



Guide to Commissioning and Procurement

Introduction:

In the past most government funding for voluntary and community organisations was given in the form of grants; now contracts are becoming more common. Most public bodies have introduced a formal commissioning and procurement process whereby potential service providers are invited to compete for a contract to deliver a specific public service. This means voluntary and community organisations have to learn how to compete with other voluntary sector organisations, private businesses and public sector bodies to bid for and win contracts. This is a huge change in the way public services are funded and a big challenge for organisations in our sector.¹

Many people in women's organisations will have heard of commissioning, procurement, tenders, contracts, consortia, etc. but may find it very confusing. The aim of this guide is to provide an introduction to commissioning and procurement, explain unfamiliar words, help women's organisations to decide whether to get involved, and understand how to access this source of funding for their work.

What is commissioning and procurement?

'Commissioning' and 'procurement' are two different things:

Commissioning is the process of identifying needs, designing and planning services to meet those needs, securing the services and monitoring and evaluating them.

Procurement is the process of buying of goods and services from an external agency. It is only *part* of a commissioning process and it is a specific method of buying goods and services which involves a contract.

All national and local public service organisations are now taking a 'commissioning' approach to the design and delivery of public services. By taking this approach, they *aim* to be more strategic, gain a deeper understanding of people's needs, improve the quality of services, improve outcomes for service users, and ensure that public money is allocated according to local and national priorities. Public bodies also aim to spend public money more effectively and reduce any waste of resources.

Does commissioning always involve a procurement process?

¹ See WRC report, 'The Impact of Commissioning and Procurement on the Women's Voluntary and Community Sector', January 2008

No, public bodies can deliver services in different ways. For example:

- By delivering the service itself, by employing its own staff and providing other necessary resources
- By providing a grant to another organisation to deliver the service
- By providing 'in-kind' support to an organisation which is providing the service (e.g. a local authority could provide staff, buildings, equipment)
- By working in a formal partnership with one or more organisations
- By giving financial support to service users who can then buy their own services²
- By investing in an organisation and enabling it to deliver a service which generates its own income
- By using a formal procurement process and awarding a contract to another organisation to deliver a service

An 'intelligent' commissioning process will involve commissioners considering all the possible funding options, and choosing a method that is most likely to result in a high quality service that really benefits the people using it.

Unfortunately, many commissioners choose the formal procurement route, even when it is not always appropriate. However, if voluntary and community sector organisations get involved with the commissioning process early on, it is sometimes possible to make the case for 'intelligent commissioning' and encourage commissioners to consider various funding options, including grants.

See WRC guidance on how to present the case for 'intelligent commissioning':

http://www.wrc.org.uk/includes/documents/cm_docs/2009/i/intelligent_commissioning.pdf

Who is involved in commissioning?

All local and national public bodies are now using a commissioning (and procurement) process. This includes:

- Central government departments and agencies (e.g. Department of Education, Ministry of Justice, Home Office, Skills Funding Agency etc.)
- The NHS and local Primary Care Trusts³
- Local Authorities
- The UK Police and Fire Services
- Universities and colleges

² Many disabled people, elderly people and people with mental health problems now have their own 'personal budgets' to buy their own services. For more information, see NCVO website: www.ncvo-vol.org.uk/personalisationresources

³ In July 2010, the Government announced a proposal to abolish PCTs and enable GPs to directly commission services. At the time of publishing this guide, the future of health service commissioning is still unclear.