

Consultation Response to the Strategic Review of Department of Health Funding of Third Sector Organisations

Voice4Change England

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Voice4Change England Partnership Members:

BECON (North East BME Network), Black Development Agency, Black South West Network, Black Training and Enterprise Group (BTEG), Community Development Exchange (CDX), Confederation of Indian Organisations, Connections for Development, Council for Ethnic Minority Voluntary Organisations (CEMVO), Ethnic Business Development Corporation, FATIMA Women's Network, MENTER (East of England BME Network), MiNET (London BME Network), One North West (North West BME Network), National Association for Voluntary and Community Action, The Pillar Consortium, The Social Business Company, Voice East Midlands, and Yorkshire Humber BME Regional Panel, and West Midlands Race Equality Advisory Board (WMREAB)



A national partnership for the Black and Minority Ethnic Third Sector

Voice4Change England's Response to the Strategic Review of Department of Health Funding of Third Sector Organisations

1. Introduction

- 1.1 Voice4Change England's strategic objectives determine its scope to support and voice the concerns of Black and Minority Ethnic Third Sector Organisations in the development of government policies, which directly or indirectly, affect the state and health of the Sector, thereby impact on the sector's provision to BME communities. In this role, we see the role of the government departments as fundamental to engage and involve the BME Third Sector in setting up its policy proposals.
- 1.2 Voice4Change England (V4CE) is a partnership of national and regional Black and Minority Ethnic Third Sector Organisations (BME TSOs), which aims to provide a co-ordinated policy voice of the BME third sector in England.
- 1.3 V4CE welcomes the Department of Health (DH) Strategic Review of funding to third sector organisations. The Review establishes the Department's commitment to involve the third sector as one of the key partners in the delivery and reform of public health and social care service provision.
- 1.4 The Strategic Review and subsequent policy development would immensely impact on the current state and scope of BME TSOs involved in health and social care service provision, advocacy and research. These organisations are key actors in reducing health inequalities within and between black and ethnic minority communities. BME TSOs outside the direct health provision address various forms of inequalities and deliver for wider determinants of health such as poor housing, employment and education.
- 1.5 In setting out this response, the persistent health inequalities within and between black and minority ethnic communities, has been a key concern for V4CE Partners. Although much has been achieved in addressing the multifaceted health inequalities since 1997, following the publication of Acheson Report on an independent inquiry into health inequalities and subsequent 2003 cross-Government health inequalities Programme for Action, gaps in fair health provision to BME communities still continue to exist.
- 1.6 V4CE welcomes the Government's commitment to tackle health inequalities as a priority for the NHS in 2008-09. We also agree with the Government that reducing health inequalities is possible "if local action is focused and evidence-based."¹ Thus a *targeted* and *continued* support for local action, including support for third sector organisations working in communities, is imperative.
- 1.7 V4CE mapping research on the BME third sector in England maintains that nationally 5000-11000 BME TSOs exist.² Regionally the figure is somewhere between

¹ 'Tackling Health Inequalities: 2004-06 data and policy update for the 2010 National Target' (Dec 2007), Department of Health.

² 'Bridge the Gap: What is known about the BME Third Sector in England' (Oct 2007) Findings of the Mapping Research by Voice4Change England.

15,300 -17,460.³ According to a national survey conducted in 2004, 14% of BME TSOs provide health and social care services including mental health.⁴ This suggests a wide scope for BME TSOs in reaching diverse communities and delivering culturally sensitive best value health and social care services. These organisations are vital in meeting the needs of communities and in delivering better outcomes for the Government's policies. V4CE therefore wishes to assist the DH in setting up policies for the involvement of BME TSOs that are relevant to their needs. This response contributes to our aim.

2. Methodology

- 2.1 In setting out this response, V4CE Partners deliberated and discussed various aspects of the Strategic Review and argued on the basis of their experience, informed directly and indirectly by their members who are active in health and social care provision for BME communities.
- 2.2 In addition, V4CE assisted the DH to better engage the BME third sector in its regional consultation events on the Strategic Review. Many of the V4CE's regional partners worked with the DH in the organisation of regional events and ensured increased participation of BME TSOs.
- 2.3 V4CE also represents the interests of BME TSOs at the DH Third Sector and Social Enterprise Programme Delivery Board and ensures that the development of policies is inclusive of the Sector's needs and aspirations.

3. DH Strategic Review: Approach and Principles to funding third sector organisations

Value of funding outside the commissioning framework

- 3.1 Whilst we welcome the proposed strategic principles set out in the consultation document, we are unconvinced that the proposed strategic approach would help realise these principles. Shift towards investment in strategic partners, supporting innovation and volunteering, and contracts where the sector's experience and expertise are required at national level may exclude small generic and BME TSOs from the delivery of health and social care services at a local level resulting in wider inequalities in health within and between BME communities.
- 3.2 This is contradictory to the DH analysis of its current funding which affirms that the DH approach to third sector funding still lacks assurance of diversity, inclusivity and equality (Strategic Review:p2). We believe that there is still great value in funding which sits outside the commissioning framework: it enables local third sector providers to identify and meet the health and social care needs of communities. The DH Strategic Review itself recognises that such funding "often acts as a lever for access to other sources of funding, and enable flexibility through grants that are not available through contracts" (ibid). Any lack of strategic direction and coherence in the existing DH funding policy (also identified by the Review: ibid) does not contradict the value of grants. In fact the strategic direction for DH funding for the third sector would further refine the value of grants and outcomes it delivers.

³ Ibid.

⁴ Chouhan, K (2004), JRF.

From limited use of contracts to relevant and appropriate use of contracts

- 3.3 The DH seeks to establish an exemplary contract culture which recognises and embraces the Compact principles in commissioning and procurement processes and where terms and length of contracts are appropriate to circumstances. Whilst the goals are laudable, they will remain unachieved if third sector organisations themselves are not involved in deciding what constitutes 'appropriate to circumstances'. Involvement of third sector organisations at different levels of public policy formulation is vital. Thus a 'negotiation' or 'dialogue' stage is important between the DH and third sector organisations in setting out the terms and length of contracts, both at national and local level, to allow better understanding of the circumstances in which contract funding is being allocated. Often BME TSOs are unable to win contracts for providing health and social care services to BME communities as they compete against much larger third sector or private providers. Being unable to deliver for BME communities, these larger organisations either sub-contract or hire the services of BME TSOs for nominal cost in meeting their contractual obligations. This is the non-inclusive and disempowering experience for BME TSOs and must be reformed in the formulation of policy.
- 3.4 BME TSOs report confusion, lack of information and understanding of various strands of DH funding, in particular between national and local funding streams. It is often vague where the boundaries of PCTs begin and how PCT funding ties up with national health targets. Alignment of LAA targets on health and social care with PCTs' targets further complicates the picture for TSOs who struggle to understand 'who is allocating the money?'
- 3.5 An approach to inclusion fails if the information about the grants and commissioning is not widely disseminated and appropriate channels are not utilised. This is a major reason behind the lack of involvement of BME TSOs in applying for health provision funding, especially for grant funding. Small local BME TSOs are the key actors in tackling health inequalities. Care should be taken in advertising funding opportunities which must be targeted and sensitive to the needs, culture and approach of BME TSOs.
- 3.6 Making funding applications and negotiating for contracts is another barrier to BME TSOs. Even where BME TSOs can be best delivery partners, they tend not to win the contracts because of their lack of capacity to meet the required conditions and make good applications. Principles of equality demand positive action. BME TSOs must be supported in making applications and negotiating contracts with the commissioners. The commissioners should also be trained in understanding the culture and specific needs of BME TSOs. This will ensure an inclusive process which seeks to meet the outcomes whilst building the capacity of TSOs best placed to deliver local services.
- 3.7 The value of BME TSOs is best understood in meeting the special needs of BME communities. Contracts and commissioning therefore must not only be about delivering the outputs and evaluating the performance based on counting numbers. The DH contracts, commissioning and procurement practices must recognise the 'social returns' that the Department gets in return of its investment. Social accounting and auditing tools can be employed to measure the Sector's ethical and social performance.

- 3.8 In deciding on significant shift from grant funding to more commissioning and within commissioning focus on large projects, the DH should guarantee that the Equality Impact Assessment under the Race Relations Amendment Act 2000 has been effectively undertaken.

Innovation but not at the expense of existing good practice in meeting special needs

- 3.9 Whilst we support the focus on innovation and excellence, V4CE believes that tackling health inequalities will also need sensitivity to culture and lifestyles of diverse BME communities in which BME TSOs play a significant role. This should be recognised by the Strategic Review to ensure Department's commitment to equalities.
- 3.10 Furthermore, although funding for new projects and providers is welcoming, DH must not dismiss the existing good work that BME TSOs have been helping to achieve in tackling disadvantages in health provision. These existing good practices should be supported further by linking them to the DH's strategic focus which will be developed as a result of this consultation.
- 3.11 Approach 3 of the Strategic Review (p22) – more collaborative approach to priority setting and bid development – offers a good opportunity for the BME Third Sector to help the DH in identification of priorities where new and innovative approaches may result in better outcomes.

Strategic partners and the shift from core grants

- 3.12 Voice4Change England recommends to the Department to further deliberate on the role of Strategic Partners which should include (among other things highlighted by the Strategic Review p14) to guide the Department in setting up its strategy for the wider third sector. In other words, the shift in DH policy and approach proposed in the consultation document should also be discussed and informed by the Strategic Partners once selected.
- 3.13 In setting out the above recommendation, we take it as given that the selection of the Strategic Partners would be an inclusive process, where the voice of BME TSOs delivering health and social care provision will be secured, ensuring the diversity of the third sector.
- 3.14 V4CE believes that there should be a good balance of third sector organisations that constitute the DH Strategic Partners. Both geographical and thematic expertise and representation must be secured to ensure that local voices are heard and policies are informed with evidence of what works at the local level. However, it is important to understand that organisations that are not locally based can still advocate for local needs. National and regional third sector organisations are either supported by number of local third sector organisations or have the expert knowledge gathered through research and advocacy based evidence which strengthen them in representing the 'agenda'. Thus there are many facets to third sector engagement and only a wide range of involvement of third sector organisations can develop and deliver an overarching strategic framework.

- 3.15 Regional consortium on health and social care, consist of local, sub-regional and regional infrastructure support and specialist health organisations and is inclusive of equalities groups could be one form of encouraging regional unification of third sector approach. Such regional forum can guide the DH strategy and policy to funding and delivery. National membership and/or agenda based research and advocacy organisations can bring a national approach to directing the DH in identifying priorities.
- 3.16 Core funding to established service providers and to organisations producing new knowledge and evidence to reform health and social care provision should not be compromised in favour of investment in strategic partners. There are two reasons behind this assertion. First, such discontinuation of funding for organisations that have proven record of effective performance would result in a big gap in service provision, production of research and advocacy. Second, core funded organisations might feel obliged to compete for the Strategic Partners programme, which they may or may not wish to do, thus compromise their independence.
- 3.17 Lastly, we believe that it is neither the 'giving' nor 'investment' models that deliver best social returns and long lasting outcomes. It is the 'equal' and 'fair' partnership between the public and voluntary sectors which establishes provision of services that meet the needs of local people.

Social enterprise investment fund

- 3.18 Although not part of this consultation, focus on Social Enterprise Investment Fund in visioning for the DH investment in the third sector is a welcoming proposal. However, such investment must not overlook the potential of BME voluntary and community organisations who are striving to become social enterprises in particular in the provision of health and social care services. Only a clear focus on up-skilling BME SEs would ensure DH's objective of "reducing inequalities, promote social inclusion and promote independence and well-being" (Strategic Review:p10).

4. Conclusion

- 4.1 Voice4Change England welcomes the DH Strategic Review of funding for third sector organisations. There is much to hope that the proposed strategic framework will ensure a much structured and recognised relationship between the Department of Health and the third sector. However there are areas of concerns and avenues for improvement.
- 4.2 V4CE has concerns that the proposed approach may exclude small generic and BME third sector organisations from the delivery of health and social care services at a local level resulting in wider inequalities in health within and between BME communities. This is particularly relevant in any significant shift from grants to contracting and commissioning.
- 4.3 A 'negotiation' or 'dialogue' stage is important between the DH and third sector organisations in setting out the terms and length of contracts, both at national and local level, to allow better understanding of the circumstances in which funding is being allocated. Advertising of the grant and commissioning opportunities must be through appropriate channels that reach BME TSOs. In addition, BME TSOs should

be supported in making applications and negotiating contracts with the commissioners.

- 4.4 In selecting strategic partners, the DH should ensure thematic and geographical spread of third sector organisations. Equalities groups must also be represented to inform the DH's strategic direction.

Comments on the response

We would be happy to discuss our response further with the Department of Health.

Please contact Arjumand Kazmi, Head of Policy V4CE at arjumand@voice4change-england.co.uk or on 0207 843 6129 to discuss the response in detail.

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