

**Realising power:
How VCSE organisations
can influence health and
care commissioning**



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commissioning and
the VCSE sector

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Key messages

- Commissioning has affected relationships within the VCSE sector. We conducted research on the VCSE and health and care commissioning relationships, which included over 160 interviews across six case study localities. In our case study sites people talked about how growing competition for contracts and grants had led to some rivalries and tensions, but they also highlighted that in some cases VCSEs were able to put in place strategies that strengthened how they worked together and the difference this made.
- Together, VCSEs were gaining greater scope to negotiate, campaign and have a seat at the decision-making table. This was achieved at times through the prime/lead (both terms are used interchangeably) provider model of contracting and provider alliances which opened up opportunities to a wider range of organisations, including smaller organisations. It was also made possible through local networking spaces facilitated by local VCSE infrastructure bodies, larger VCSE organisations, various partnership boards, Health and Well-being Boards, and ICSs that provided opportunities for VCSEs to connect with each other and collaborate.
- VCSE infrastructure bodies have a key role in facilitating such spaces. While they were mostly seen as gateways to commissioning, some also saw them as gatekeepers and raised issues around equity and representation.
- When VCSEs are able to come together, it is the collective knowledge, experience and reach of the VCSE sector which gives it much of its power within commissioning relationships, but imbalances of power also exist among VCSEs with some organisations struggling to get their voices heard.

Background

Over the last few decades, national policies have encouraged health and care commissioners to buy services from voluntary, community and social enterprise organisations (VCSEs), and more recently, to work collaboratively with them as ‘co-commissioners’ (see briefing 1). This is highlighted in the development of Integrated Care Systems (ICSs) that bring together NHS organisations, local authorities, VCSEs and others to plan and deliver joined up health and care services which meet local needs. Despite the substantial contribution of VCSEs to the health and care systems across England, few studies have examined in any great depth the interactions between commissioners and VCSEs in this context.

Our research explored how health and care commissioners and VCSEs interact and work together. As part of this, we compared and contrasted commissioning across six case study areas in England, talking with over 160 commissioners and VCSEs about their experiences. Our focus was on local (predominantly place) level commissioning of health and care services within the fields of end-of-life care, learning disabilities, and social prescribing.

This briefing is part of a series on different aspects of the study especially written for commissioners and VCSEs. It looks specifically at how VCSEs, and the type of relationships that exist between VCSEs, can affect commissioning. Wider aspects of these commissioning relationships are explored in the other briefings.

Key findings

Commissioning has affected relationships within the VCSE sector.

Commissioners engage with VCSEs of all sizes, but larger contracts and grants are perceived to have favoured larger, more formally organised VCSEs. Sometimes this has been to the detriment of smaller organisations, generally less able to absorb the hidden transaction costs of bidding and contracting. Our research revealed a widely held view that growing competition for contracts and grants had generated rivalries and tensions among VCSEs. VCSEs and commissioners alike thought this had damaged and reduced VCSEs’ capacity to collaborate with each other. Some, however, reflected that in some cases VCSEs began challenging this uneven commissioning environment by putting in place strategies that had, on the contrary, strengthened collaboration among VCSEs. We explore why and how this was the case.

VCSEs, and relationships among VCSEs, can influence the commissioning landscape.

Even though the balance of power in commissioning tips towards commissioners, largely because they hold the money, VCSEs are not powerless. As other researchers have found¹, VCSEs in this study demonstrated agency when they adopted strategies that allowed them to navigate and shape commissioning in a way that might improve their position and prospects and/or contribute to the advancement of their mission and goals. At times this was achieved at an organisational level - for example, when an organisation chose to recruit somebody previously employed in a local authority to improve communication between their organisation and commissioners, or when deciding to walk away from a contract if dialogue hadn’t been possible. But often it was through coming together with other VCSEs that they were able to access funding and increase influence and impact. Together, VCSEs had greater scope to negotiate, campaign and have a seat at the decision-making table by using the collective knowledge and reach they have into communities, and their ability to respond flexibly to changing needs, to leverage power.

Prime providers and provider alliances can open up opportunities to a wider range of VCSEs.

In the prime provider model commissioners contract with a single organisation which then subcontracts other providers to deliver with them the commissioned services. The subcontractors can include specialist providers able to address specific needs including smaller local organisations. This contractual model can reduce some of the barriers to entry for some smaller organisations unable to bid individually. However, it is based on an imbalance of power because the prime provider that holds the relationship with the commissioner and the

¹Macmillan, R., & Ellis Paine, A. (2021). [The third sector in a strategically selective landscape – the case of commissioning public services](https://doi.org/10.1017/S0047279420000355). *Journal of Social Policy*, 50(3), 606-626. doi:10.1017/S0047279420000355

subcontractors are not equal partners. It can often be challenging. Nevertheless, in some of the case study sites, VCSE prime providers encouraged a culture of collaboration and facilitated bridges between VCSEs of different sizes, and between VCSEs and commissioners. This was also the case for provider alliances. The alliance model was perceived to be more conducive to collaboration because providers are more on an equal footing, with all parties entering into a single agreement with commissioners, producing joint delivery strategies and sharing the risk and responsibility for meeting the terms of the contract.

Local networking spaces help strengthen relationships and collaboration.

The different study sites had created networking spaces that brought organisations together, including those facilitated by local VCSE infrastructure bodies, larger VCSE organisations, various partnership boards, Health and Well-being Boards, and ICSs. These spaces provided opportunities for both horizontal and vertical networking by connecting VCSEs together, as well as VCSEs with commissioners. The extent, coverage and strength of these networks and the resources available to support engagement in them, however, varied across the sites and affected the relationships between VCSEs, and the level of collaboration between them and commissioners.

“We are involved, we have a place ... none of these have come easy, but we’ve got hard won places at Health and Well-being Board and the Partnership Executive Group that meets, the chief executives and the great and the good [...]. We’re having conversations about how we flip the power and bring people’s voices and communities of interest voices into different conversations.” (VCSE RESPONDENT)

VCSE infrastructure bodies such as Councils for Voluntary Services (CVS) played a particularly important role by offering activities that sought to build skills and capabilities of VCSEs, reduce competition between VCSEs, and influence relevant stakeholders. These activities included preparing joint bids, holding and administering shared contracts, sharing information and knowledge (see briefing 2), co-designing activities, coordinating joint working (e.g. single points of access to services) and representing VCSEs in inter-commissioner networking (e.g. budget negotiations).

Infrastructure bodies and networks are both gateways and gatekeepers to commissioning.

Some commissioners and VCSEs thought infrastructure bodies acted as gateways to commissioning for VCSEs that might otherwise have been excluded. As intermediaries, infrastructure bodies facilitate and broker relationships among VCSEs of all sizes and between VCSEs and commissioners, and coordinate resources and efforts in pursuit of shared activities or aims (including for commissioning and interactions with commissioners). They work as boundary spanners, building bridges across sectors and facilitating the sharing of knowledge, evidence and resources. As a result, they enable a common language and understanding to develop and these are key to building trust and stronger relationships, dialogue and collaboration. Commissioners often viewed infrastructure bodies as a conduit to the VCSE sector, which placed them in a position of power and influence. Their effectiveness at influencing commissioning depended, in part, on which VCSEs they engaged with and whether VCSEs perceived them as independent and sufficiently inclusive to bring a collective voice for the sector to the commissioners. Not everyone agreed, however, as some infrastructure bodies were seen more as gatekeepers than gateways. As they were often an important VCSE point of contact for commissioners, they could potentially (even if unintentionally) withhold information from others. They also had some control over who accessed commissioning networks. This was particularly important because in one of the sites there were allegations of systemic discrimination within commissioning against ethnic minority organisations, which infrastructure bodies could inadvertently exacerbate rather than challenge.

Barriers to engagement are persistent.

Not all VCSEs want to be involved in commissioning or offer services that are of interest to commissioners. However, among those that do, some face multiple challenges that stop them from getting involved. The coordination, translation and collaboration work of infrastructure bodies aim to address some of these challenges, but there are limits to what can be achieved, not least because some of the barriers to engagement that VCSEs experience with commissioners are also the ones they experience with VCSE networks. These are largely linked to issues of capacity and concern predominantly, but not exclusively, smaller VCSEs and ethnic minority organisations. These organisations are often the ones most likely to struggle financially and have over-stretched members of staff and volunteers, and as a result, the least likely to be able to prioritise engagement in such forums. This raises questions about equity and voice. Across all sites, there were concerns about who is able to participate and which voices are and aren't being heard.

“I can see that it is so important that you can have a voice. You can only really be sitting in on these meetings and doing these things if you're not worrying about where the money is going to come from.” (VCSE RESPONDENT)

Conclusion and implications

Relationships are key to commissioning.

The study has shown how important relationships are if commissioning is to be effective. To date it is the relationship between commissioners and VCSEs that has tended to draw the most attention. Much of the existing research has focused on the challenges faced by VCSEs within this relationship, particularly those stemming from the power imbalance between the two, and our research reinforces but also adds nuance to these findings. The research carried out in our case study sites highlights that the relationships between VCSEs themselves are also important. By coming together and collaborating, VCSEs can increase their chances of influencing commissioners and shaping commissioning priorities and strategies to address local needs. It is the collective knowledge, experience and reach of the VCSE sector that is consolidated when VCSEs come together which gives it much of its power within commissioning relationships, however latent and unrecognised this may often remain. While there is strength in numbers and collective action, it is clear that imbalances of power also exist among VCSEs with some organisations struggling to get their voices heard.

Networking spaces represent routes to a more level playing field, and VCSE infrastructure bodies have a key role in facilitating such spaces.

Issues of equity and representation can be minimised, if the activities of these networking spaces are geared towards identifying and strengthening common agendas and identities, and improving how information, knowledge and learning are shared and transformed. There is no quick fix to these issues with progress depending primarily on the development of mutual trust between organisations which requires time and commitment. There is a need to improve understanding of how power is distributed within the VCSE sector (not just between the VCSE and commissioning organisations) and to actively seek to engage those who are excluded from decision-making tables. This seems particularly important in view of the development of ICSs, but developing these networks requires a shared commitment, resources, support and long-term investment.

Further resources

Robertson, R. and Ewbank, L. (2020) *Thinking differently about commissioning: Learning from new approaches to local planning*, The King's Fund.

Gilburt, H. and Ross, S. (2023) *Actions to support partnership: Addressing barriers to working with the VCSE sector in integrated care systems*, The King's Fund.

Local Government Association (2023) Toolkit: *Partnership working with the voluntary and community sector*, LGA.

Young, R. and Goodall, C. (2021) *Rebalancing the relationship: Final report*, NCVO, ACEVO and Lloyds Bank Foundation.

Perspective Economics (2022) *The role of Voluntary, Community, and Social Enterprise (VCSE) organisations in public procurement*, Department for Digital, Culture, Media and Sport.

Sheaff, R., Ellis Paine, A., Exworthy, M., Gibson, A., Stuart, J., Jochum, V., Allen, P., Clark, J., Mannion, R. & Asthana, S. (Forthcoming) *Consequences of how third sector organisations are commissioned in the NHS and local authorities in England: a mixed methods study*. Health Services Delivery Research 11.

Sheaff, R., Ellis Paine, A., Exworthy, M., Hardwick, R. & Smith, C. (2023) *Commodification and healthcare in the third sector in England: from gift to commodity—and back?*, Public Money & Management, DOI: 10.1080/09540962.2023.2244350

About this research

The Universities of Plymouth and Birmingham and the London School of Hygiene and Tropical Medicine have worked together on a research project funded by the National Institute for Health Research (NIHR) that explores in more depth the VCSE sector and health and care commissioning relationship and identifies where improvements could be made. The project is based on analysis of Clinical Commissioning Group spend on VCSEs, and six local cases studies. It focuses on services provided in the fields of learning disabilities, social prescribing and end of life care. The research was undertaken by the authors of this briefing, alongside Alex Gibson, Pauline Allen, Jonathan Clark, Russell Mannion, Sheena Asthana, Rebecca Hardwick and Chris Smith.

This is one of four briefings so far produced from the research. Other briefings, articles and reports will be published in due course. See see the [website](#) for further details.

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