

# Joint review of health and care sector investment in Voluntary Community and Social Enterprise organisations

## Department of Health, NHS England, Public Health England and the VCSE sector

### Contents

Why do we need a review? .....	2
What is the scope of the review? .....	3
What will the review try to achieve? .....	4
Review theme 1: The impact and potential of the VCSE sector .....	5
Review theme 2: Sustainability and capacity of the VCSE sector .....	6
Review theme 3: Inclusion and equality .....	7
How will the review work? .....	8
How can I get involved and feed in? .....	8

## Why do we need a review?

The Voluntary Community and Social Enterprise (VCSE) sector plays a crucial role in the sustainable delivery of health and wellbeing. This is recognised by the Department of Health, NHS England and Public Health England in the statement below:

*“We believe that the VCSE sector has significant expertise that is invaluable in helping us achieve improvements across the health, social care and public health system. We know that VCSE organisations are an integral part of the wider health and care system and we recognise the benefits that their independence, diversity of form and function, and the high level of public support for their activities can bring. As such, we see VCSE sector organisations as invaluable allies, as well as critical friends.*

*The Department of Health, Public Health England and NHS England will continue to build on the strong partnership that already exists with the sector and together work to deliver the visions set out in: the Care Act 2014; NHS England’s Five Year Forward View; and Public Health England’s “From evidence into action: opportunities to protect and improve the nation’s health”, all of which recognise that VCSE organisations are fundamental to their successful delivery.*

*As resources continue to be scarce across the health and care system, collaboration and partnership between statutory services and the VCSE sector is becoming ever more critical. By working and investing together health and care bodies, and commissioners can effectively deliver on our shared vision for a preventative, co-designed approach which helps individuals, families and communities achieve better health and wellbeing throughout their lives.”*

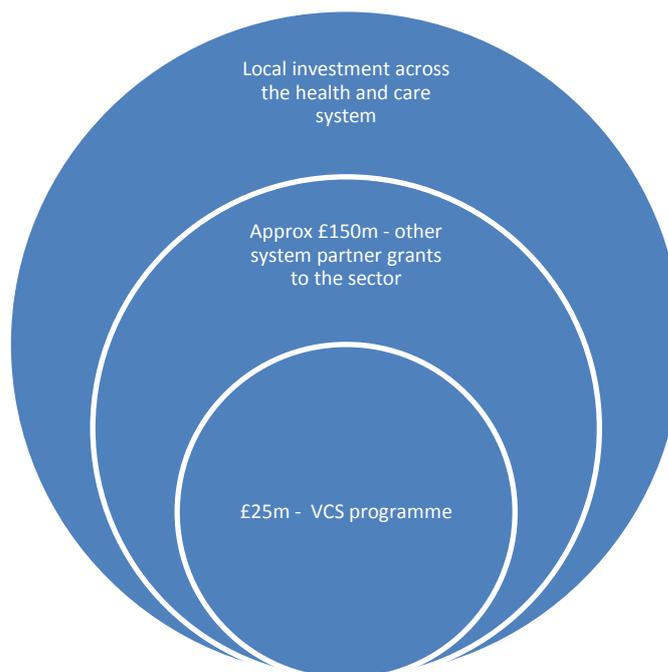
The VCSE sector is diverse and includes organisations of a variety of sizes, roles and structures. These organisations make contributions in many ways, from the tiny group which helps a seldom-heard community to influence local plans, to the national charity which delivers vital services to thousands of people. Social enterprises such as Community Interest Companies, offer another approach to charities. Different kinds and sizes of organisation also face different challenges, both in terms of the amount of investment which is available and in variable practice in investment and funding. The sector makes a unique contribution to health and wellbeing, reaching people and tackling challenges which other sectors cannot. But not all VCSE organisations do this equally well and not all demonstrate their impact clearly.

Following the changes implemented through the Health and Social Care Act, DH 2012, the relationship between the health and care system and the VCSE sector has shifted. However the Department of Health, now with its system partners NHS England and Public Health England, has continued to fund the sector in the same way since 2008. This review will:

- Gather evidence from the VCSE sector about differing local approaches to helping the sector to: define, achieve and demonstrate impact; build capacity and stay sustainable; and to reach and empower a wide range of groups and communities

## What is the scope of the review?

The diagram below shows three ways in which the health and care system invest in the VCSE sector: through central grant funding awarded by Department of Health on behalf of itself, NHS England and Public Health England to support and build capacity across the sector; through a wider range of investments of at least £150m across system partners; and through significant local investment across the whole health and care system to support local provision across communities. We want to understand the full picture of funding, identify what works both for local VCSE organisations and at a national level, and think about how the local and national approaches can complement each other.



The £25m central grant programme has delivered a great deal in the six years since it was last reviewed, when the [Strategic Partners](#), [Innovation Excellence & Strategic Development Fund \(IESD\)](#), and Volunteering Fund programmes were developed. Detail on these programmes can be found [here](#). Whilst a small proportion of the overall amount invested in the VCSE sector, these central grants support strategic and innovative national work which would not otherwise happen. It is one way in which national bodies can role-model well-planned, pragmatic, transparent and impactful investment.

It is also sensible to consider how other spending and influence from government departments and central bodies on VCSE health and wellbeing work can complement the grant programme.

At the local level, great partnerships between the statutory and VCSE sectors need to be more widely celebrated and learned from. Poor and variable practice needs to be understood and addressed. And we need to understand how we maximise our investment and impact across the whole health and care sector to secure better outcomes for people, families and communities.

In its first phase, this review will look at the evidence of impact made by the central grants programme and make recommendations for its future, including how this could be better joined up with other funding and investment programmes across government.

We will present evidence provided by the VCSE sector and its partners on: ways in which organisations have impact; local funding and partnership arrangements including examples seen as both good and poor practice; and the current challenges faced by the sector.

## What will the review try to achieve?

The review will explore and make initial recommendations on the issues raised in the following three themes:

1. **Maximise and demonstrate the contribution** of the VCSE sector to achieving health and wellbeing in the UK, based on a shared understanding of the range of ways in which different kinds of organisations can have **impact**  
Co-led by Sian Lockwood (Community Catalysts), Sarah Mitchell (Local Government Association) and NHS England
2. Build the **sustainability** of the VCSE sector and its on-going **capacity** to deliver health and wellbeing, working effectively alongside other partners  
Co-led by Simon Blake (Brook / Compact Voice), Mark Winter (ACEVO) and the Department of Health
3. Ensure that the VCSE sector is able to **promote inclusion and equality**, helping a wide range of people and communities, including those often excluded, to have a voice in health and social care planning and commissioning  
Co-led by Jabeer Butt (Race Equality Foundation), Bev Taylor (Regional Voices) and Public Health England

This initial briefing has been put together by the co-leads of each of the three strands. It is intended to stimulate debate and invite contributions. We anticipate that the questions we ask and the issues we address will evolve during the initial phase so we encourage colleagues to look regularly at the review's website [www.voluntarysectorhealthcare.org.uk/vcse-review](http://www.voluntarysectorhealthcare.org.uk/vcse-review) where co-leads will raise new questions and reflect what they have heard from the sector. You can comment on blogs or submit a guest blog of your own. See "How can I contribute?" below.

Each of the themes will include consideration of these questions:

- **What is the current and potential contribution of the VCSE sector?** This will take into account the diversity of the sector (in scale, governance model, aims etc.) and the role of volunteers and social action
- **What kind of impacts are valuable and how can this best be demonstrated?** We want to describe the kinds of impact which the sector can have. The VCSE sector should be a partner in co-designing local definitions of what outcomes and impacts are needed. The sector also needs to be able to demonstrate its outcomes and impact to the public and its partners
- **What are the challenges faced by the sector?** This will include consideration of changes in funding levels and the effectiveness of the full range of investment and funding processes, including grants, contracts, tendering processes, social investment and payment by results
- **What examples can be found of good partnership and investment approaches?** Which approaches achieve different kinds of outcomes and impact? How can they become more widespread?
- **What is the role of central grants, wider cross-departmental spending practice and local investment in increasing and sustaining VCSE impact and capacity?** What has the central grants programme achieved and what should it look like in future? Which funding and investment approaches build capacity and sustainability for differing kinds and sizes of VCSE organisation?

Each strand has also identified specific questions which can be found in the relevant section below, and may raise further questions informed by the evidence received during the engagement process.

The [Frequently Asked Questions section of the review website](#) also provides more detail about the review process.

## Review theme 1: The impact and potential of the VCSE sector

We believe VCSE organisations are already working effectively to bring about improvements in health outcomes and wellbeing and reduce health inequalities in a way that would not be possible through statutory services and that provides value for money. However VCSE organisations are not always good at demonstrating their impact and that can mean their contribution is underestimated. We would like ideas about ways to demonstrate impact which could be used by smaller-scale or community services. We think there is significant additional potential within the sector and want to understand what gets in the way and what would encourage even greater contribution.

We have identified some of the barriers to the sector fully achieving its potential and would welcome your views on these and suggestions for others we have missed:

- Preventative services and community development are sometimes not perceived as having equal importance to service delivery by commissioners
- It is difficult to demonstrate the impact and cost-benefit of preventative and/or non-traditional services to statutory organisations that are a source of funding
- Reduced funding for infrastructure organisations from statutory services and charitable trusts will potentially result in less support for the VCSE sector
- Central and local government contracts are not accessible to the vast majority of the VCSE sector, who are providing small-scale, local services. Consortia take time to put together and are difficult to manage and expensive. They rarely involve the smallest VCSE organisations
- Statutory organisations often put requirements in place for their 'approved list' or framework contract which are impossible to achieve for small VCSE providers or those providing unusual services e.g. requirement for a health and safety certificate designed for large building-based providers
- The information available to people who need support and services to live their life is restricted, and people are steered towards providers on an approved list
- Restrictions are placed on the use of personal budgets which prevent people from spending them on more unusual services
- Perceived conflicts of interest from VCSE organisations being involved in the design and development of commissioning and policy
- Difficulties in measuring and demonstrating outcomes and impact (particularly long-term impacts)

We also believe there are opportunities for the VCSE sector to fully develop its impact and achieve its potential. Again, we have identified some and welcome your views:

- Legislation and national strategies set out visions which align with the sector's vision as outlined in the introduction
- Renewed focus on commissioning for outcomes
- New commissioners locally including Health and Wellbeing Boards and CCGs, and nationally through NHS England and Public Health England
- The new local authority duty to support diversity and choice for people who need support and care will influence commissioning and procurement practices
- Legislation on health inequalities
- A stronger focus in strategies on public and patient voice
- A continuing focus on people in control of their own care and support
- A range of pilots and pathfinders that have been proven to work; there are signs that the system is looking to build on these and mainstream VCSE activity

In addition to the overall questions for the review, we would be grateful to hear from you on the following questions about the impact of the sector and how we can reach its full potential:

1. How does your organisation demonstrate the impact of your contribution to improving health, wellbeing and care outcomes and what could make demonstrating impact easier?
2. What do you think are the best tools for measuring performance? (e.g. social return on investment etc.)
3. What do you think are the barriers (if any) to your organisation making a bigger contribution to health, wellbeing and care?
4. What do you think would be solutions to those barriers?

## Review theme 2: Sustainability and capacity of the VCSE sector

We believe the VCSE sector is currently facing considerable challenges to its sustainability and capacity to have impact. We have identified some challenges and welcome your views on them, and suggestions for others we have missed:

- A reduction in overall spending
- Decreased use of grants as a funding approach
- Contracting and procurement processes can be challenging for smaller organisations
- Monitoring and reporting requirements can be disproportionate to the size or risk of contract
- Assumptions or prejudices about the scale, impact or quality of the sector
- Differences between the priorities of the VCSE and statutory sectors

In addition to the overall questions for the review, we would be grateful to hear from you on these questions about the sector's capacity and sustainability:

1. How can the health system best work to increase the capacity of the VCSE sector to deliver positive health outcomes, reduce health inequalities and promote innovation and creativity?
2. How can the national health system (e.g. the Department of Health, Public Health England, NHS England, and other arms-length bodies) best work with CCGs, LAs and other statutory commissioners to promote the role of VCSE's and appropriate funding models?
3. Increasingly we hear that the VCSE sector should be more enterprising. What does this mean and which kinds of activities can be delivered in this way?
4. How can the health system tackle short-termism in funding cycles, particularly to ensure innovation and work intended to have long term impact is properly supported?
5. What is the role of different kinds of funding and investment, such as grants, contracts, payment by results, framework agreements and social investment, in building the sustainability of a diverse VCSE sector?
6. How should national and local statutory health system partners use their leadership role to support the sustainability of a diverse VCSE sector? Do you have examples of non-financial support with awareness, partnership building or resources and staffing?

## Review theme 3: Inclusion and equality

The VCSE sector has long played a leading role in promoting equality and addressing inequalities<sup>1</sup>, with the growing social enterprise sector now also playing an active part.

Chapter 1 of the [Five Year Forward View](#) identifies much evidence of improvements in people's health and wellbeing over recent decades. However, those improvements have not been achieved across all groups and communities<sup>2</sup>. Moreover health and social care inequalities persist and discrimination on the grounds of age, disability, ethnicity, gender, sexuality continues to lead to poorer experiences and outcomes<sup>3</sup>.

VCSE organisations empower overlooked groups and communities through the provision of services or advocacy which promote wellbeing for those groups<sup>4</sup>. They also campaign for change and social justice.

We want to understand the ways in which statutory bodies can work with the VCSE sector in order to improve equality and inclusion in health and social care.

A combination of discrimination and disadvantage can impact upon the delivery of sustainable improvements in wellbeing and social justice for some groups and communities. For example, people with mental health problems and in particular young men of Caribbean origin with mental health problems are overrepresented in the criminal justice system, but they are less likely to be offered good quality and sustained mental health support<sup>5</sup>.

Where initiatives that promote inclusion and equality are not seen as 'good causes', this further undermines their sustainability. For instance, initiatives to improve the health and wellbeing of homeless people who have a history of drug and alcohol abuse are rarely seen in the same light as the fight against cancer.

In addition to the overall questions for the review, we would be grateful for evidence and ideas in response to these questions:

1. What are the particular challenges faced in achieving funding and building partnership for organisations working with specific communities, or groups with protected characteristics?
2. Some charities and causes are more appealing to the general public than others. Should central government or local statutory organisations focus more support on those charities or causes less likely to attract charitable donations because they are less well-known or popular, or which affect smaller communities or groups?
3. There is evidence that work with some groups and communities is more likely to be affected by funding cuts than others. Should central government bodies or local statutory bodies direct their funding to compensate for any disproportionate impact?
4. A key feature of the VCSE sector has been its willingness to challenge discrimination and inequality. Do new models of funding compromise the sector's independence? What examples are there of how the statutory and VCSE sectors can work together to maintain VCSE organisations' role as critical friend and champion of those who are excluded or marginalised?

---

<sup>1</sup> NHS England, 2014 *Five Year Forward View* [www.england.nhs.uk/wp-content/uploads/2014/10/5yfv-web.pdf](http://www.england.nhs.uk/wp-content/uploads/2014/10/5yfv-web.pdf)

<sup>2</sup> Marmot, M., 2010 *Fair Society, Healthy Lives* <http://www.instituteofhealthequity.org/projects/fair-society-healthy-lives-the-marmot-review/fair-society-healthy-lives-full-report>

<sup>3</sup> *ibid*

<sup>4</sup> NHS England, 2014 *Five Year Forward View* [www.england.nhs.uk/wp-content/uploads/2014/10/5yfv-web.pdf](http://www.england.nhs.uk/wp-content/uploads/2014/10/5yfv-web.pdf)

<sup>5</sup> Kane, E, 2014 *Prevalence, patterns and possibilities: The experience of people from black and ethnic minorities with mental health problems in the criminal justice system*, NACRO <https://www.nacro.org.uk/data/files/prevalence-patterns-and-possibilities-1051.pdf>

## How will the review work?

The review will be based around an open and inclusive conversation, led by the VCSE sector and the Department of Health, NHS England and Public Health England (the system partners) who will together, raise questions, seek responses and make recommendations:

- The review themes above are being led jointly by a VCSE representative and an official from one of the system partners ([as outlined here](#)). They will seek to include the voices of people who use services and their families
- The review is chaired by Alex Fox, CEO of the charity, Shared Lives Plus and supported by an advisory group and a joint secretariat from the three system partners
- The advisory group will blog and engage with contributors online at: [www.voluntarysectorhealthcare.org.uk/vcse-review](http://www.voluntarysectorhealthcare.org.uk/vcse-review). Where we will share ideas, questions and suggestions and invite further responses, in order to develop ideas thoughtfully and publicly
- This first stage will develop an interim report to Ministers, the Permanent Secretary at the Department of Health and the CEOs of NHS England and PHE.
- After the election, it will be the decision of the new government as to how they proceed but they will have the opportunity to build on the pre-election engagement

We expect to include in our recommendations options for how funding can be used differently and innovatively in order to support the sector to sustain and increase its impact helping the population achieve greater health and wellbeing. We will note any trade-offs we find (for example between supporting organisations which can evidence most impact and supporting innovation) and issues which we believe need further study.

## How can I get involved and feed in?

With your help, each review theme will develop and share more detailed questions as it progresses. There are several ways to get involved with this review:

1. Contribute your thoughts at [www.voluntarysectorhealthcare.org.uk/vcse-review](http://www.voluntarysectorhealthcare.org.uk/vcse-review). You can leave comments or submit proposed guest blogs
2. The review advisory group are happy to talk at events or meetings and to contribute articles to newsletters and bulletins. Please contact either:
  - a. Androulla Michael: [androulla.michael@dh.gsi.gov.uk](mailto:androulla.michael@dh.gsi.gov.uk)
  - b. Emma Easton: [emma.easton@nhs.net](mailto:emma.easton@nhs.net)
  - c. Tricia rich: [tricia.rich@phe.gov.uk](mailto:tricia.rich@phe.gov.uk)
3. If you wish to submit evidence, case studies or research papers, please contact either: Androulla, Emma or Tricia using the email addresses provided above.