

ANNEX 3

# Voluntary sector focus groups (Grants to Commissioning)

For Kingston Council

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This research has been carried out in compliance with the International standard ISO 20252, (the International Standard for Market and Social research), The Market Research Society's Code of Conduct and UK Data Protection law

## 1. Introduction

Kingston Council commissioned Qa Research to conduct a series of focus groups with representatives from the voluntary and community sector as part of a wider consultation on proposals to change the current grants application process to a commissioning approach.

This report outlines the key findings from the focus group discussions.

## 2. Aims and objectives

The purpose of the focus groups was to seek to understand the following:

- How the proposal will affect individual organisations
- The impact on individual organisations/the wider Voluntary Sector
- Perceived risks of implementing the preferred option
- Capturing any other suggestions for an alternative approach (e.g. something the Council may not yet have considered).

## 3. Methodology

Focus group participants were recruited from various sources. Five focus groups were recruited from a list of organisations that have received grant funding (provided by Kingston Council), and a database of voluntary and community sector organisations provided by Kingston Voluntary Action. A mix of participants were recruited to the groups to include those in receipt of different grant types (small, emerging needs, community investment) and some who had not received any grant funding from the council.

One focus group was recruited from a list of strategic partner contacts (provided by Kingston Council). Strategic partners have already been involved in initial discussions with the Council and have a more detailed knowledge of the strategic context for the proposed changes and are likely to already have some knowledge about the principles of commissioning, therefore it was more appropriate for this group to meet together to discuss this context.

The six groups were held over the period Thursday 11<sup>th</sup> and Friday 12<sup>th</sup> June and included a total of 62 participants. A list of participating organisations is included in the Appendix.

This report includes anonymous verbatim quotations from focus group participants. Focus group discussion guides are available on request.

## 4. Key findings

### 4.1 General observations on the proposed changes

Overall, the majority of participants were very concerned about the proposed changes and the potential impact on their organisations. There was also discussion within the groups around the recent change in council leadership and it was apparent that this was a period of uncertainty and change for many participants.

Concerns were expressed in relation to the consultation process itself with several participants commenting that as they understood it the decision to move to a commissioning process had already been made. This concern was particularly strong amongst Strategic Partners who referred to the Voluntary Sector Strategy and previous discussions at various meetings where they had indicated their support in principle for commissioning but had clearly stated a preference for an enhanced Corporate Grants process or 'Grants Plus' approach and this had been included within the Voluntary Sector Strategy;

*"A previous review of the voluntary sector grants system indicated that there was a need to improve the process so in March 2014 the Voluntary Sector strategy was launched, and signed up to by the Council, supporting what we would call Corporate Grants Plus."* (Group 6)

Linked to the perception that the decision had already been made, were concerns that the Council had not articulated a clear rationale for the proposed change – this was expressed in all of the groups. It was not clear to participants what was 'wrong' with the current system and what the evidence base was in support of the claim that a commissioning approach would deliver more and better quality outcomes;

*"Better quality outcomes? – does this suggest that the current ones are atrocious?"* (Group 2)

*"Where is the evidence that what we are doing isn't working?"* (Group 1)

*"What is the flaw in the current system that they [the Council] are seeking to remedy? And where is the evidence that the proposal to remedy it will be effective?"* (Group 6)

Strategic Partners and other participants commented that if specific shortcomings were apparent in relation to the delivery of services or outcomes then these could be addressed through revisions to the existing process and that a move to commissioning was not the only way in which to address this.

Furthermore, participants were keen to learn more about the cost implications of the proposals, specifically how much it was likely to cost to implement these changes and whether this cost (in the context of limited local authority funding) would negate any potential benefits that might be derived from making the changes. In particular, the creation of several commissioning areas (presumably with individual commissioners rather than a central unit) was seen as an approach that was likely to be costly;

*“If the responsibility for dishing out money is going to be peppered out throughout the organisation will there be the skills there and how much does that cost to identify different people as commissioners and equip them with the skills?” (Group 6)*

Concerns were also expressed about the online survey running as part of the consultation. Some participants commented that they felt the questions were ‘leading’ respondents towards a supportive response;

*“The survey is misleading...everything is presented as isn’t this wonderful this will happen?” (Group 1)*

*“The online survey is flawed with leading questions... you are commenting on something that has been decided and how it will impact on you not whether or not you want it and whether you agreed with it. I know that some organisations haven’t completed it because they didn’t want to tick satisfactory or unsatisfactory, they wanted to register a comment in the middle”. (Group 6)*

It is important to note that understanding of the concept of ‘commissioning’ and how this differed from a grants model varied within the groups. Some participants represented very small organisations that had only ever received small grants from the Council (and other funders) and had not been exposed to a commissioning process before. Some participants (including Strategic Partners and larger organisations) had a more detailed understanding and actual experience of commissioning processes.

## **4.2 Advantages and opportunities**

Participants were asked to identify the potential advantages/opportunities and disadvantages/risks for their organisations that could arise from the proposed changes. Generally, participants found it difficult to identify many advantages and opportunities; however those (from larger organisations) who had experience of or a more detailed understanding of commissioning approaches were more likely to see the proposed changes as an opportunity, but there was an appreciation that smaller organisations would need significant support;

*“For us this is an opportunity...so organisations like us and those much bigger will be ready for this...we’ve got to support smaller groups to be part of this. Not just a day’s workshop, you need to hold their hand.” (Group 5)*

Specific examples identified included the opportunity for consortium bidding and organisations working together to improve services and this could involve economies of scale in service delivery. There was also a view that commissioning could lead to greater accountability from service providers along with an opportunity to demonstrate tangible outcomes.

*“If we were seeing a tender for day care services for example we would expect to see one of the key criteria in that being local knowledge and a history of supporting the communities of Kingston...that’s already an obstacle to the bigger organisations...it’s a strength of our current providers and I think it’s important that we focus on it rather*

*than skewing the debate to 'well it's all a big threat'...there's everything to gain it's about how you commission" (Group 4)*

Some participants felt that commissioning approaches had the potential to address service duplication and fragmentation. Other opportunities noted included the potential for long term planning and more sustainability for organisations with longer contracts (e.g. 3-5 years). There was also some acknowledgement that commissioning approaches had the potential to offer more predictability around the funding process with a known budget by sector/outcome area.

However, most participants found it difficult to identify the potential benefits of commissioning for their organisations with a feeling that this was something that larger organisations would derive most benefit from.

### **4.3 Disadvantages and risks**

The main themes arising from the discussions on perceived risks and disadvantages of the proposed move to commissioning are outlined below.

#### **Loss of funding**

The most significant concern expressed by participants was the risk that their organisation would not receive funding under the proposed system and would be at risk of closure as they were squeezed out by larger charities; this feeling was particularly acute amongst the smaller organisations.

Participants frequently mentioned the importance of (and their reliance on) the Council's grant funding in covering the core costs of their work. Having their core costs covered allowed organisations the time to freely explore opportunities for additional funding, and for some the existence of the grant had been crucial in their ability to lever funding from other sources;

*"[Grants] allow us the latitude to go out to other places to try and get money...if the grant goes then this is going to be the death knell." (Group 2)*

*"If we have got corporate grants then we have got the time to make the partnerships to put in bids for contracts...but this takes time." (Group 6)*

Some participants found it difficult to see how their organisations would 'fit in' under a commissioning model in terms of demonstrating outcomes to the degree required by commissioners, and in terms of general 'appeal';

*"We offer a service that is offered on a daily basis, we can't track somebody's progress, a commissioning model doesn't suit what we do at all....unless we change what we do substantially." (Group 1)*

*"We've looked for external funding but as soon as you mention the word church, you might as well cut your throat. There is no funding for church based organisations." (Group 4)*

#### **Competition vs. collaboration**

Although a minority of participants could see that commissioning approaches could have the potential for collaborative working the majority felt that increased competition in the voluntary sector (via the use of competitive tendering) would not be a positive change. Overall, there was consensus that the voluntary sector in Kingston worked well in collaboration at the moment however participants were concerned that this willingness to collaborate and support each other would be at risk under a commissioning model;

3) *"We need an environment that promotes collaboration, not competition."* (Group 3)

*"Competition defeats what we are about and our ethos."* (Group 1)

Specific risks identified included larger organisations coming in and 'swallowing up' the smaller voluntary and community sector organisations. Participants also expressed concerns about organisations from outside of the borough coming in to deliver services. There was a view that this could lead to a reduction in the quality of services due to the absence of an established relationship with beneficiaries and a general 'work to contract' approach adopted by some larger organisations. Several participants cited the example of Richmond as a borough which had chosen to adopt a commissioning approach with, what they perceived to be, limited success;

*"Richmond has lost that local focus, that added value that local organisations can bring. An out of borough contractor will come in and deliver to the letter the contract but will not add value."* (Group 2)

*"My worry is that larger charities don't have a consistent staff base and those relationships with people [beneficiaries] don't develop."* (Group 3)

*"We could have collaboration with commissioning but underpinned with a corporate grants process, if you take the underpinning out then we are only competing."* (Group 6)

*"From experience in Richmond it is that a lot of the local charities who have been running for many many years and they know the local client group and quite often the staff are able to work more effectively with their local client base because they know them...but they get taken over by bigger national companies."* (Group 4)

If organisations were to be required to work collaboratively on bids it was felt that organisations needed more knowledge about what other organisations in Kingston were doing, e.g. a 'map' of local activity. It was also acknowledged that Kingston Voluntary Action has an important role to play here in supporting networking and collaboration and that work was underway to enhance collaborative working;

*"KVA have set up this kind of informal consortium arrangement and are inviting the voluntary sector to be part of that, they've got this accreditation opportunity, so I think it's happening."* (Group 4)

## Capacity

Another issue that arose frequently in the group discussions was capacity. It was evident that some organisations had little or no experience of commissioning approaches, and would find it difficult to access the skills required to participate in a more complex procurement exercise;

*“If you are in a small organisation how are you supposed to put together a three year plan with full cost recovery?” (Group 2)*

*“There are still bigger players and the bigger players often have more resources, people to do applications, they have more capacity to do all the statistics...where-as the smaller ones who are providing good services...my fear is we are going to lose the really small ones because it's just going to be too much.” (Group 4)*

Other concerns raised included a lack of specific experience in entering into legal agreements to deliver services, and the VAT implications;

*“I would be fearful of supporting their statements...they give us three year funding and then they sue us, we are a charity! Would they give us a probationary period and see how we perform and then extend it?” (Group 4)*

Irrespective of the prospect of a change to commissioning and the potential for more stringent bidding and monitoring requirements it was apparent that some smaller organisations had a general lack of capacity in terms of bidding for funding per se.

### **Preserving the ‘local’**

Overall, the view was expressed that in the move to a commissioning approach there was a risk that detailed local knowledge and established relationships could be compromised. It was felt that the current system allowed for a ‘bottom up’ approach in that voluntary sector providers could approach the Council with their detailed knowledge of the needs of specific communities in order to apply for grant funding. However it was perceived that a commissioning approach would have a tendency to be ‘top down’;

*“We feel ownership of all the things that we do, if someone else is imagining the need you do not get that ownership in the community.” (Group 3)*

*“One of the risks that the council will need to monitor is that the voice of the small player who has been invited because of their local knowledge that that doesn't then get lost, that they are named only for the bidding process.” (Group 4)*

Generally, participants appreciated that a commissioning approach would include engagement with service providers and service users and this was seen as crucial in designing services that would result in high quality outcomes. Participants were keen to know more about how this engagement process would work and were also keen to work with the Council in developing this;

*“That process of engagement really matters; it needs to be fit for purpose...the richness of local understanding should be preserved.” (Group 3)*

The preservation of local focus was also seen as an important factor in retaining volunteer motivation. Participants were concerned that a commissioning process that was perceived

to be 'removed' from communities might demotivate volunteers, as a sense of ownership was something that many volunteers valued;

*"Outcomes driven by the council will lose local volunteers."* (Group 2)

There was also some discussion around the proposal to create a small community grant which would be accessed directly through a local councillor contact. Several participants questioned to what extent this would be an objective process in that there would be a risk that political motivations could influence the decision;

*"That idea that you get a small community grant via a local councillor, there isn't anything objective or transparent about that is there? I really don't like the idea of that."* (Group 5)

## Innovation

Another recurring theme in discussions was that of innovation and the perception that a commissioning approach would inhibit this. Generally, it was acknowledged that the voluntary and community sector (in Kingston and more generally) was often the source of innovative projects which were ideally suited to grant funding as a way of piloting these approaches;

*“The Council have traditionally been quite innovative and I think this might make them less so...you get more measurement of outcomes under commissioning but I am not sure you get better outcomes.”* (Group 2)

*“We have had one off grants for creative things that the Council would not think of doing and certainly won’t think of doing in the future...for example a community choir, it was a real asset to Kingston but I can’t imagine in a million years that this would be commissioned.”* (Group 3)

## 4.4 Solutions

Generally, participants found it difficult to offer many alternative solutions, largely due to a need to know more about the finer detail of the proposals (particularly the exact amount of funding that would move to the commissioning pot) and the perceived lack of clear rationale/evidence base for change. However, strong views were expressed that more consideration could be given to refining the current system with a view to improving outcomes (e.g. through the use of a ‘grants plus’ model), and that a predominantly commissioning based approach was not the only way in which to achieve this.

Several participants spoke about how commissioning models in the voluntary sector had worked in other areas and also about recent evidence produced by Big Lottery Fund and NHS England (which makes the case for the coexistence of grant funding alongside a commissioning approach), and felt that the Council needed to take this into account.

*“Evidence from other areas - pan London – where they have gone into commissioning is that a couple of years down the line everything that we had anticipate happening has happened... all these unintended consequences. The systems have been far more expensive, and not as robust or local focused.”* (Group 6)

Other solutions proposed by participants included taking steps to increase the size of the grant funding pot by applying for European funding for example, and although this would require initial investment in the skills to secure this funding this may provide long term benefits. Other suggestions included building the capacity of voluntary sector organisations to develop alternative business models e.g. social enterprise, or to seek social investment.

## 4.5 Questions

Participants raised a range of questions within the group discussions. Generally there was a feeling that more information was required on the finer details of how the proposed approach would work in practice. The following questions arose most frequently:

- What is the evidence base for change? What is the current grants system not delivering that would be enhanced under a commissioning approach?
- Has the council considered alternatives such as grants plus or the learning from other boroughs that have adopted commissioning models?
- Will the change result in cost savings to the Council, and if so how?
- Will the cost of implementing these changes outweigh any likely savings?
- Exactly what proportion of the grant budget will be allocated to transition fund, discretionary emerging needs grants, and small community grants?
- What will be the process for accessing the transition fund, emerging needs funding and small community grants?
- How will the engagement (with service providers and recipients) element of the commissioning process work? Will voluntary sector organisations have an opportunity to have a say on the development of this process?
- How will a commissioning approach seek to preserve the innovation that exists in the sector?
- Have the thematic areas for funding been decided yet? Will organisations have an opportunity to influence this? What will happen to cross-cutting issues?
- What capacity building support for organisations will be available and who will provide it?
- Will the findings of this consultation be made available to the voluntary and community sector, and when?

## 5. Conclusions

It is evident from the focus group discussions that voluntary and community sector organisations feel very strongly about the proposals and are concerned about the impact on their own organisations and on that of the voluntary sector as a whole. Larger organisations seem more likely to see the proposals as an opportunity.

A key issue of concern appears to be the perceived lack of (or communication of) the rationale behind the proposals, e.g. the evidence base in support of a change to a commissioning approach and the associated cost implications of this.

It is apparent that the understanding of and experience of commissioning is variable, particularly for the smallest organisations who find it difficult to relate this concept to their organisations. It was evident from discussions that organisations would appreciate clarity around the amount of funding that may still be available on a grant basis and the process for accessing this.

Organisations are also concerned about their capacity to participate under a commissioning model with many identifying a lack of skills in costing proposals and preparing tender submissions, along with a lack of experience in contracting and the associated legal and financial implications e.g. VAT.

Organisations are keen to have an opportunity to influence how the market engagement element of a commissioning approach will work, in particular how local knowledge will be used and how the freedom to innovate will be retained.

## 6. Appendix

### 6.1 List of participating organisations

Organisation	Group
Kaleidoscope	1
Kingston Pensioners Forum	1
Kingston Tamil School	1
Refugee Action Kingston	1
Kingston Upon Thames Festival of the Performing Arts	1
Kingston Rotary	1
Kingston Samaritans	1
River Thames Boat Project	1
Story Storks Heritage	1
Kingston Churches Action on Homelessness	1
Kingston & Richmond M.E. Group	1
Kingston Tour Guides	2
Kingston Somali Community Association	2
Street Pastors	2
Digital Drama	2
Royal British Legion	2
Home Start Kingston	2
Kingston Community Furniture	2
Balance CIC	2
South West London Environment Network	2
Recovery Initiative Social Enterprise	3
Kingston Food Bank	3
Spartan Swimming Club for the Physically Disabled	3
Kingston Surbiton and District Cheder	3
Kingston Gujarati School	3
Alfriston Day Centre (Kaleidoscope Project)	3
TAG Youth Club for the Disabled	3
Kingston Environment Centre	3
Transition Town	3
Hestia Housing & Support	3
Global Arts Kingston	3
Crossroads Care Richmond & Kingston	4
Kingston & Malden Scout & Guide Band	4
Healthwatch Kingston Upon Thames	4
Kingston Bereavement Service	4
Kingston & Surbiton Labour Party	4



Milaap Multicultural Day Centre	4
Theatre for All	4
Grow Baby/ Kingston Vineyard Church	4
Kingston Environment Centre	4
Kingston Biodiversity Network	4
Relate	4
Mind in Kingston	4
African Positive Outlook	5
Kingston Advocacy Group	5
Dyscover	5
Victim Support	5
Saturday FAB Club	5
Aurora Health Foundation	5
Islamic Resource Centre	5
Kingston Art	5
Get Connected Helpline	5
Global Arts Kingston	3
Kingston & District Welcare Association	6
Creative Youth	6
Kingston CAB	6
Addiction Support & Care Agency	6
Kingston Race & Equality Council	6
Kingston Centre for Independent Living	6
St Peter's Hall Kingston	6
Kingston Voluntary Action	6
Kingston Carers Network	6

