

London Borough of Newham  
Response to *Pointers to Better Outcomes* Recommendations

Evaluation report recommendation	Council Response
<p>A) That there is a corporate approach developed to shape the Council's processes for entering into a financial relationship with third sector organisations supported by internal training. That the best practice already within the Compact and Codes of Practice should be reinforced and shape this corporate approach and should be embedded within the planned commissioning and procurement toolkit.</p>	<p><i>Agreed. This is already reflected in the approach being developed within the Council's Strategic Procurement Unit toolkit on procurement through the third sector</i></p>
<p>B) That the pointers from this report are shared across the statutory and third sectors to support the development of a consistent approach to commissioning and the building of capacity within third sector organisations to participate in commissioning.</p>	<p><i>Agreed Shared learning and action planning arising from the Evaluation will continue to be reviewed by the Compact Implementation Group</i></p>
<p>C) That the Council considers the appropriateness of commissioning for all organisations. This is both whether a grant relationship that defined and shared needs would be better for some organisations (e.g. for smaller organisation or for pilot projects) and whether a different financial and longer term relationship should be secured for anchor or nationally relevant organisations.</p>	<p><i>The Council will continue to consider the appropriateness of different funding processes for services or projects which could be provided by third sector organisations. The Council recognises that commissioning is not necessarily appropriate to all situations.</i></p>
<p>D) That there is a need to improve both the consultation and mapping elements of the Council's commissioning cycle to improve understanding of need, prioritisation of service outcomes and appropriateness for the third sector market that exists in Newham. This includes engaging third sector organisations specifically in informing decisions about the nature, processes and purposes of the funding relationship – and about its relevance to them and to their service users. It also includes engaging third sector organisations to ensure that the voices of their services user are heard and to inform the Council on the potential impact of decisions taken. Whilst recognising it is for the Council to decide on its priorities and how to spend its money, this recommendation seeks to enhance the effectiveness of decision making and thus to improve outcomes.</p>	<p><i>The council accepts that consultation and mapping of need can be improved, and that third sector organisations, amongst others have a contribution to make in respect of these processes.</i></p>
<p>E) That adequate time is provided, whenever possible, to ensure the entire commissioning cycle is followed effectively. This includes time to engage with third sector organisations earlier about process and priorities and also to develop partnerships if this is the preferred method of delivery. The attempt to reach best practice in having a third sector partner on the Project Board should be continued.</p>	<p><i>It is recognised that 'adequate' timescales are inevitably subjective but the Council does intend to redefine the stages in its future commissioning processes and establish a reasonable but realistic timetable for the whole process. Structures for overseeing commissioning processes are being reviewed as well as participation in such structures by representatives of the Council's partners from other sectors.</i></p>

<p>F) That a comprehensive Equality Impact Assessment is undertaken that considers outcomes both for organisations and for their service users, Particularly important given the recent ruling against Birmingham Council</p>	<p><i>Agree.</i></p>
<p>G) That the commissioning capacity building needs of third sector organisations are considered by ChangeUp and a strategy developed.</p>	<p><i>The Council welcomes any opportunity to review and discuss capacity-building needs with partners from other sectors</i></p>
<p><b>Consultation on Need</b></p>	
<p>1) That the Council begins planning for each Commissioning round at least 18 months before final decisions are required, (decisions are required three months before the new delivery arrangements are to come into operation) and that it undertakes this planning in partnership with the Compact Implementation Group and/or the Changeup partnership, resulting in a more appropriate and effective timetable and process for commissioning.</p>	<p><i>The Council accepts in principle the recommendation of an 18 month lead-in period through to the point of commissioning outcome decisions, wherever possible. The Council also undertakes to keep partners from all sectors informed and, where appropriate, involved in planning and preparation processes. Channels for such involvement are to be considered and reviewed.</i></p>
<p>2) That as part of the above planning the Council agrees the detail and method of a consultation process that will:  a. enable an improved, joint understanding of needs of users and communities;  b. establish how far current services meet those needs; and  c. inform an effective timetable for commissioning.</p>	<p><i>The Council will take account of partners' understanding of user and community needs, and facilitate processes for the identification of such needs, within an overall commissioning timetable.</i></p>
<p>3) That the Council takes a more corporate – and less fragmented and inconsistent – approach by ensuring that it gathers together its own knowledge and evidence of both need and fit with its current policy and strategy. These internal perspectives should be shared with third sector organisations during the consultation as the resulting exchange of views might, on occasion, lead to useful developments.</p>	<p><i>The Council is strengthening its corporate approach to its commissioning activity, including the identification of need and the development of service specifications through robust research and data analysis which is then used consistently across all service. The Council will also be developing a partnership approach to sharing data and information and working to improve communications both across and up and down the partnership over the next six months.</i></p>
<p>4) That the agreed planning timetable ensures that consultation is followed with the wider sharing of information on the need and aspiration that exists within Newham and corresponding gaps in service provision identified. This information should then be used by Officers to inform Cabinet's agreement to its commissioning priorities and to a commissioning timetable.</p>	<p><i>Noted</i></p>

<p>5) That the Council makes use of existing networks and of second tier organisations to improve consultation results and, more generally, third sector organisations' input into strategic decisions and decisions that necessarily affect the third sector organisations and their service users</p>	<p><i>Agree there is a need to include third sector organisation within the consultation process however, any decisions based on this consultation will be taken by the council</i></p>
<p>6) That the consultation undertaken is so planned that it can affect decisions before they are made and that the results of that consultation are disseminated in a timely manner.</p>	<p><i>The Council is committed to establishing a reasonable but realistic timetable for all stages in the commissioning process, and to disseminating results of any related consultation in a timely manner.</i></p>
<p>7) That the undertakings within the Newham Compact Consultation Code of Practice are followed.</p>	<p><i>Agreed</i></p>
<p><b>Setting Priority Outcomes</b></p>	
<p>8) That the Council enters into a second round of consultation with third sector organisations once it has established need identified service area gaps and secured Cabinet agreement to priority areas and timetable. This second round consultation would have the specific aim of setting priority outcomes for each service area. As such it should be structured to allow for specific consultation on each service area to be undertaken enabling organisations that have skills and interests in more than one area to participate effectively.</p>	<p><i>The Council agrees to the objective of partners' involvement in identification of need as well as consultation on service specifications and target outcomes. Actual processes and timetable for future commissioning exercises will be reviewed in relation to these objectives, amongst others.</i></p>
<p>9) That the Council follows the best practice as recommended under Principle 1 above and as laid out in the Newham Compact Consultation Code of Practice.</p>	<p><i>Agreed</i></p>
<p>10) That, as part of this consultation, it ensures it works corporately, drawing on internal knowledge of each service area and, where necessary, on external experts to ensure that the eventual priority outcomes are evidenced-based and follow national and local policy and best practice. It should also ensure that these perspectives are shared with third sector organisations – and with any other relevantly interested parties – during the consultation.</p>	<p><i>These are already Council objectives and not disputed</i></p>
<p>11) That the Council continues to use a Project Board to oversee its commissioning process but strengthens the Board through securing consistent membership of internal commissioning, procurement and service area experts and maintains dialogue with third sector organisations and relevant internal officers through regular briefings on progress.</p>	<p><i>These are already Council objectives, subject to strategic procurement procedures and good practice guidelines, and are not disputed.</i></p>

<b>Putting service users at the heart</b>	
12) That the Council works with service users and the organisations that represents them to ensure that they are engaged in the consultation process, the planning and evaluation of commissioning and, where appropriate, commissioning decisions.	<i>Agreed in principle, with actual procedures and practice yet to be reviewed and redefined.</i>
13) That the information gathered from service users is used to inform decisions not only on priorities but also on the details of specifications and to provide a baseline for the monitoring of continuous improvement.	<i>Agreed</i>
14) That the Council undertakes a systematic assessment of the impact on current and potential users of decisions to change commissioning priorities and of the actual commissioning decisions that were taken. And that, following that assessment, the Council undertakes work with third sector organisations to ensure appropriate explanation and that appropriate referral arrangements for service users are put in place.	<i>The Council will consider representations regarding any impact on current and potential users of services to be discontinued as a result of future changes in commissioning priorities. The Council will respond to requests for explanation, information and advice on alternative provision wherever possible.</i>
<b>Map the fullest range of providers</b>	
15) That the Council commissions third sector organisations to maintain an up to date database of third sector organisations against which it can further understand the contribution that third sector organisations can bring.	<i>The Council will continue its efforts to maintain an up-to-date database, particularly of Newham-based third sector organisations, to assist in the identification of potential service providers for future commissioning of services.</i>
16) That the Council completes its own mapping of third sector organisations and that it works with other statutory organisations and third sector organisations to ensure its mapping is relevant to all Civic Partnership members. That, following this mapping, it develops through consultation a clear strategy to build on existing forums and partnerships as a means to support effective consultation and to assist in future provider mapping.	<i>The Council will undertake mapping of third sector partners to develop its supplier market knowledge and through its procurement functions The Council will continue to respond to partner and public requests for the sharing of information and knowledge of third sector providers and will be developing a partnership approach to sharing and the analysis of data which will be underpinned by a clear communications strategy for the partnership.</i>
17) That the effectiveness of provider mapping should be assessed as part of an Equality Impact Assessment.	<i>Noted</i>
18) That the Civic Partnership works through the relevant Local Action Partnership Boards and the ChangeUp partnership to develop an understanding of how – within	<i>Noted</i>

<p>the legal requirements of public sector procurement – the commissioning process can best assist sustaining and developing the healthy and thriving third sector that a super-diverse borough like Newham needs.</p>	
<p><b>Investing in Infrastructure</b></p>	
<p>19) That, through its mapping and the ChangeUp partnership, the Council identifies and decides whether to commission capacity building and specific support organisations to enable third sector organisations to maintain and develop their effectiveness and to enable all sectors to deliver high quality services.</p>	<p><i>Noted</i></p>
<p>20) Following this mapping, the Council to decide: whether to commission one or more third sector organisation(s) to specifically build the ability of the sector to participate in commissioning; or how to work with third sector organisations that are successful in securing funding from external bodies to deliver this support.</p>	<p><i>Noted – through this will be subject to the priorities identified by the council and available funding</i></p>
<p>21) That the Council considers the commissioning of specific infrastructure support, to enable better access for ‘hard-to-reach’ communities.</p>	<p><i>The Council is developing a new Equalities Strategy and Single Equalities Scheme as part of this there will be analysis and identification of needs for hard to reach groups.</i></p>
<p>22) That the Council maps out and then brings together all the ways in which it commissions third sector organisations:</p> <ul style="list-style-type: none"> <li>• uses this information to develop a consistent, co-ordinated and accessible approach;</li> <li>• uses this information to identify and model the impact of its proposed changes in funding on third sector organisations and their service users; and</li> <li>• considers how best to include other statutory partners’ opportunities within this mapping of commissioning and grant programmes.</li> </ul>	<p><i>This is already reflected in the approach being developed within the Council’s Strategic Procurement Unit</i></p>
<p>23) That, as a consequence of its mapping of funding programmes and their impact, the Council decides whether a separate grants programme is required to support small to medium sized organisations.</p>	<p><i>The Council’s utilisation of its grants and commissioning budgets will continue to be reviewed in the light of changing priorities and requirements.</i></p>

<p>24) That the Council retains and reports on the outcomes of equality performance indicators contained within its specifications.</p>	<p><i>The Council will continue to monitor performance by commissioned providers against all indicators in its specifications, including equalities' PI's. Reports are produced as required by appropriate bodies, or under appropriate procedures.</i></p>
<p>25) That, after seeking appropriate legal advice, the Council clarifies whether it will commission or grant aid services that are for specific communities.</p>	<p><i>The Council will continue to follow appropriate procedures with regard to any proposed service commissioning that is required to meet Council priorities</i></p>
<p>26) That strategies to enhance equalities and capacity, such as the Consortium approach, are tested with third sector organisations themselves and are allowed sufficient lead-in time to be successful.</p>	<p><i>Noted</i></p>
<p>27) That the Council:</p> <ul style="list-style-type: none"> <li>• rapidly clarifies its intentions on the position regarding the recruitment of the Planning Access Officer;</li> <li>• makes immediate decisions on the nature of the strategic equality service it requires;</li> <li>• and undertakes commissioning to secure this.</li> </ul>	<p><i>The Council is reviewing these areas of service, which have not yet been the subject of decision in the general transition from grants to commissioning. The Council's review of equalities is leading to the development of a new Equalities Strategy and a Single Equalities Scheme which will both underpin the work of the Council at a strategic and service level, and will inform commissioning of services based on residents' needs and priorities.</i></p>
<p>28) That the Council revisits its grants to commissioning equality impact assessment so that it concentrates more on impact than on process</p>	<p><i>Noted</i></p>
<p><b>Develop transparent &amp; fair contracting processes</b></p>	
<p>29) That the Council takes time to develop realistic, measured and targeted service specifications drawing in input from various internal and external 'experts' including third sector organisations where appropriate. Recent Office of the Third Sector guidance on Intelligent Commissioning which advises the inclusion of 'social clauses' to assist third sector organisations to illustrate their distinctive advantages should also be considered when developing specifications. Third sector input would also benefit information pack design, including guidance notes to ensure that they are accessible and meaningful. This includes considering whether an appropriate third sector representative should be part of the Project Board.</p>	<p>The Council accepts the usefulness of these recommendations and will give due consideration when planning future commissioning exercises.</p>
<p>30) That a Pre Procurement Report is presented to Cabinet, after consultation, to secure agreement to service areas, outcomes and methods before service specification and information packs are prepared. That the process should not then</p>	<p><i>Pre Procurement Reports are presented for procurements as outlined in the scheme of delegation.</i></p>

<p>change unless there are exceptional circumstances. That Member involvement as part of the project panel is facilitated through a longer timescale so that a range of information can be considered to better inform decisions.</p>	
<p>31) That consideration is given as to what alternative funding arrangements should be developed and for what services, including consideration to time limited projects and targeted services. This will improve access to opportunities and facilitate information.</p>	<p><i>The Council's utilisation of its grants and commissioning budgets will continue to be reviewed in the light of changing priorities and requirements.</i></p>
<p>32) That consideration should also take into account EU procurement rules limitations and the fact that a grant rather than a contract means, for some, the inability to claim VAT.</p>	<p><i>The tender managers will ensure that Part B contracts are let following the full transparency and reporting procedures of any other tendering process including notice of award of contract.</i></p>
<p>33) That a full range of information is available at the beginning of the tendering process with training commissioned beforehand so that third sector organisations are ready for the process. That, within this information, fact sheets on full cost recovery, value for money and 'added value' are produced as written guidance to potential bidders.</p>	<p><i>Agreed</i></p>
<p>34) That, whilst an information event on the process can be attended by all at the same time, the Council recognises that organisations may be interested in more than one service area and therefore holds separate information events for each.</p>	<p><i>Agreed</i></p>
<p>35) That the Council considers the use of a modified Pre Qualification Questionnaire. The use of such a questionnaire would enable both the Council and organisations to make an informed judgement on eligibility against selection criteria before completing a full tender.</p>	<p><i>Agreed in principle. A corporate pre qualification questionnaire and business questionnaire has already been developed by Strategic Procurement. The evaluation matrix of corporate questionnaire can be found on Newham's website within the procurement section (Selling to us).</i></p>
<p>36) That in promoting tendering and grant opportunities the Council works with third sector organisations to ensure wide dissemination.</p>	<p><i>Agreed</i></p>
<p>37) That a realistic timescale for tendering is set, avoiding holidays and allowing for the developing of partnerships if this is a desired outcome.</p>	<p><i>Agreed in principle. May not be possible or practicable to avoid holidays at some point of process but will be taken into account</i></p>
<p>38) That, in setting that realistic timescale, the entire commissioning process is considered and is started early enough to allow for comprehensive consultation, the</p>	<p><i>Agreed in principle. There may be times when urgency of need requires quicker commissioning process</i></p>

<p>implementation of an effective procurement process and the taking of effective decisions. A minimum period of 18 months is required to conclude the process and, to allow sufficient time for redundancy and TUPE issues to be handled properly, the proceeds must be concluded three months before the new contracts are to come into force.</p>	
<p>39) That in setting the realistic timetable for the entire commissioning process the best practice standards set out with the Newham Compact and the national IDEA 8 Principles of Good Commissioning are used as a framework for future commissioning.</p>	<p><i>Agreed as target to work towards</i></p>
<p>40) Whilst it is necessary to set parameters, partnerships will be more effective if third sector organisations are allowed to make their own decisions about whether to enter into a partnership and on how that partnership works, providing training if needed.</p>	<p><i>Noted</i></p>
<p>41) That realistic budgets are set, with guidance from third sector organisations and national organisations, in line with Full Cost Recovery whilst enabling the widest selection of providers to benefit. To also ensure that output and outcomes measures within service specifications are in proportion to the resources available.</p>	<p><i>The Council will set realistic budgets in relation to priorities, circumstances, constraints and resources available. It will continue to encourage prospective providers to cost their services realistically to reflect the principle of full cost recovery. Bidders, however will also be encouraged to bid competitively in recognition of the Council's obligation to ensure best value for money. The Council will continue to negotiate agreed outputs and outcomes with successful bidders, reflecting realistic targets within service specifications, in relation to indicative funding available.</i></p>
<p>42) That support for bidders is maintained, with the exact nature of the one to one and group support agreed through the ChangeUp Partnership/Capacity Builders' Working Group, ensuring that facilitators of support are knowledgeable about Newham and the detail of the commissioning process including the development of consortia.</p>	<p><i>Support for bidders, subject to available resources, will be discussed prior to the launch of commissioning exercises with appropriate partners in order to achieve maximum benefit to the commissioning outcomes</i></p>
<p>43) That all staff involved in the commissioning process are appropriately trained and provided with the information they need to discharge their responsibilities. This particularly includes those staff who will be acting as contact points, who will also probably require ongoing support and agreed reference points of their own. It also includes third sector staff recognised as providing bidder support.</p>	<p><i>This remains an objective of the Council in all aspects of its services, and is also accepted in principle for relevant third sector staff, subject to available resources.</i></p>
<p>44) To have a limited number of knowledgeable points for advice within the Council but to ensure the full availability of all information, particularly including a system for effective and efficient dissemination of responses to questions at each location.</p>	<p><i>Agreed in principle. This remains an objective of the process.</i></p>

<p>45) That the form of tender is developed so that there is a consistent structure for all bids, enabling ease of completion by bidder and comparison by the Panel.</p>	<p><i>A standard form of tender exists and is available on the council's intranet for tender managers to use. A standard services terms and conditions pack is being developed based on a regional centre of excellence model.</i></p>
<p>46) That there is negotiation through the ChangeUp Partnership/Compact Implementation Group on an appropriate standard form of contract.</p>	<p><i>Agreed to develop in partnership: The standard terms and condition model will be circulated for consultation.</i></p>
<p>47) That all contracting and funded opportunities offered by the Council are consistently and coherently co-ordinated including setting up a page on the internet that advises of all third sector opportunities.</p>	<p><i>The procurement section on Newham's website has a dedicated page for publishing contract opportunities. This should be used for all forms of procurement opportunities.</i></p>
<p>48) That where the Council requires or prefers a consortium to be formed in response to a specification that it provides enough time and invests staff and resources into the Consortium's development. Also that, when requiring a consortium, the Council needs to include corresponding costs for maintaining an effective consortium within service specification budgets.</p>	<p><i>Agreed in principle, subject to available resources</i></p>
<p>49) That where the Council seeks consortia bids it ensures that it has agreed a process for referral of potential members and agrees methods for the reduction of risks with the lead organisations.</p>	<p><i>Noted</i></p>
<p>50) To provide better information on actual panel assessment scores for areas of the specification and selection criteria.</p>	<p><i>Training and guidance is provided for the creation and use of evaluation criteria and scoring methods, furthermore strategic procurement provide advice as required regarding specification and evaluation methods.</i></p>
<p>51) That officers support panel decision making by providing an assessment of the impact of their recommendations on currently funded providers and their service users.</p>	<p><i>The Council will continue to undertake risk assessments resulting from possible funding reductions. Procurement training recommends that a full risk assessment is undertaken by each tender manager and pre – procurement reports require this to be published.</i></p>
<p>52) That more detailed feedback to unsuccessful bidders is provided to enable organisations to grow and develop and that the Council considers the development of an appeals process.</p>	<p><i>Agreed De-brief sessions should be offered to every unsuccessful bidding company or organisation.</i></p>
<p>53) That information is published on the nature and amounts of funds provided along with regular reports on progress against targets for both the 3rd and statutory sectors.</p>	<p><i>Agreed</i></p>

<b>Seek longer term contracts and sharing of risk</b>	
54) That the Council undertake a revised risk assessment, with third sector organisations and use the results to inform policy, action and future commissioning priorities	<i>Noted</i>
55) That the standard form of contract allows for the fair sharing of risk and that negotiated solutions to minimise risks are shared with and offered to all organisations.	<i>Agreed</i>
56) To advise third sector organisations on the risks associated with all funding agreements and be explicit about how the Council is sharing this risk, particularly with lead organisations of consortia and with the application of TUPE.	<i>Agreed</i>
57) That at least 3 months' notice following decision is provided to allow for the running down or starting up of services and to be aware of the need to extend this notice period where external verification is required.	<i>Agreed in principle as an objective</i>
58) That 3 year contracts are maintained but with additional flexibility for the securing grants and for longer term awards.	<i>Strategic procurement recommends contract terms which reflect the service being procured. Longer term contracts are used where ever possible to allow full contract potential, good relationship with suppliers and potential for added value. Longer term procurement also reduces procurement cost.</i>
59) That second tier organisations provide training and support for organisations to undertake their own risk assessments.	<i>Not for the Council to respond to</i>
<b>Service user, community and provider feedback</b>	
60) That there is a joint Council and third sector promotion of the outputs and outcomes achieved through the commissioning process.	<i>This is good practice and will be followed up</i>
61) That there is an independent evaluation of the longer term impact of voluntary sector interventions.	<i>Outside the Commissioning Process</i>
62) That the Council clearly identifies how the results from recommendations 61 and 62 will inform the next commissioning round and process.	<i>Noted</i>

<p>63) That Council considers how to share the learning from this report with other statutory partners.</p>	<p><i>The report has been presented to the Newham Executive Board and will be used internally to improve commissioning with the 3<sup>rd</sup> sector</i></p>
<p>64) That the Council works with the ChangeUp Partnership/Capacity Builders Working Group to design a training programme on the entire commissioning process including concepts of commissioning, the actual process, the development of consortia, planning services, setting budgets, assuring quality, value for money, full cost recovery, tendering and monitoring.</p>	<p><i>Noted and this will be considered</i></p>
<p>65) That third sector representation is secured throughout the Civic Partnership family structure to ensure involvement in setting strategic partnership priorities.</p>	<p><i>This is outside the Commissioning Process, however a review of the LSP is currently examining how to improve the effectiveness of the Local Action Partnership Boards, including membership.</i></p>
<p>66) That the Council, third sector organisations and other partners consider how to build on the NEWCEYS example of bringing third sector performance outcomes and outputs into the national system for collecting data, in so doing recording and further evidencing the contribution of third sector organisations.</p>	<p><i>Outside the Commissioning Process</i></p>