk/localvs/goodprac/commissioning/
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Support and development organisations' experience of helping to develop local service delivery partnerships and consortium models have shown that the time, patience and resources required should not be underestimated.

Possible benefits and drawbacks of collaboration

Benefits	Drawbacks
Cost savings and efficiencies – overheads and economies of scale	Cost and investment of start up Ongoing costs and overheads of managing partnership Overheads might not decrease
Different organisations coming together can 'add value' to the joint services they deliver. Working together they are more than the sum of their parts and can achieve more impact than working alone. This is usually the case where all partners bring something useful to the table to complement the other partners.	Collaboration does not automatically lead to greater value for a wide variety of reasons, including lack of shared vision or goals, lack of resources to support the partnership and lack of commitment.
Greater clarity for service users. One point of contact in area makes it easier for service users to communicate.	Delivering a standardised service with different delivery partners can be a big challenge
Collaboration leads to improved opportunities to expand and improve sustainability.	May be no need or desire to expand
Joined-up approach and delivery	Power balance and egos within partnership
Influence and leadership	Blending different values, cultures and services may not be possible
Improved services and greater impact	Negative impact on existing service and stakeholders
Increased scale to meet the size of larger tenders	It will take time to establish the partnership, especially if a large number of partners
Commissioners in public bodies may find it easier to deal with one point of contact	Some commissioners have expressed concern about the stability of some collaborative approaches
Opportunity to build a new track record	Lack of track record can make it more difficult to win tenders

Sub-contracting

Smaller organisations and those offering specialist services may find that they can deliver part of a contract by becoming a sub-contractor. Therefore organisations shouldn't lose all hope if a large contract is on the horizon, or has been won by a large provider, as you may be able to help broker relationships with the main contractors on behalf of smaller organisations. Larger contractors looking for sub-contractors may approach you, or you could build these connections. This could happen either before or after the tender has been awarded.

Prime contractor model

Prime contractors tender for and deliver (generally large) contracts for public bodies. The prime contractor will deliver the contract chiefly through sub-contractors and will manage all the contract management process (for example, managing the delivery of the contract, completing monitoring requirements, communicating with the public body, completing paperwork and payments). The use of prime contractors reduces the number of providers that a public body has to deal with. Often the intention is to reduce the public body's costs and aggregate services across geographic and/or thematic areas. The Department for Work and Pensions uses a prime contractor model for delivering its main programmes.

Merlin Standard

The Merlin Standard has been developed by the Department for Work and Pensions to help manage the prime contractors' supply chains and ensure fair treatment of sub-contractors.

www.merlinstandard.co.uk/

- ▶ You can find more information about collaboration at:
www.bassac.org.uk/our-programmes/collaboration
www.ncvo-vol.org.uk/advice-support/collaborative-working

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ANNEXES

Annex 1: What do you need to know?

As a starting point here are some things to think about...

	For workers in local support and development organisations	For frontline service providers
Public sector people	Representatives on local partnership bodies	Relevant service commissioners
	Representatives on other strategic boards, eg children's trusts	Service relevant strategic individuals
	People in local public bodies' procurement department	People in the local public bodies' procurement department
	Local authority, health and other commissioners Elected members	
Other people	Service managers from local providers	Service users
	Other development workers in neighbouring areas	Competition and partners
	Skilled professionals, eg solicitors, accountants	Local support and development organisation staff Local experts
Documents	Commissioning frameworks	Commissioning frameworks
	Relevant plans, eg community plans, health plans, children's plans	Relevant local priorities (information may be drawn from local plans)
	Local Compact	Relevant national priorities, eg Department of Health, Department of Communities and Local Government, Home Office
	National indicators data	
	Local procurement strategies and standing orders	
Knowledge	General commissioning knowledge	Local processes
	General information about the procurement environment	Service knowledge and innovations
	Knowledge of the local voluntary and community sector and who does what	Knowledge of relevant national schemes and policies
	Knowledge of specialists for signposting	
Skills	Communication	Pricing a service
	Brokering relationships	Tender writing skills
	Reviewing tenders	Negotiation
	Influencing	Contract management
	Patience	Outcomes monitoring

Annex 2: Evidence checklist for tendering

This can be downloaded as a checklist from www.navca.org.uk/lcpu

Item	Item
Legal status of provider, eg sole trader, partnership, private limited company	Environmental policy and details of any environmental management system/process
Certificate of incorporation, company type and number	Data protection policy
Charity or CIC number	Freedom of information policy
Audited accounts for last three years, including profit and loss and turnover	Health and safety policy
VAT registration number	Safeguarding policy (if relevant to tender)
Banking details	Human resources policy/strategy
Information on any related companies and consortium arrangements, including sub-contractors	Membership of recognised professional bodies
Details of insurance cover for: <ul style="list-style-type: none"> • public liability insurance • employer's liability insurance • professional indemnity insurance 	Quality standards certificates: <ul style="list-style-type: none"> • Investors in People • PQASSO • ISO Standards (if applicable) • service relevant standards • other
Bonds or guarantees from bank (if asked for)	Risk assessment and management systems Including business continuity plans
References from, or contact details of, current and/or previous clients	Breakdown of costs and unit prices
Directors' and relevant staff's CVs/biographies (including any disqualifications and current employment details, for conflicts of interest)	Details of any outstanding or pending legal disputes
Management and organisation structure	Brief description of organisation's history, purpose and current services
Workforce information - number of employees, staff turnover, and percentage of management	Details of current contracts, projects and related work
Equal opportunities policy	Examples and evidence of ability to deliver service specification of the contract

Annex 3: Effective network checklist

This can be downloaded as a checklist from www.navca.org.uk/lcpu

How fit for purpose are the networks that your support and development organisation helps?

Characteristic	Characteristic
1. Does the network have a clear purpose?	<ul style="list-style-type: none"> • Local infrastructure
Which of these functions does it carry out?	<ul style="list-style-type: none"> • Local service providers
<ul style="list-style-type: none"> • Communication 	<ul style="list-style-type: none"> • Service user representation organisations
<ul style="list-style-type: none"> • Idea sharing 	<ul style="list-style-type: none"> • Representatives on public partnerships
<ul style="list-style-type: none"> • Information sharing 	<ul style="list-style-type: none"> • Procurement departments
<ul style="list-style-type: none"> • Representation of communities 	<ul style="list-style-type: none"> • Local compact workers
<ul style="list-style-type: none"> • Lobbying 	<ul style="list-style-type: none"> • Funding officers
<ul style="list-style-type: none"> • Influencing service design 	<ul style="list-style-type: none"> • Elected members
<ul style="list-style-type: none"> • Data collection and feeding in expertise 	<ul style="list-style-type: none"> • Private sector service providers
<ul style="list-style-type: none"> • Service delivery 	<ul style="list-style-type: none"> • Media
<ul style="list-style-type: none"> • Pooling resources 	<ul style="list-style-type: none"> • Other stakeholders
<ul style="list-style-type: none"> • Developing collaborative bids 	4. Does the network have good communication methods?
2. Do members of the network see a benefit in being part of it ?	<ul style="list-style-type: none"> • Face-to-face meetings
<ul style="list-style-type: none"> • Are the relevant organisations members? 	<ul style="list-style-type: none"> • Email communication/online information sharing
<ul style="list-style-type: none"> • Do they contribute and participate? 	<ul style="list-style-type: none"> • Circulation of relevant commissioning information and opportunities
<ul style="list-style-type: none"> • Do colleagues such as commissioners in other sectors see the benefits of the network and use it? 	<ul style="list-style-type: none"> • Interactive communications
3. Is the network well connected across boundaries?	<ul style="list-style-type: none"> • Members are able to tap into other members' wider connections
<ul style="list-style-type: none"> • To whom are network members connected? 	5. Is the network well resourced?
<ul style="list-style-type: none"> • How well connected are they? 	6. Does the network have good leadership, direction and support?
<ul style="list-style-type: none"> • Commissioners 	7. Do network members have good understanding of other network members' skills, expertise and connections?
<ul style="list-style-type: none"> • Service users 	8. Anything else to strengthen the network?

Annex 4: The eight principles of good commissioning

These principles, agreed by government, are intended as a benchmark of good practice for public bodies.

Vision

Better public outcomes for individuals and communities, which yield efficiency gains and community benefits, through smarter, more effective and innovative commissioning, and optimal involvement of the third sector in public service design, improvement, delivery and holding the public sector to account is the vision of the National Programme for Third Sector Commissioning.

Principles

1. Understanding the needs of users and other communities by ensuring that, alongside other consultees, you engage with the third sector organisations, as advocates, to access their specialist knowledge.
2. Consulting potential provider organisations, including those from the third sector and local experts, well in advance of commissioning new services, working with them to set priority outcomes for that service.
3. Putting outcomes for users at the heart of the strategic planning process.
4. Mapping the fullest practical range of providers with a view to understanding the contribution they could make to delivering those outcomes.
5. Considering investing in the capacity of the provider base, particularly those working with hard-to-reach groups.
6. Ensuring contracting processes are transparent and fair, facilitating the involvement of the broadest range of suppliers, including considering sub-contracting and consortia building, where appropriate.
7. Ensuring long-term contracts and risk sharing, wherever appropriate, as ways of achieving efficiency and effectiveness.
8. Seeking feedback from service users, communities and providers in order to review the effectiveness of the commissioning process in meeting local needs.

Available at www.idea.gov.uk

