



# Commissioning case study

Shaping the voluntary sector market in Waltham Forest

## The headlines

- Recognising that its remodelled adult day care services would be dependent on the ability of the provider market to meet the needs of service users as commissioners and purchasers, Waltham Forest Council developed a programme of support to shape and build the necessary capacity within its local market.
- The change in commissioning model generated net savings of £600,000 in the first year and local voluntary sector organisations have improved their sustainability.
- While providers, especially those in the voluntary sector, were initially anxious about what the changes would mean for them, the support provided by the council enabled them to respond positively to the new commissioning landscape.
- Waltham Forest was a participant in wave 3 of the Commissioning Academy.

“ **The capacity-building support from the council has been positively received and allowed more time for us to consult, develop and trial service changes. The additional funds have helped us to increase our portfolio of self-funders, which means we are now employed by a ‘new’ type of customer, the user of the service. As a result of this support we moved to a new hub model and introduced individual service level agreements.** ”

Chief Executive, Learning Disability Experience

## What is the context?

Before 2014 day care services were largely commissioned by the council on behalf of all service users. These services were considered to be quite traditional in that they offered a limited range of activities, were building-based, and were not designed to facilitate increased independence and choice. The drivers for change were threefold. First, there was an increasing demand for day care, with a projected rise of 20 per cent by 2020; second, the service had a target to save £1.4 million in the next financial year; and, third, improving day opportunities represented a key aspect of the government’s personalisation agenda and of the Care Act 2014.

The council embarked on an extensive three-month consultation with service users, carers, providers and staff to design a new model for day services. Acknowledging the benefits of co-production, this approach involved reviews with 100 service users in order to understand what they felt was working and not working with the existing day care model. The council subsequently undertook a range of change events involving carers, service users, providers and staff, which established a number of themes and principles that then underpinned the new model for day care opportunities.

## What commissioning and delivery model has been adopted?

In the new model, agreed by cabinet in December 2013, anyone assessed as having a substantial or critical need is assigned a personalised budget, with a presumption that this is in the form of a direct payment. The basic premise is that, by purchasing power being transferred to service users, they are able to participate in activities of their choosing and which suit their personal needs.

The council recognised that the success of the new model was dependent on the development of the local provider market to meet the changing needs and requirements of service users. While valued and effective services already in existence were expected to flourish, it was acknowledged that some services could be decommissioned or redesigned, but at the

same time other new services would be developed. This would depend on how service users preferred to spend their personal budgets and on the relevance and quality of the services on offer.

The council had identified a number of concerns about the capacity of the local market to meet its new requirements and to survive in the market place. First, organisations were accustomed to receiving block funding from the council and had no experience of marketing to self-funders; second, there was duplication in the services and activities on offer; third, there was no history of providers working together to maximise their resources or to bid jointly; and, finally, support from the local voluntary sector umbrella organisation was limited.

The council therefore decided to support providers in developing a range of services for both eligible service users and self-funders in order to ensure a self-sufficient third-sector market, sustainable into the long term. Existing contracts with third-sector providers were due to end in September 2014 at which point the new model, with service users directly purchasing their own services, would have to be up and running. The council provided transformation funding for work with providers to change their business models and service offers and to manage the transition from one model to the other. Building on a similar process that had taken place in the neighbouring borough of Hackney, Waltham Forest commissioned expert consultants to work with providers on:

- developing new business models, including pricing menus;
- marketing services beyond borough boundaries;
- marketing to self-funders; and
- as charities, how to bid for external funding

They also encouraged providers to plan for greater collaboration, for example, by sharing premises or back-office functions.

Additional support was available through the lead commissioner who met with providers twice a month to explore different operating models, discuss concerns, and to share best practice. The joint special purpose vehicle formed by Hackney voluntary organisations came to talk to Waltham Forest providers on two occasions.

While in Hackney the voluntary sector formed a joint special purpose vehicle, in Waltham Forest providers

are working on a consortium to enable them to be in a stronger position to bid for some of the early-intervention and prevention services that will be commissioned via the Better Care Fund.

As of October 2014, the council no longer has any contracts with providers of day opportunities and the commissioning relationship is directly between service user and provider, although the council does carry out light-touch quality assurance of providers on its approved list.

“ Although we were forewarned about the changes to come within the voluntary sector and the impact these changes would have on us as a provider of adult day care, we found the prospect very daunting. Infinite Oasis Care considered various possibilities, but neither a change in the service criteria nor closure of the organisation was considered an option. Having then reached this point the question was now how to adapt and become a fully marketable operation, one which would attract new business. Therefore when the council’s commissioners stated that dedicated consultancy support would be given to our organisation to make this transition, this sounded very positive and we got a lot out of this support. ”

Infinite Oasis Care

## Who are the key partners?



Besides the obvious partnership with the voluntary sector as a whole and with individual providers, it was also crucial to work closely with social workers in order to manage seamlessly the transition from council-commissioned day care to user-commissioned provision funded through direct payments.

Although they do not commission similar services, clinical commissioning groups were closely involved in the planning as they saw effective day care opportunities as critical to managing the demand for primary health care services.

## What has been the impact?

The council achieved a net saving of £600,000 per annum.

As a result of the bespoke support received, providers are better placed to meet the commercial challenges of operating in the new environment and have developed sustainable business plans for the future. Even though the new way of working has been operational only since the latter part of 2014, there are promising signs that the voluntary sector as a whole is stronger and more resilient as a result of increased collaboration. By sharing back-office functions where possible some limited efficiencies have been achieved, but working together as a network means that providers can offer a wider range of services to potential external funders.

Service users report that they have more choice and control over the services they receive and that services better meet their needs, preferences and personal circumstances.

### Case study 1, Leonard

#### Before

Leonard goes to the same day centre a couple of days every week. He likes meeting his friends but not that he has to do the same things every day. Leonard would like to be more active but he travels to the centre in a minibus. When he gets there, there are limited physical activities available.

#### After

Leonard and his friends use their direct payments to do some sporting activities, including supporting a personal assistant to take them swimming. They also spend money on support to use public transport. This gives Leonard greater freedom and confidence to try out different activities.

### Case study 2, Tess

#### Before

Tess has been going to the day centre every weekday for the last couple of years. At the day centre Tess does not have chance to engage with the activities because she is hard of hearing and has recently lost her sight.

#### After

Tess uses her direct payments to get specialist support and learn new skills from a charity that specialises in supporting older people who have lost their sight. As a result of this support Tess is able to do more in her own home and has gained significant amounts of independence.

### Case study 3, Shazia

#### Before

Shazia is increasingly confused because of advancing dementia. She would like to be able to spend more time at home but attends a day centre five times a week. While she is at the day centre she is increasingly agitated until just before she leaves.

#### After

Shazia's social worker uses her personal budget to commission a dementia outreach service. The dementia adviser works with her at home to regain her confidence and involve her in personalised activities. As a result of this support, Shazia is able to spend more time at home with volunteers and in activities of her choosing and no longer needs to be out of her home five days a week.

## What have been the key elements of success?

Having a commissioner who had already gone through a similar process in a neighbouring borough, and an example to show that it could work, was valuable in giving voluntary sector providers confidence.

Ensuring that sufficient time and additional resources were available to allow providers to make the changes to their business models and organisational structures was important, especially given the need to engage trustees.

Political leadership was important and significant effort was invested in ensuring that the relevant lead member was fully briefed and had completely bought into the process. There was also a need to bring ward members on side and a number of briefings took place to make certain that they understood the process and to respond to their concerns.

It was also important to ensure that the needs of service users were paramount and that the transition from one model to the other did not result in anyone falling through the net. The practical engagement of social workers was critical to this success, and it was important to keep them up to speed through regular workshops and communications.

Participating in the Commissioning Academy was also valuable in providing peer support and in encouraging commissioners to try out new ideas.

**‘ I realised after the first day that my understanding of what commissioning meant was actually very limited. I would recommend talking to as many of your cohort as possible. There will be at least one person who will tell you something that you have never considered. ’**

Council participant in the Commissioning Academy



## What has been learnt?

Bringing together a hitherto fragmented market of voluntary sector providers was in itself positive as it enabled them to explore ways in which they might address duplication and inefficiencies from within, as well as to explore greater collaboration.

Empowering service users to make their own choices about the services they want and, critically, giving them the money with which to pay for those choices, effectively transfers the commissioning role from commissioners to users. In this instance, the role of commissioners was to have a strong market ready to deliver the services needed.

Pratima Solanki, Lead Commissioner for Families, says that commissioners, in partnership with providers, have to be prepared to take risks in developing new models.

**‘ Sometimes it’s about being brave and bold enough just to try things out and see if they work. ’**

She also emphasises the need to look across the wider system for solutions: ‘Going forward, in my sphere of work, there will be fewer options available to find efficiencies while continuing to do the same things, so the focus needs to be increasingly not on what the council does, but on what it can influence through systems leadership instead.’

## Who can I contact?

Pratima Solanki, Lead Commissioner,  
Families, Waltham Forest Council,  
email [pratima.solanki@walthamforest.gov.uk](mailto:pratima.solanki@walthamforest.gov.uk),  
telephone **020 8496 3466**

## Other useful information

[www.walthamforest.gov.uk](http://www.walthamforest.gov.uk)

City and Hackney Together special purpose vehicle,  
[www.hcvs.org.uk](http://www.hcvs.org.uk)