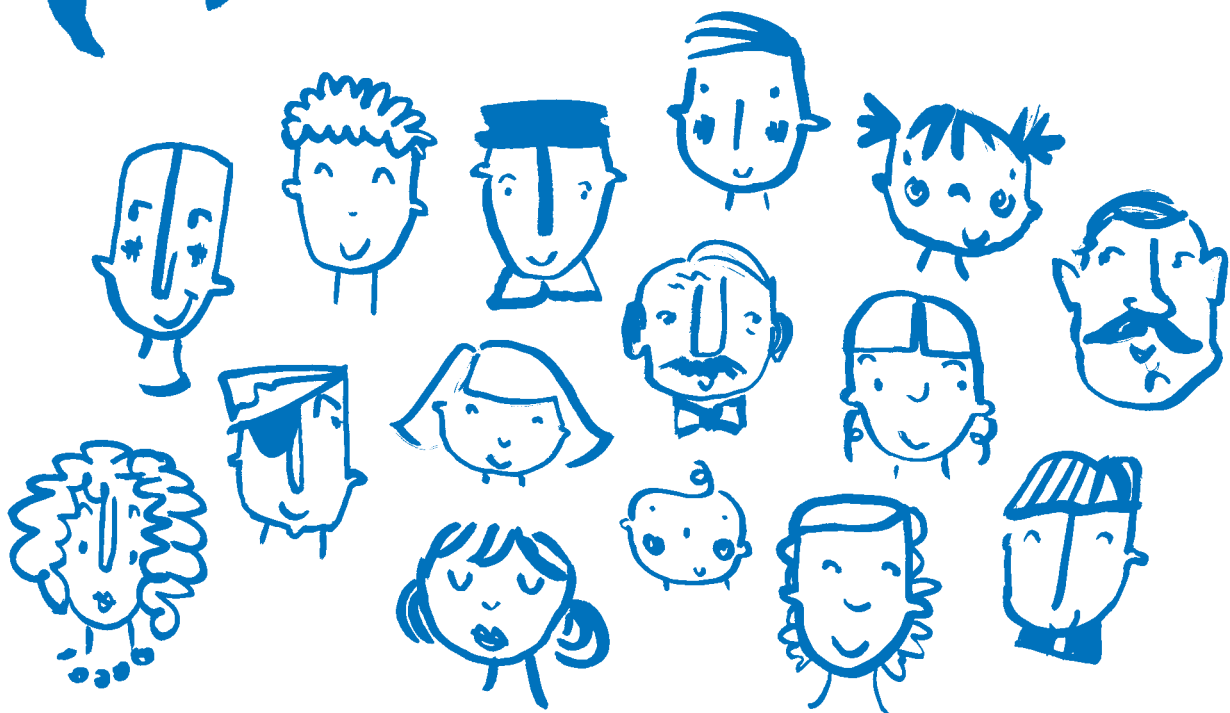


# Let's COMMISSION for COMMUNITIES



**Valuing the community and voluntary approach  
to human, social and community services**

**Acknowledgements**

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# EXECUTIVE SUMMARY

Over 560,000 people volunteer their time every year in Ireland's 11,500 community and voluntary organisations (8,500 of which are registered charities). These non-profit organisations employ over 100,000 staff, involve over 50,000 people as trustees/board members, and make up Ireland's community and voluntary sector, with a combined income of €5.7 billion a year. While all these organisations are involved in different work, they have one thing in common: they take the same basic not-for-private-profit, **community and voluntary approach** to their work.

The community and voluntary approach is a process that activates, encourages, empowers and supports groups of people to join together in activities that promote their common interest, improve their communities and benefit all of society.

Its key features include:

- responsive, tailored and holistic approaches to identifying and meeting needs;
- flexibility, innovation, integration and collaboration in delivery;
- ownership, involvement and empowerment of service beneficiaries and the wider community;
- contributing to building social capital and social cohesion and
- bringing additional sources of funding to support their work that would not be available to the State.

This approach delivers significant **Societal Value** for Ireland's people. Societal Value comprises both financial and non-financial value creation by using resources to produce a good and just society.

If society is to continue to benefit from the Societal Value generated by the community and voluntary approach, then public policy must create an **enabling ecosystem** that will sustain it and make it better into the future. A commissioning or funding model that focuses exclusively on minimising public spending and the cost of transactions to the State, risks compromising quality and effectiveness, not only in the short term, but also longer term.

This report identifies the unique value of the community and voluntary approach to supporting people and communities, its significance in today's Ireland, and highlights what is needed for the approach to thrive in the future. We have long established public policy and law in Ireland that recognises and sustains the public-benefit status of charities – we need to make sure that we sustain the Societal Value provided by the community and voluntary sector in the years ahead.

Reductions in funding combined with the discernible emergence of a "services paradigm" whereby organisations are viewed by funders from a financial perspective as purely service providers with their broader social role not recognised, risks reducing the capacity of the community and voluntary sector to sustain the unique Societal Value it creates.

Emerging Government policy towards commissioning services and moving to outcomes-based funding models must recognise, and explicitly seek to support, the financial and non-financial **Societal Value** inherent in the community and voluntary approach.

In order to sustain this Societal Value, statutory funding models (including commissioning, grant-making, procurement, and competitive tendering processes)

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need to **take into account the full range of Societal Value (financial and non-financial)** that different providers demonstrate in the way in which they propose to meet the particular service objectives being sought.

The characteristics of **high quality, efficiency, responsiveness, accountability** and **equity** should underpin the provision of good public services, whether delivered by a community and voluntary organisation, private sector organisation or a public sector body.

Collaboration is vital in the delivery of good quality public services. Commissioning of public services should not create barriers or disincentives to co-operation between public service providers whether they be in the statutory or community and voluntary sector.

There is an opportunity for public bodies to work in conjunction with the community and voluntary sector to develop an **enabling framework and ecosystem for the funding and regulation of services delivered by the community and voluntary sector**: one that is focused on maximising Societal Value creation, is explicitly supportive of the unique community and voluntary approach, and that utilises and reinforces its strengths.

# SUMMARY OF RECOMMENDATIONS

## Recommendations

### Commissioning should take place within a Societal Value framework

- 1 A coherent policy rationale for commissioning is an essential starting point, including a shared clear definition of commissioning and commissioning tasks, as recommended in the Centre for Effective Services report *Commissioning in Human, Social and Community Services*. This rationale must be provided for as a matter of urgency as commissioning approaches are increasingly applied. We understand commissioning to be a **strategic planning process linking resource allocation with assessed current and future needs. Commissioning is broader than procurement or competitive tendering.**
- 2 Public commissioners should be required to demonstrate that the outcome of any commissioning exercise maximises **Societal Value** (see model on page 17). Indeed, all public service arrangements should require Societal Value. This means that public services should be funded on the basis of ensuring quality, efficiency, responsiveness, accountability and equity, with appropriate weights given to each. Government departments, statutory agencies and local authorities should review existing approaches to commissioning / funding public services to ensure they are aligned to the maximisation of Societal Value.
- 3 The process of service commissioning should involve **communities in identifying and agreeing their need** and in determining appropriate outcomes. Commissioners should adopt a whole-of-person and/or whole-of-community approach in the process. Commissioners must be clear about what is meant by outcomes; how they will be measured; who will have responsibility for identifying needs; how they will fully engage communities in identifying and agreeing needs and outcomes; and how the achievement of outcomes will be assessed and monitored.
- 4 Government should develop guidelines and training to ensure local government, statutory bodies and government departments that allocate public funds have the **capacity and capability** to effectively commission and to deliver on a Societal Value creation framework. There also needs to be investment in building the skills and capacity of community and voluntary organisations to participate and succeed in all commissioning, procurement, tendering and/or grant funding agreement negotiation exercises.

## To sustain Societal Value we need coherent funding models to support the community and voluntary approach

- 5 Funding models should be based on a proportionate and sustainable **sharing of risk** between funder and service provider, with supports made available to help providers to manage risk and to meet regulatory requirements.
- 6 In order to obviate the risk of degrading Societal Value, when commissioning human, social or community services, **competitive tendering** should only be used where this will demonstrably achieve a higher level of Societal Value creation.
- 7 **Grant-allocation** should remain a core mode of funding available to commissioners. Irrespective of whether funds are applied using grant, grant-in-aid or tendering approaches, **multi-annual funding** allocations should be agreed and funding should provide for full-cost recovery. Grants should be the preferred approach where organisations provide a specialist service or serve a specific community, especially disadvantaged or 'hard to reach' communities.
- 8 Service commissioning should have due regard to the **scale** of community and voluntary organisations and not exclude smaller organisations from consideration, especially when local, community and/or specialist services are being sought. Public funders should ensure that community and voluntary organisations are not disadvantaged in situations where they are in direct competition for public funding with profit-making businesses (e.g. on basis of contract size or capacity to accept risk).
- 9 Ireland when **transposing the new European Directive on Public Procurement** should avail of all the options permitting a greater use of social clauses.
- 10 When competitive tendering approaches are used, public commissioners should use **social clauses** in these tenders to the greatest extent permitted under European Directives in order to ensure that Societal Value is maximised when public services are being commissioned in that manner.

## We need to enable the ecosystem of community and voluntary organisations

- 11 **Regulation should be credible, proportionate, supportive and adequately resourced.** Public funders and regulators should work together to rationalise reporting and regulatory compliance requirements; eliminate multiple-reporting; reduce the administrative load and ensure that volunteers continue to be willing to serve on boards.
- 12 Government should appoint a **Minister for Community and Voluntary Activity** to work with the community and voluntary sector to develop a national strategy, incorporating a coherent long-term funding framework for the sector.
- 13 **Community and voluntary organisations must sustain public appreciation and support for the Societal Value inherent in their work,** having a responsibility to demonstrate best practice in governance; orient their work around achieving outcomes with the communities they serve; and seek to collaborate at all times with relevant partners.
- 14 **Collaborative approaches** to commissioning and engaging with communities and the community and voluntary sector should be supported.