Title of paper	**Enabling a resilient VCFSE sector across SNEE**
Presented by	Alastair Mitchell-Baker, Director, Tricordant
On behalf of	ICP Director and ICS VCFSE Assembly Chair
Brief Summary	This report summarises the findings of some recent engagement work across SNEE to explore the key issues around the ICP's strategic ambition of 'enabling a resilient voluntary, community, faith and social enterprise sector (VCFSE) sector.' It proposes the next steps to address these issues.
What is being asked of the ICP Committee?	The ICP Committee are asked to NOTE of the report and APPROVE the recommended next steps which are to convene a series of system workshops to co-produce ways of working to enact the strategic principles outlined in the ICP strategy.
Who will be responsible for any actions from the meeting?	Kirsten Alderson supported by Rachel Jennings and Alastair Mitchell-Baker
Does the paper propose Strategy to be adopted by the ICS?	No
What sources of evidence underpin the paper?	Qualitative evidence drawn from Interviews with key VCFSE and statutory sector leaders, desktop research and group discussions. Quantitative estimates from Tricordant VCFSE Workforce Review.
Who will be impacted and how?	VCFSE sector staff and statutory partner colleagues working with them, and those they serve, which can impact everyone living in SNEE.
Has the impact on health inequalities been assessed?	Not directly but as the ICS System Design Framework notes: *"The sector has a vital role in improving the health and care outcomes working closely with our local population on a daily basis. As such they are able to share invaluable insight to support systems to identify the assets, needs and aspirations of service users and carers and have specialist expertise that is well placed to support those with complex and multiple needs within our communities and often focus on early action, preventative services and wider social value."*
How will this paper progress partnerships and integration?	The proposed next steps are focussed on ensuring a co-produced approach to enabling local VCFSE sector resilience through agreed ways of working which support the integration of VCFSE organisations at all levels of the ICSs partnership work.
Impact for Specific ICS Partners • NHS Providers • NHS Commissioners • Social Care Commissioners • Social Care Providers • Public Health • VCSE Sector • Primary Care • Local Government • Clinicians	Main impact is on improving the resilience of the VCFSE sector and their capability and capacity to support other partners across all agendas.

Tricordant Report on 'Enabling a resilient VCFSE sector across SNEE'

Introduction

This report summarises the findings of some recent engagement work across SNEE to explore the key issues around the ICP's strategic ambition of 'enabling a resilient voluntary, community, faith and social enterprise sector (VCFSE) sector' as set out in https://www.sneeics.org.uk/can-do-health-and-care/community-focused/vcsef-sector-resilience/. It proposes the next steps to address these issues, based on a series of interviews with key VCFSE and statutory sector leaders, desktop research and group discussions.

The context

In the development of SNEE Integrated Care System, the VCFSE sector has played a key role. They have been described as an equal partner alongside local government and NHS statutory partners. VCFSE sector colleagues are actively involved in planning and developing strategy and services across the ICS including at local neighbourhood level, alliances, key service areas such as maternity, end of life and mental health, the integrated care partnership and the integrated care board. A SNEE VCFSE Assembly Chair has recently been appointed who is also a board member of the ICB. They will lead establishment of the wider VCFSE assembly, which will have a key role in facilitating appropriate engagement across the ICS of VCFSEs

The SNEE ICS Integrated Care System Design Framework [April 2022] describes the development over the last couple of years of the VCFSE engagement approach including development of a VCFSE Design Panel, composed of 10 leaders from across the sector as well as a Strategy Group open to all VCFSE leaders across SNEE. The VCFSE design panel lead development of a Resilience Charter, which outlines some key commitments and proposed ways of working to support continued development of the sector. It was approved by the ICS Board in 2021.

The Charter for Action's 5 commitments are:

1. Genuine VCFSE sector investment which is simple, inclusive, accessible, joined up and long term
2. A funding model which involves the integrated care systems in conjunction with the VCFSE sector coproducing at place, neighbourhood and system level services which meet local needs ensuring alignment with the local health and care system without duplication, overlap or additional bureaucracy
3. Delivery of quality services
4. Shared back-office resource
5. VCFSE training investment in Social Value, Theory of Change and leadership

Key Insights from recent VCFSE Workforce Review

Tricordant have recently undertaken a workforce review of the local VCFSE sector involved in health and care which has generated some insights relevant to this work.

- **The VCFSE sector contribution to health and care across SNEE is substantial**. An estimated 9000 VCFSEs employ about 16,000 staff with a turnover of £400M. Their 200,000 volunteers give about 1M hours per week, worth about £500M p.a.

- Need to **recognise VCFSE segmentation**. The sector is diverse in terms of services, scope and scale with many smaller organisations who are quite vulnerable and less visible. Different segments are likely to need different approaches for support.
    - Very large: National charities and hospices with turnover >£10M p.a . Currently local hospices are very actively engaged in the ICS but national charities much less so.
    - Large: £1-10M, often with county wide footprint and again generally well engaged and represented in VCFSE Strategy group and Design Panel.
    - Middle: £0.1 up to 1M turnover with often strong reliance on contract income and often a locality or key service area focus. Engaged more in specific work areas.

    - Small: under £0.1M, often neighbourhood focussed. Represented through infrastructure organisations.
    - Very small/micro: unregistered charities and very local provision. Also represented through infrastructure organisations.
- **Short-term funding cycles impact resilience** – cashflow challenges eat into reserves and short-term contracts impact ability to recruit skilled workers.
- **Lack of core funding** undermines investment in core-assets including equipment, work systems and training (which is mainly in house).
- There is **intense competition for health and care workers**. VCFSE's offer lower pay and job security than the public sector and recruitment is impacted by the cost of living and poor job security.
- There is a **need for improved digitalisation and digital skills**.
- Most organisations are **very intentional around their culture**, leadership development and training for both paid and volunteer staff. VCFSE organisations are often highly relational.
- **Attracting and retaining volunteers is a key challenge**. Overall, there has been a reported 40% drop in volunteering post pandemic.
- **Collaboration and competition across the sector.** There is an aspiration to shift to greater collaboration which can support service delivery but not all organisations have capacity to do so. Larger organisations tend to have more capacity to collaborate and can be well networked with small 'hyper local' organisations. Many VCFSE organisations highly value their autonomy, culture and agility and seek to partner with organisations of a similar ethos and model of working.

Key messages from interviews

All interviewees recognised the huge contribution that the VCFSE sector makes to health and care across SNEE, and the opportunity to enhance this further. As the ICS System Design Framework *says "The sector has a vital role in improving the health and care outcomes working closely with our local population on a daily basis. As such they are able to share invaluable insight to support systems to identify the assets, needs and aspirations of service users and carers and have specialist expertise that is well placed to support those with complex and multiple needs within our communities and often focus on early action, preventative services and wider social value."*

Furthermore, VCFSE organisations help to improve the value delivered by often innovative approaches delivered in more locally adapted and appropriate ways to meet the needs of people and groups including those that statutory services may find harder to reach. The sector has a particular role to play in helping to identify and respond to in equality's and improve the equity of health and care outcomes for communities.

However, VCFSE leaders reported continued issues with:

- transparency of funding available and at times decision-making,
- occasional difficulty of co-production process inputs being used in contracting processes unfairly,
- lack of clarity of how proof of concept projects are funded recurrently and mainstreamed,
- short term short notice NHS funding opportunities,
- disproportionate contract reporting requirements,
- difficulties in obtaining contracts and payment from NHS partners,
- difficulty understanding and engaging with the health and care system given its complexity which is exacerbated in VCFSEs which cover Waveney as well as other parts of Suffolk because of different ICSs.

Local authorities have had long standing commitments to, and well-established mechanisms for, supporting the development of VCFSE sector through funding infrastructure development organisations, information sharing, direct grant awards and commissioning of services. Previously a Suffolk Compact was developed to capture agreed principles and ways of working.

With the development of the Integrated Care System there has been a growing commitment from the NHS to invest in the development of a vibrant VCFSE sector and facilitate a greater contribution to the wider ICS. VCFSE Leaders acknowledged and recognise this senior leadership commitment to their development and role, however they often reported that day-to-day experience was at odds with this, with typical complaints including unrealistic short-term funding, failure to issue timely and appropriate contracts, late payment, overly complex procurement processes, poor relationships with commissioners, and a felt lack of fairness and transparency at times.

Statutory partners expressed strong support for a set of shared principles but also had significant concerns and frustrations with the detail included in documents such as the Resilience Charter which they felt was imposed on them rather than co-produced. The Charter includes stated requirements which they feel unable to meet but feel that the principles can still be honoured if ways of working can be co-developed.

Furthermore, statutory partners pointed out the strategic importance of making sure that VCFSE engagement in service delivery was a core part of the ICB delivery approach and not something that came about by use of non-recurrent funding (typically from underspends or short-term national funding pots). For example, it was suggested that there is a need to develop a mechanism whereby a certain percentage of core funding would be spent via VCFSE partner networks as a principle and that this should be built into every transformation / commissioning process and NHS service contract. This would be a way of ensuring long term sustainable funding, demonstrating better Value for money and an associated return on investment, and supporting the development of trusting relationships that underpin successful service transformation. These trusting relationships also might include the development of VCFSE networks with larger VCFSEs as prime contractors.

It is also suggested that an approach to procurement and contracting be co-produced which allows statutory organisations to demonstrate due diligence and obtain assurance and required performance data but is proportionate. Ideas include the development of a broad ICS provider framework. This has been trialled with the recent mental health framework approach where VCFSEs [and others] could join the framework through a simple expression of interest and due diligence process. When needs are identified a simple request for a collaborative response is issued and, as necessary a straightforward competitive process is followed.

Further joint work could usefully be undertaken to develop common measurement and performance monitoring tools. There appears to be some duplication and lack of clarity around roles in local councils which are focussed on facilitating VCFSE engagement and collecting monitoring data. Furthermore, the approach of different statutory partners is not fully aligned and this has been exacerbated as the ICB has sought to, and been able to, invest further in the VCFSE sector whereas Councils face continued austerity and funding squeezes.

The recent equity work in maternity around working with groups who are traditionally less engaged with statutory services has demonstrated the willingness of VCFSE partners to collaborate and learn together but the time needed to develop services, relationships and demonstrate impact is significant, and beyond a single year.

It is recognised that there's a need for a range of approaches to procurement and funding to reflect

- ICS and partner strategic ambition / priorities
- ICS lead organisation/structure e.g. ICS level, ICB, Council, Alliance, Collaborative, INT
- Tiered approach to VCSE segments
- Size and type of funding

Thus, an overall funding approach is likely to include a number of mechanisms aligned to the different functions required and tiered for different VCFSE segments:

- Funding for core sector infrastructure roles such as the CVS organisations, VCFSE Assembly chair and ICP support role

- Funding for key VCFSE staff engagement in forums such as local integrated neighbourhood teams, alliances, key ICS groups such as maternity, mental health, cancer and end of life
- Grant funding for infrastructure and development projects including to test concepts, meet specific local needs and benefit the wider sector
- Specific contract funding awarded directly to the VCFSEs
- Funding via sub-contracting from prime contractors who are NHS providers or larger VCFSE
- Warm hand over payments and microgrants for smaller VCFSEs
- Benefits in kind such as access to staff training and development, or specialist expertise and advice as needed.

The SNEE ICS approach to VCFSE has been in line with the NHSE national guidance published in Sept 2021, *'Building strong integrated care systems everywhere ICS implementation guidance on partnerships with the voluntary, community and social enterprise sector'*. SNEE's approach would appear broadly aligned with this though further work is probably needed to engage the main NHS provider Foundation Trusts [as key anchor institutions] locally and ensure they are supportive. They will usually need to act as the prime contractors and coordinators of service provision networks including VCFSEs, rather than the ICB.

Suggested core principles

The following key principles are drawn from the prior Suffolk Compact, recent Resilience Charter and interviews, and are captured in the ICP strategy. However, they will need to be reviewed and jointly agreed.

- We will recognise and value the work the VCFSE sector contributes to the health and well-being of people living in Suffolk and North east Essex
- We will recognise the important role the VCFSE sector plays in advocacy and campaigning for people living in Suffolk and North east Essex
- We will work as equal partners with the VCFSE sector, local government and NHS statutory partners
- We will work collaboratively with the VCFSE sector to co-design policies and services with our public sector partners
- We will support mutual aid to the VCFSE sector that includes shared support, training and development
- We will commit to sustainable investment for the VCFSE sector that is fair, simple, inclusive, accessible and long term
- We will co-develop funding models which enable the VCFSE sector to coproduce at place, neighbourhood and system level to meet local needs

Proposed Next steps

It is recommended that the ICP endorses the following next steps to take forward realising its strategic ambition of enabling a resilient VCFSE sector in a collaborative and creative way over the next 6 months.

1. This report is circulated to interviewees and key partners, and feedback collated ahead of a facilitated System Workshop to review and agree principles and broad ways of working to underpin these. The remit should at least cover all the areas of Resilience Charter.

2. The system workshop would set up specific Task and Finish Groups as needed under the joint leadership of an agreed SRO pair drawn from the VCFSE, County Councils and ICB.

3. The Task and Finish Groups will report back to a second System Workshop, which will review and agree the recommendations.

4. The revised approaches would then continue to be tested and refined in particular areas such as the ongoing work in mental health and maternity.

5. The output of this work in the form of an updated and co-produced Resilience Charter and supporting ways of working will be reported to the ICP for endorsement.

Appendix 1: Interviewees

VCFSE Sector Leaders
Christine Abraham Chief Executive Community Action Suffolk
Kirsten Alderson Chief Executive Officer at Suffolk Family Carers and SNEE VCFSE Assembly Chair
Judi Newman Chief Executive St Elizabeth's Hospice
Nicky Wilshire Chief Executive Ipswich Citizens Advice Bureau
Carol Eagles Chief Executive West Suffolk Citizens Advice Bureau
plus wider members of the ICS VCFSE Design Panel (26th Sept)

Suffolk County Council
Sue Cook Executive Director People Services
Stuart Keeble Director of Public Health
Richard Cracknell Assistant Director Public Health & Communities
Tina Hines CYP
Katrina Browning Senior Procurement Business Partner
Andrew Cuthbertson Head of Community Infrastructure

NHS Suffolk and North East Essex SNEE ICB
Paul Gibara Director of Performance Improvement
Richard Watson Deputy Chief Executive and Director of Strategy and Transformation
Elizabeth Moloney Deputy Director Strategic Change
Helen Bowles Maternity & Neonatal Transformation Programme Manager
Rachel Jennings VCFSE Lead ICP designate

Essex County Council
Neave Beard - Lead for Strengthening Communities [20/12]

East Suffolk District Council
Nicole Rickard

Appendix 2: The VCSE Charter for Action - the case for resilience and sustainable investment May 2021

[follows over the page]

Suffolk and North East Essex ICS

A VCSE Charter for Action - the case for resilience and sustainable investment

From: Tara Spence, Chair of the VCSE Resilience Group and CEO Home-Start in Suffolk
To: ICS Board Members
Date: Friday 14 May 2021
Ref: STPBoard140521-07a

Executive Summary

"The VCSE sector needs to be viewed as an integral part of health and care service delivery"

Voluntary organisation in SNEE

Overview

The VCSE in Suffolk and North East Essex is a critical partner working alongside communities to tackle the root causes of health inequalities which delivers:

- Flexibility and adaptability to enable significant reach to marginalised communities and the ability to respond quickly to need using a whole person approach to health and wellbeing.
- Cost effective solutions which improve the health of the local population and reduce demand on statutory services.

The VCSE sector employs around 14,000 people with a total income of £275 million.

This report informs the steps required for the VCSE sector to become an equal partner with the integrated health and care system developing a strategic, sustainable and joined up approach which involves engagement in decision making and shaping services and the development of long term joined up investment.

This Executive summary sets out the proposal for a Charter for Action. It is informed by the attached supporting report [page 5 onwards] which provides the evidence gained from a VCSE Resilience survey and more detailed accounts received from several voluntary organisations and grant funders. Discussions were also held with the ICS VCSE System Leadership Design Panel, the ICS VCSE Strategy Group, Healthwatch Suffolk and Healthwatch Essex as well as the Anchors Programme Board all of which informed the supporting report and the proposed Charter for Action.

The VCSE sector therefore proposes a Charter for Action that all ICS partners and VCSE organisations sign up to and commit to meeting by March 2023.

The Charter for Action's 5 commitments are: Genuine VCSE sector investment which is simple, inclusive, accessible, joined up and long term

1. **A funding model which involves the integrated care systems in conjunction with the VCSE sector coproducing at place, neighbourhood and system level services which meet local needs ensuring alignment with the local health and care system without duplication, overlap or additional bureaucracy**
2. **Delivery of quality services**
3. **Shared back-office resource**
4. **VCSE training investment in Social Value, Theory of Change and leadership**

What each of these commitments mean in practice;

1. Genuine VCSE sector investment which is simple, inclusive, accessible, joined up and long term.
   This means:

- Production of commissioning intentions 6 months in advance of commencement of funding
- Local funders to produce funding intentions 6 months in advance of commencement of funding
- Early market engagement by funders when considering investment in the VCSE sector
- Collaboration between the statutory sector, funders and the VCSE sector to design the service delivery prior to agreeing investment which includes a VCSE day rate payment to resource all voluntary organisations who will be involved irrespective of size
- Contracts under general circumstances to be no less than 3 years increasing to 5 to 10 years which incorporate regular [quarterly] 2-way reviews
- Contract changes, extensions or terminations given 6 months' notice
- Incorporation of 20% social value [with aspirations to increase the % over time] for a contract or grant, making organisations aware of the model to be used for social value when advising of commissioning intentions and/or in early market engagement. For voluntary organisations who are new to social value they will be expected to incorporate 10% social value initially building up to 20% by the end of year 2.
- Investing in VCSE data systems which align with the statutory sector to simplify data and information sharing

2. A funding model which involves the integrated care systems in conjunction with the VCSE sector coproducing at place, neighbourhood and system level services which meet local needs ensuring alignment with the local health and care system without duplication, overlap or additional bureaucracy.
   This means:

- Collaboration to inform need and future investment by sharing and analysing data in order to develop and identify the right service delivery for place, neighbourhood and system
- Front loaded funding to allow investment in staff and systems, a limit on payment by results funding
- Aligning funding amounts to match the level of work involved in delivering, monitoring and assessing impact and outcomes of the agreed service
- Grant and statutory led contracts need to produce a clear monitoring schedule which includes 2-way dialogue on the data received to ensure agreed outcomes are being met
- Built in consideration of next steps and sustainability beyond the investment

3. Delivery of quality services
   This means:

- Access to all party data which clearly demonstrates impact and outcome
- Quality assurance requirements which include evidence of policies, workforce requirements including statutory and non-statutory training and leadership investment and evidence of business resilience and continuity
- Access to annual accounts
- Agreement of charter marks which indicate achievement of quality standards and support to develop these quality standards
- Quality checks which are part of a 2-way dialogue

- Evidence of continuous improvement which includes risk management and lessons learnt
- Healthwatch to act as a conduit for continuous improvement by providing a place for issues to be fed back in relation to contracting and service delivery.
- Healthwatch supporting a panel which consists of statutory sector and VCSE partners as well as clients to consider the quality information and feedback received and make recommendations which inform the Charter for Action review

4. Shared back-office resource
   This means:
- VCSE use of anchors including HR, finance and estates to support the delivery of services. The offer of a shared resource will demonstrate that the VCSE is seen as an equal partner

5. VCSE training investment in Social Value, Theory of Change and leadership
   This means:
- Investing in understanding what training the VCSE needs to fulfil the Charter for Action requirements
- Investment to fund the VCSE's access to training within statutory organisations as well as the ability to buy in external training
- Investment in statutory sector and voluntary sector leaders to shadow each other to develop knowledge and understanding that will maximise and benefit the system partners

The ICS/STP Board is asked to:

- Note the content of the report and commit to the Charter for Action
- Commit individually to signing the Charter for Action
- Note the need for longer term investment to enable this work to continue

On behalf of the ICS VCSE Design Panel:

- Simon Prestney, Chief Executive – Age Concern North Essex
- Fiona Ellis, Chief Executive – Survivors in Transition
- Tara Spence, Chief Executive – Home-Start in Suffolk
- Jon Neal, Chief Executive – Suffolk Mind
- Christine Abraham, Chief Executive – Community Action Suffolk
- Sharon Alexander, Chief Executive – Community Voluntary Services Tendring
- Simon Glenister, Chief Executive – Noise Solutions
- Keith Whitton, Chief Executive – Anglia Care Trust
- Sally Shaw Director – Firstsite Gallery
- Sam Glover, Chief Executive – Healthwatch Essex
- Nicky Willshere, Chief Executive – Citizens Advice Bureau

The VCSE Charter for Action: the case for resilience and sustainable investment

"If 2020 has taught us anything it is the importance of our connection to communities. It has also shown us that no matter what challenges 2021 brings, the community and voluntary sector can rise to them. There was a time when charities were the icing on the cake but in times of crisis we are the cake, often the first to react and respond to local need.

During these times we work in partnership with other organisations, and we provide ongoing insight and intelligence to the local authorities, commissioners, and funders. We inform them what is happening on the ground, what the need is, the gaps in service provision, the themes and the trends and this helps to develop future services. We are the grass roots, trusted eyes and ears of our local community."

Voluntary organisation in SNEE

1.Introduction

The voluntary, community and social enterprise [VCSE] sector aim to achieve equal and effective system partnership with ICS partners.

VCSE organisations in Suffolk and North East Essex [SNEE], supported by the Integrated Care System [ICS] Board, are currently working with statutory partners and grant funders to build VCSE resilience by developing a strategic, sustainable and joined up approach which involves engagement in decision making and shaping services and the development of long term joined up investment.

The VCSE is a vital part of SNEE ICS providing often bespoke place based and people-based services which are integral to the health and wellbeing of the local population. It provides a myriad of marginal and major gains in conjunction with statutory services and grant funders, which produced at scale aim to provide a collective and robust response to the needs of the local population. To unlock and maximise the collective potential of the VCSE as part of the ICS requires formal recognition and process change to ensure the VCSE is a truly equal and effective partner.

This paper examines issues in relation to VCSE contracts and grants, the use of social value and the Theory of Change which inform a proposed Charter for Action.

The VCSE sector proposes a Charter for Action containing 5 commitments that all ICS partners and VCSE organisations are asked to sign up to and commit to meeting by March 2023. The Charter for Action which is informed by the findings in this report and recommended to the ICS Board is set out in the Executive summary of this paper.

2. Process

The ICS needed to commit to strengthening the integral relationship between the statutory sector and the VCSE to ensure sustainable VCSE services by reviewing the following:

- Contract length
- Contract management
- Grant monitoring
- Use of Social Value
- Use of Theory of Change

In order to understand the VCSE experience in these 5 identified areas the VCSE sector was asked to complete a survey. This was designed to help inform the next steps for strengthening how VCSE organisations would work with statutory partners in Suffolk and North East Essex.

In addition, 4 grant funders and 4 voluntary organisations were either interviewed or provided more detailed written information based on their experience stating what works well and what works less well in relation to the 5 identified areas. Some illustrative case studies of what worked well and what worked less well were also provided by voluntary organisations and can be viewed in the Appendix on pages 13-15.

Discussions were also held with the ICS VCSE System Leadership Design Panel, the ICS VCSE Strategy Group, Healthwatch Suffolk and Healthwatch Essex as well as the Anchors Programme Board, all of which informed the report and the proposed Charter for Action.

3. Evidence for a Charter for Action: a summary of the findings

A summary of the VCSE experiences and feedback and the subsequent recommendations are set out below, however the key consistent messages were:

- simplify the contracting process so it is fair and manageable for all
- where appropriate increase the length of contracts and grants to enable sustainable outcomes
- underpin these developments by investing in VCSE training in Social Value and the Theory of Change
- explore the idea of access to a back-office facility to avoid draining voluntary sector resources unnecessarily or ensure the VCSE sector can levy an operational fee as part of the contract in recognition of the monitoring resource required

3.1 VCSE Resilience survey feedback

The findings of the survey completed by 38 VCSE organisations [26% response rate] showed that whilst the sector was relatively positive about contract and grant monitoring, it was keen for the contracting process and contracting management relationship to be reformed to improve VCSE resilience. This started with the need for longer contracts of 3years, 5years and 10years and the incorporation of social value and use the theory of change as part of the contracting process. The survey detailed feedback is set out below in relation to the 5 identified areas.

3.1.1 Contract length

- 68% held public sector contracts with a contract length range from 1yr-3 yrs.
- 70% stated this contract length was not suitable and would rather move towards 3yrs-10 yrs in order to:
  - Reduce costs of applying for funds
  - Increased security
  - Allow for longer term planning
  - Improve impact measurement
  - Provide better client outcomes
  - Improve staff recruitment
- There was an overall negative response to not being involved in agreeing the contract outcomes.

3.1.2 Contract monitoring

- Contract monitoring was perceived by 55% as on occasion putting the organisation under pressure but organisations understood contract monitoring was needed to measure funded outcomes, help influence future commissioning intentions, help map against community needs and understand gaps in provision.
- Areas for change in relation to contract monitoring included, providing information to funders the VCSE felt was relevant, having 2-way feedback, being supported with the financial resource to enable the VCSE to do effective contract monitoring and being able to provide data from their own systems.

3.1.3 Grant monitoring

- When asked why grant officers undertake the VCSE grant monitoring respondents stated it was to measure funded outcomes, to map against community needs, understand gaps in provision and so they could satisfy the donor.
- The majority stated they were not involved in agreeing grant outcomes.
- There was a 50:50 split of respondents between those who felt the grant monitoring process was about right and those who felt on occasion it was putting the organisation under pressure.
- Areas to change in relation to grant monitoring included, providing relevant information to grant organisations, having 2-way feedback, being supported with the financial resource to enable the VCSE to do grant monitoring and being able to provide data from their own systems.

3.1.4 Use of Social Value

- 34% said they measured Social Value and 32% said they did but not regularly.
  34% said they did not measure Social Value because either:
  - they didn't have the capacity to do so [48%]
  - or they didn't have the experience to do so [21%]
  - or they didn't understand enough about social value to use it [24%]
- 62% of respondents stated that staff did not have sufficient knowledge or training to undertake social value measures with 9% saying they would buy in expertise.
- In order to improve the social value offer respondents requested:
  - Training 36%
  - Have a SNEE social value single measurement structure 29%
  - New monitoring software 15%
  - Dedicated staff member 15%

3.1.5 Use of the Theory of Change

• Only 32% of respondents stated they used the theory of change model and 15% said they had never heard of it.

3.2 Summary of the detailed discussions with the VCSE sector

The detailed discussions with the VCSE sector reinforced the findings of the VCSE Resilience survey and identified the following issues:

- Short term contracts and funding lead to constant uncertainty regarding investment, staffing and ability to deliver.
- Short term funding is damaging to the continuation of complex pieces of work
- Many VCSE organisations need ongoing support to provide the quantitative and qualitative data regarding activity and outcomes required for robust monitoring.
- The resource required to fulfil this obligation is often not considered as part of the funding awarded and can also be disproportionate to the size of the contract.
- Funding is often not assigned as part of a contract or grant to cover the core costs of the voluntary organisation
- There were examples of the statutory sector asking the VCSE to develop a proposal which was not followed through. Developing a proposal on request which is not followed up uses existing VCSE resource which would otherwise deliver the core activity.
- There is a lack of understanding of the commissioning process by the VCSE and a lack of understanding by the statutory sector as to how to effectively commission VCSE services

3.2.1 What the VCSE sector had to say about:

[i] Resourcing preparatory discussions with the statutory sector

VCSE respondents stated there was often a lack of understanding from the statutory sector about how to engage the VCSE sector in the preparatory phase of contracting,

"We had a conversation with our local statutory organisation where we presented evidence based work we had undertaken in schools. As a result we were asked to develop a proposal which would scale this work up to 40 schools. This involved a lot of work up front to develop the proposal but our submission didn't go anywhere. That request involved one week of management staff time to develop a proposal. The work was undertaken at their request but progressed at our expense with no recognition of the resource our organisation had put in."

[ii] Application timescales

> "Then comes the funding pot - To bid or not to bid? That is the question."
> Voluntary organisation in SNEE

VCSE organisations consistently reported that too often they are not permitted realistic timescales when applying for grant funding. This quote was typical of all the discussions held and accounts received,

"often a weeks' notice of a deadline and the duration of the grant (average of 1 year) does not allow for any meaningful coproduction [at the outset] or post grant evaluation which must take place during the grant term and does not allow for realistic appraisal"

In addition all the contributors wanted a recognition of the need to include core costs as part of the contract or grant,

"not being able to use any of the grant funding for core costs means that these restrictions can exclude the very organisations that would benefit and contribute richly to the community. Charities are inevitably under significant pressure to ensure that their costs are as lean as possible in that kind of environment, which has the unintended consequence of placing pressure on them, in some

cases, not to apply for their core and running costs. That concerns us, because it can disguise the true cost of delivering a very important service."

[iii] Contract management often not being proportionate to the contract size

Respondents stated that smaller grants often have the same monitoring requirements as the larger grants without the resource to match. In addition the monitoring costs needed to be recognised and at least 1% of the grant should fund monitoring.

In terms of general costs it was felt that the grant should include core costs, delivery fees and operational costs. As one organisation stated,

"We delivered a small contract which was a 3 year contract of £30k per annum as part of a £4.5m contract which involved often more interrogation than the bigger projects. The amount of input and resource required to do that did not feel proportionate."

[iv] Longer term contracts needing to become the norm

Whilst it was recognised that some projects are completely appropriate for a short-term grant such as teaching children to swim or running a summer rambling group to promote wellbeing, all of which have a beginning, middle and end, many contributors expressed concerns that short term contracts were often the norm irrespective of what was expected to be delivered.

This short-term approach had consequences for organisations and their ability to recruit and retain as these two respondents explained:

"When you can take on a member of staff to deliver the service, if you cannot retain them beyond the grant duration they may never be fully dedicated to the organisation in question, and they spend the last 2 months of their contract looking for future employment. The time and money the organisation has invested in essential training, supervision and welfare support is like whistling in the wind as you cannot train and sustain."

"Grant lengths have a huge impact on the quality of delivery, staffing and the need to increase capacity."

It was also stated that short term funding often meant that those people who were helped received intensive support for a short period of time only. This worked against an organisation's ability to provide a complex service,

"When working with vulnerable people, particularly the seldom heard, they often present with a range of complex issues and challenges which have intensified over many years, the latter often a result of limited engagement and service intervention. To be able to resolve and empower people towards self-help and self-reliance within a short period of time is unrealistic."

Whilst another respondent said,

"Often proven success has no value if the funding dries up. There is no mechanism to have that conversation and it does not rank in terms of delivery against that funding. We should be able to have a discussion about the potential for funding to continue when effectiveness has been proven".

3.3 What grant funders said

[i] Suffolk Community Foundation:

- The average grant length is 1 year but it can be up to 3 years if the programme is successful
- We offer extensive help and support to organisations in the development phase
- The key to working well is the preparation of the programme and understanding funders needs and outcomes
- Grant making can lead to new ways of working

[ii] Essex Community Foundation:

- Grant length is mainly 12 months [although some have multi-year funding] which is sometimes ringfenced to an area.
- Whilst lines can get blurred between grants and contracts, contracts are often more prescriptive regarding outcomes.
- In terms of grant monitoring, requests are made for the VCSE to describe inputs, outputs, outcomes, learning and challenges. It is reasonable for grants to incorporate up to 10% to cover VCSE sector costs.
- An impact framework is being developed and the Community Foundation is looking to use the Theory of Change. It is important from the outset to clarify what the grant requirements are, however some grant funders can pose difficulties by changing their requirements half way through the grant term.

[iii] The National Lottery:

- It is important to build a relationship with the grant holder through regular meetings and conversations which includes a light touch contact every 6 months with a detailed report at the end of the year
- Funds can be moved between agreed budget lines offering flexibility but this must be agreed in advance
- Grant length is flexible but typically runs for between 3-5 years
- The areas that work well include a conversational approach, light touch monitoring, local knowledge, flexible outcomes, making sure organisations measure their outcomes well and investing in the organisation as much as the project itself

4. Enablers identified from the feedback

- Important to recognise and understand the VCSE landscape despite and because of its size and diversity
- Important to embrace the reality of a VCSE landscape which is diverse and complex as a strength
- An open and honest dialogue between partners
- Genuine partnership and agreement of roles and a way of working early on
- Match funding gives the potential for more equal partnerships.
- The length of contracts has a direct impact on how the project is delivered and the sustainability and growth of the organisation.

- Access to data systems and internal skills to develop data and monitoring.
- Early engagement and coproduction are key to effective commissioning and contracting
- Would be good to do joint social value training with the VCSE and statutory sector to improve understanding of each other
- Explore ability to work in partnership where appropriate with other VCSE organisations to deliver a contract

5. How can we make a difference by contracting differently in health and care?

- Reduce Barriers
- Actively Incentivise
- Promote Appropriately
- Provide Support and Advice
- Set Targets Holding Ourselves to Account

6. VCSE Recommendations

- Include social measures in contracts, let us help you see the additionality that we bring to the table and allow us to use our social impact as evidence in the bidding/tender process
- Increase contract lengths to 3 years+ allowing us to employ experienced staff and great leaders and recruit good volunteers so we focus mainly on people rather than funding bids.
- Jointly agree contract outcomes with support to measure real impact and change
- Promote more local partnership working and coproduction between other VCSE organisations and statutory sector partners to meet the needs of local people. Ask the VCSE sector "what part of this contract can you deliver?"
- We should demonstrate the value of what we do to attract funding to secure a more sustainable income
- We need to assess the willingness to develop a VCSE back-office function and/or build in 1% for the costs incurred by the VCSE sector to provide monitoring
- ICS investment in VCSE social value and Theory of Change training

Authors
Tara Spence Chair of the VCSE Resilience Group and CEO Home-Start in Suffolk
Sara Bradley Enable East
May 2021

Appendix: VCSE Case Studies

What has worked well

Case Study 1

Tendring Community Transport [TCT] have secured funding over the next 2-3 years to provide general transport services for people in Tendring where public transport links do not currently exist.

As a 3 year grant has been secured from the National Lottery there has been no need to negotiate a grant extension with Essex Community Foundation.

TCT also went to the CCG for financial support and were awarded a 2 year contract which was originally due to start in April 2020. Owing to the Covid-19 restrictions this funding was received in October 2020 however due to the ongoing impact of Covid-19 TCT is in discussions with the CCG to delay the start of the contract further until the Covid-19 roadmap is clear at which point the transport service agreed can start.

The CCG has been very flexible and sympathetic about the reasons for the delay in starting the service and have given assurance [verbally at this stage] that they understand and will accommodate the situation. Receiving this assurance in writing is currently being followed up by TCT with the CCG.

All 3 funders have been positive in their approach recognising, given the circumstances, the need for flexibility. It did take time to agree the contract with the CCG but since the agreement has been reached dialogue with the CCG has been positive despite the delays.

Case Study 2

Home Start in Suffolk [HSiS] is a volunteer-based family support charity based in Suffolk, working with families with children aged 0-12 across the county.

As part of a contract award HSiS had to provide match funding. They match funded the contract by 100% which meant of the total outcome delivery they 'owned' 50% of the contract and the additional 50% liability helped to support a greater partnership dialogue and increased motivation for the organisation to deliver as they 'owned' the outcomes.

Suffolk County Council has further invested in the service by supporting HSiS to achieve individual outcomes, supporting their PR and publicity, helping them to develop additional funding streams and celebrating the achievements of volunteers. They have been involved in all levels of the service as a true partner and champion and celebrate the outcomes HSiS deliver.

What has worked less well

Case Study 1

Summit manage, provide and facilitate a range of services and work in partnership with other organisations, serving the learning disabled community and adults with mental illness. A grant was awarded to provide services for vulnerable woman who are victims of domestic abuse and violence, vulnerable woman who have additional needs such as a learning disability or mental illness and woman who are isolated.

The aim

The project aimed to provide and deliver services such as group advocacy (helping them to find their voice and speak up) regarding their rights and responsibilities, deliver training on confidence building and self-esteem, create a peer and social support network to reduce loneliness and isolation, raise awareness on health and wellbeing, provide appointment support to GPs and Well Woman clinics, provide links, information and navigation to services and future opportunities that can improve their quality of life such as volunteering and employment support.

The reality

15 females attended two sessions weekly. It took six weeks to promote, recruit and ensure a robust and appropriate referral route. The females also benefitted from 1-1 support and after 9 months outcomes were positive with the beneficiaries growing in confidence, reporting a reduction in their stress and anxiety and genuinely looking forward to coming to the sessions and meeting their peers. Towards the end of the 12 months the organisation was invited to apply for continuation funding but this was rejected. The rationale was that although Summit had submitted a good bid the fund needed to meet other new criteria. The bid did not now tick all of the boxes as the newly identified theme was to increase fitness and use of outside spaces. The females were navigated to statutory providers but many of their referrals were rejected on the basis that they were not a priority.

The impact

The females tried to sustain their meetings in the local community using the library and café, but they could not sustain it without some light touch support and help to organise their schedule. They found it impossible to participate in the sessions without some adjudication. After a few months they stopped meeting. One female returned to an abusive relationship, another began to self-harm. The charity tried to provide some ongoing light touch support but the demands on their service meant this could only be short term.

Conclusion

There are some significant and critical issues that the voluntary and charitable sector support and address on short term grants such as complex mental health needs, disability rights, abuse and deprivation. We are often asked what the legacy will be from the grant award. A legacy that can create significant and lasting change would be more achievable if scaling down grants over a longer period were awarded, so that outcomes and longer-term achievements can be met and measured realistically.

Case Study 2

Tendring Community Transport [TCT] has provided a Hospital Hopper service for people in Tendring since 2004. This service is specifically designed to transport local people to hospital and other health care settings. This service ensures local people who do not have access to private transport or reliable public transport are able to get to building based healthcare services for their appointments or visit relatives and friends in hospital when possible.

TCT often has to apply for grants to fund the cost of this service and grant funders query, as do we, why the service is not commissioned by the statutory sector on a long term [5years +] contract basis