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Welcome to your new look DCAN Newsletter!

All the essential information about DCAN is still here - but on the back page for your reference.

This will allow DCAN to highlight the current important issues for you.

DCAN is still aiming to produce the newsletter quarterly, but it may reduce a little in size as DCAN will also gradually begin to use email bulletins to make sure that information is sent out to you as soon as possible.

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National News

Public sector cuts could create financial black hole for thousands of charities

Commenting on research published by the Charity Commission on 24.3.10, the Commission's Chair said, "Clearly severe cuts lie ahead in both local and central government resources; many local authorities are already identifying spending on the voluntary sector as being vulnerable. There is a real concern that charities which receive money from the public purse to fund their valuable work could find themselves at a financial cliff edge in March 2011".



DCAN has already received news that contract prices have been cut elsewhere in the country. Westminster City Council has cut funding to the voluntary sector by 50% and has been reported for a Compact breach. Locally, North East Derbyshire District Council has cut some funding by 15% and one service level agreement by 100%.

Contracts and cuts in staff costs

More than half of charities' income now comes from government contracts to deliver public services, says a report by Cardiff University for the public services union Unison. The report says the shift in the relationship between charities and government since 1997 was "a revolution every bit as far reaching as the privatisation of nationalised industries under Margaret Thatcher".



The charity sector employs 464,000 full-time staff but the twin demands of the recession and increased competition for contracts means there is growing pressure to cut staff costs. The report says the pressures are so great that staff have been leaving the sector to work in supermarkets.

The report predicts that charities will go bust "Either because the services aren't viable any more or because their costs are not competitive enough to keep up with procurement exercises."

It highlights that although "competition is supposed to drive up efficiencies, it may just drive out small and specialist charities" pointing out that women's aid groups in the north east and CABx in Leicester and Hull have lost contracts to private sector companies, and that in other areas charities have lost home care contracts.



The report says "There are good relationships with public sector funders but... With greater pressures on public spending, it will be even more important to negotiate fair and sensible contracts."

Carol's Corner

Carol Lawton, Links Director and the Derbyshire CAN Project Manager rounds up the news:

The Minister responds to DCAN's paper



Sir Clive Booth, the UK Chair of the Big Lottery Fund, passed DCAN's paper to Angela Smith, Minister for the Third Sector, and she has responded as follows:

“Thank you for passing onto me the paper from Derbyshire Contracts Advice Network (DCAN) about the problems they experience with public sector commissioning. I have passed this on to the officials working on this area. The DCAN note raises a number of interesting points, which I do hear from other organisations. This is why the Office of the Third Sector (OTS) has a strong work programme in this area.”

She goes on to say, “A Ministerial Cabinet Committee has been established to look at what blocks third sector organisations from securing and delivering specific public service contracts and agree actions for the removals of these blockages. The DCAN note highlights a number of key issues for third sector organisations that are relevant to this work.” There will be a new unit in the OTS (the Third Sector Contracting Team) and the DCAN note will be passed to them.

Her reply then covers the national programme for Third Sector Commissioning training covering 3000 public sector commissioning and procurement officers and the guide to working in a consortium. The OTS also set up Funding Central, a website of third sector funding opportunities.

Interestingly, the Minister did not reply to my points about TUPE, staff pensions, the recession or public sector spending cuts and the effects on contracts. However, it was good to get a considered reply to the paper and to know the DCAN points were being discussed in Whitehall.

Round Table Event on Commissioning and Local Government



Maybe as a result of DCAN's paper going to the OTS, I then received an invitation to join a round table discussion with the Secretary of State for Communities and Local Government, John Denham.

I was in very exalted company: Acevo, NCVO, Community Matters, Salvation Army, Social Enterprise Coalition, Turning Point, and Greenwich Leisure plus government representatives, Department of Health, National Audit Office and four city/county councils.

Carol's Corner continued....

Feeling rather like the country cousin, I was even more embarrassed to be asked to speak first by the Minister. To my surprise all the points I raised on behalf of DCAN were echoed around the room not only by large national charities but by some of the councils and Department of Health.

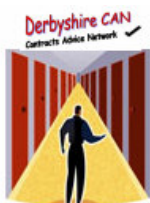
As a result of our discussions, so many action points were raised that we were asked to return for a second meeting. The issues raised included:

- Improved timescale for allocating funding for local delivery
- Standard PQQs
- Myth-busting false legal/procurement assumptions (e.g. can't give a grant above a certain level)
- Simplifying procedures
- Clarifying rules on consortium bidding
- Innovative ways of partnership commissioning
- Social clauses including Social Return on Investment

Participants clarified that government departments needed to talk to each other e.g. Ministry of Justice and Department of Health issuing contracts in different formats to local government. We felt it was wrong to expect local councils or the voluntary sector to do all the joining up when government departments still had poor links. The Secretary of State was, however, very keen on local elected members acting as Commissioning Champions.

At the second meeting, we explored our shopping list in more detail but it was felt that it needed more consultation. I was pleased about this as NAVCA was not at the table even though they run a Procurement Project and I could not claim to be representing more than DCAN. I did make the point that the joining up work should not involve vast sums of expenditure as the millions spent on Change Up did not seem to have solved the problems of capacity building for smaller local groups. The issues for DCAN are more structural: the complexity of contracts and the desire for aggregate large scale providers which militate against smaller local groups.

A set of recommendations from the two meetings is now being drawn up and these will go out for full consultation.



It was good to feel DCAN got admitted to the corridors of power but a little perplexing to find that many of the problems we have been raising for years are still so far from solution.

Diane & John's Journal

Diane Sheppard & John Chell, Social Economy Advisers

SROI – What is it and why does it matter?



SROI stands for **Social Return On Investment**. It provides a framework for measuring and accounting for a much broader concept of value.

SROI measures social, environmental and economic outcomes and uses monetary values to represent them. In this way qualitative as well as quantitative information can be presented to give a truer picture of the service or organisation. This enables a ratio of benefits to costs to be calculated. For example, a ratio of 3:1 indicates that an investment of £1 delivers £3 of social value.

SROI is about value, rather than money, but expressed in financial terms

For any group who feels high unit costs in service delivery may be reducing their opportunity to successfully bid for contracts, despite the quality of that service, SROI offers a means to prove value for money. By using the language of accountants in terms of cost benefit analysis, it is possible to demonstrate your worth to those of a more economic perspective.



For more information and to download the full guide to SROI visit <http://www.neweconomics.org/publications/a-guide-to-social-return-on-investment>.

DCAN is offering support to any organisation who would like to produce an SROI report. If you would like to take up our offer contact Diane Sheppard.

Partnership Working?



Thinking of bidding for a contract and looking for another organisation to work with? Want to halve the work and double delivery capacity?

NCVO point out the potential benefits and risks of collaboration and it's worth thinking this through to help establish if it is the right way forward. As usual these are both benefits & risks associated with partnership working. A full list of these benefits & risks is available either from DCAN or the NCVO Website: www.ncvo-vol.org.uk

Developing partnerships and collaborating to generate income can be challenging but the rewards to the organisation and its beneficiaries can be substantial - it is worthwhile exploring even if it is to identify potential partners for the future.

Finding a Partner

The DCAN team, of course, are always happy to help, but you could also try Funding Central (www.fundingcentral.org.uk) Find a Partner service.

FUNDING CENTRAL

The smart guide to over 4,000 grants, contracts and loans

Funding Central is a newish funding database developed by N.C.V.O. In addition to a searchable database of grants, loans and contract opportunities the website has links to lots of useful tools and resources including information to help unravel the contracting process. You will need to register to use the site, which is easy and free.

To return to finding a partner organisation – click on the Find a Partner tab at the top of the home page. You can search by location, organisation type, range of activities/beneficiaries or by collaborative working skills and experiences. If there are no organisations listed which match up with what you are looking for, you can create a profile to promote *your* services and experiences. This will enable others to contact you and explore how collaboration could help you deliver services, or jointly bid for contract opportunities.

Remember Funding Central is a relatively new site, so the more of us who register a profile, the more useful it will be.

Zan's Zone

Zan Hurst, formerly of NDVA, is now working as a freelancer for Derbyshire CAN

Information On Joint Working Fund Service Level Agreements



Derbyshire Contracts Advice Network has several pieces of information on existing Joint Working Fund service level agreements:

- Derbyshire County Primary Care Trust (PCT) and Derbyshire County Council Social Services Department (DCC) are currently taking decisions on which organisation will provide the funding for each agreement.
- The majority of the existing service level agreements held with either the PCT or DCC will be rolled over into 2010/11. However, groups receiving amounts of £100,000k or more per year (if funded by the PCT) will be gradually moved onto the standard NHS contract. The PCT are not currently intending to use the standard NHS contract for any amounts under £100,000k per annum.
- It has now been agreed that both Derbyshire PCT and Derbyshire County Council will be giving a 1% inflation increase for agreements below £100k in annual value terms. However, there will be no inflation increase for groups receiving over £100k in annual value terms. The same arrangements will apply to any agreements held with Derbyshire Mental Health Trust.

Groups should shortly be receiving information, from either the PCT or DCC, on their individual position.

N.B. For future reference, Derbyshire County Council and Derbyshire County PCT don't particularly call these service level agreements 'Joint Working Fund Agreements' any more - they are just contracts and grants that happen to be funded by them.

Information about developments in DCC procurement processes



The good news is that Derbyshire County Council has recently raised the level at which services have to be put out to tender. The previous amount was £10,000 over the life of any contract and this has now been increased to £50,000, again over the life of the contract, and is therefore now also in line with PCT levels.

If a contract value is under £25,000, DCC can now approach 3 organisations and ask them to provide a quote for the provision of the service and between £25,000 and £50,000 DCC would have to advertise for quotes on Source Derbyshire. However, departments can still opt to tender if they so wish.

Cont....

Zan's Zone continued....

Above £50,000 over the life of the contract, the contract would have to go through the full tender process. DCAN understands that as a general rule, DCC would be looking at contracts of three years duration*. These are really important and useful developments which DCAN and other organisations have been requesting for some time and which should help to clarify the process. * Editor's note: 3 yr SLAs from DCC Policy & Research Dept are this year only being renewed for one year.

Pointers re PCT procurement

Thanks to Pauline Parker at the Resource Procurement Hub for the following information: The value of a contract and its purpose, will help to define the procurement route the PCT (or any other public body) may take.

Supply 2 Health www.supply2health.nhs.uk

- The use of Supply2health is mandatory for all competitively tendered Part B services (unless there is a compelling reason not to, e.g. the Local Authority is the lead in a joint procurement).
- The use of Supply2health helps to reach a wider market.
- The PCT can advertise lower value contracts in order to stimulate markets for third sector organizations and smaller providers
- It became mandatory for all competitively tendered contracts where the PCT is the lead contracting authority to advertise on www.supply2health.nhs.uk from 30 September 2008



www.supply2health is one of several websites which are checked daily by DCAN in order to identify any tenders, which are then circulated through

Market Place Events

These are used before or at the early stage of the process, to help to stimulate the market and see what interest there may possibly be in the contract. It involves a presentation by the project team and a question and answer session. For a voluntary or 'specialist provider', this is a great opportunity to network and meet the project team as well as all of those providers who may be potential bidders, in order to become part of their 'consortia bid' or as a possible sub contractor. It will give the opportunity to meet and greet, hand out contact details and make clear their capacity/service/experience etc.

Open Forums

Open Forums are usually run before the process starts, and whilst the specification is still being designed/written. As well as stimulating the market, it encourages potential providers to exchange ideas/discuss the project and also have input in the evolving specification/service before the tender goes to process. Again, another opportunity to give information about your organisation.

PCT Websites

These are a source of information for forthcoming tenders for potential providers.

Sandra's Sessions

Sandra Pink, Management Adviser, feeds back:

Framework Agreements



Recently Derbyshire County Council (Adult Care – Supporting People) invited organisations to express an interest in being included on a Framework Agreement to provide floating support (housing related support services) to vulnerable adults & young people.

The council will be establishing Framework Agreements for the following Primary Client Groups:

- Young People (including Teenage Parents)
- Complex Needs includes: Offenders/ Ex-offenders, People with Drug or Alcohol issues, Mental Ill Health in particular Dual Diagnosis.
- Generic Service is for Service Users with identified needs that do not require the level of specialist support or intervention offered by alternative providers of services.
- Domestic Abuse

A Framework Agreement is a general term for agreements with providers which set out terms & conditions under which specific purchases can be made throughout the term of the agreement. It does not commit Derbyshire County Council to awarding organisations a contract but allows them to take part in any mini-competitions or tenders that may arise. This current Framework Agreement will run for a period of two years. After that time it is anticipated that new or unsuccessful providers will be able to apply for inclusion. The Expression of Interest process referred to above is now closed, but there will be other processes in the future.



You can view the procurement plan by going to:

http://www.derbyshire.gov.uk/images/Indicative%20Procurement%20Timetable%20-%20Sept%2009_tcm9-113553.doc

Part of the Framework documentation was a Commercial Questionnaire, which organisations had to complete if they wanted to be included on the Framework agreement. This included information about:-

- Name & address of organisation
- Financial information
- Safeguarding
- Legal structure
- Health & Safety
- Policies & procedures (Approx. 35)
- Professional & business standing
- Equal Opportunities

Sandra's sessions continued....

Derbyshire Contracts Advice Network was able to help several groups to prepare this questionnaire. For more information contact Sandra Pink.

More recently Derby City Council invited organisations to express an interest in being included in a Framework Agreement to provide Supported Living Services for Adults with Learning Disabilities.

These questions are common to other Framework Agreements, Pre-Qualification Questionnaires and Tender documents. If you are thinking of tendering for contracts it is advisable to have all this information available and in a suitable format as the time frame is often short. We can advise and give examples of policies that you can use as a guide.

Voluntary Sector Conference On Personalisation In Derbyshire



Sandra Pink & Diane Sheppard ran a workshop at the above event.

One of the main concerns was that Personalisation would take over all other funding, but this will not be the case. Colin Selbie, Head of Contracting Adult Care said that DCC would be looking at “correct ratio of funding core activity in voluntary & community sector against provision that may be subject to Personal Budgets.”

He also said that the plan is to run training sessions on tendering for services for VCS groups. The sessions will include the procurement team, DCAN & adult care.

There is an acknowledgment by Adult Care that everyone is learning and they have a commitment to shared learning with the Voluntary & Community Sector.

In our workshop we encouraged groups to identify current services and to think of ways that they can develop more services and market these to existing or new customers.

Derbyshire CAN

Contracts Advice Network ✓

What is Derbyshire CAN!

The Derbyshire Contracts Advice Network brings together voluntary sector providers, infrastructure agencies & commissioners to focus on the procurement agenda. It is led by Links in partnership with many other infrastructure bodies. Derbyshire CAN has 5 years Big Lottery Fund support from the BASIS programme.

Derbyshire CAN help your group

One to one support is available to help with contracts of any shape and size, and the policies you need to be contract compliant. Do you need help with costing a tender or financial projections? Contact Sandra or Carol at Links.

Here to support you

You don't have to be actually bidding for a contract to access support from DCAN. We can work with you to explore if contracting is the right approach for your organisation, what type of contracts might be most appropriate, consider whether to go it alone or join in with others and even – before we get to any of that – help you assess if your organisation is contract ready by having the policies, procedures and capacity to take on contract work and if not - what you need to get there.

Training

Derbyshire CAN provides in house training on tendering and contracts in response to groups. We can also organise specialised training on request e.g. legal aspects of contracts, VAT, procurement terms. Contact Carol.

Free legal advice & Other professional help

Derbyshire CAN has retained a solicitor to advise on the legal aspects of contracts. We may be able to access other experts to help with contracts. Contact Sandra or Carol with queries.

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The opinions expressed in this newsletter are the views of the authors and not necessarily of the above partners. While every effort is made to check accuracy, no liability can be accepted for any error or omission.

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