

THE CHARITY COMMISSIONING CHARTER

A FRAMEWORK ON GOOD PRACTICE FOR
COMMISSIONERS

June 2026

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About the Charity Commissioning Charter

About us

The Association of Mental Health Providers is the only national voice of mental health charities providing services in England and Wales. We represent a membership of over **300 mental health charities**, providing around **3000 services** to more than **8 million people**.

Our **Business Development Network** is a core, influential group of our members who come together regularly to develop thinking around commissioning, funding and sustainability challenges facing the sector. Members of the network are leaders in charity business development - with expertise across small, medium and large charity sustainability and with in-depth understanding of the mental health services which keep our nation healthy.

The problem we seek to tackle

The Network identified that the current commissioning climate isn't working. We need a step change towards more equitable, mutually beneficial working practices between commissioners and Voluntary, Community, Faith and Social Enterprise (VCFSE) mental health service providers. Where commissioners and providers can work together to ensure that local need is met by the right services in the most effective way.

In the current climate, VCFSE providers can struggle with visibility in larger systems, while ICB and Local Authority commissioning are often disconnected and have competing priorities, making communication and desired outcomes unclear and hard to navigate.

Moreover, commissioning is doubly challenging in mental health and mental health social care - where traditional commissioning approaches aren't tailored to these specialist contexts. People with mental health needs often move between services funded by different public organisations, such as the NHS and local authorities. Long-term care placements become financially difficult because funding does not increase enough each year to match inflation. As a result, care providers continue supporting people even though they are being paid less than the actual cost of delivering care. This becomes a real issue for sustainability - with pressures growing each year.

Purpose of the Charter

To tackle these issues, our Network set out to develop a shared framework for **fair, transparent, and sustainable commissioning** between statutory bodies and VCFSE mental health providers. In this charter, we use the terms 'VCFSE' and 'charity' interchangeably.

About the Charity Commissioning Charter

How to use the Charter as a Commissioner

This Charter was developed by mental health charities for you - to facilitate and enhance the ways we work together as partners. This Charter sets out 7 Commitments, which together make a framework for fair VCFSE commissioning practices.

We ask you to pledge to embed this framework into your everyday commissioning practice and to continue to work with us as equal partners towards a better future of commissioning.

When using this resource, we suggest that you consider:

- What practical changes can I make to embody the Charter when commissioning services?
- What can I do to encourage other commissioners to pledge to follow this framework?
- What can I do to continue progressing fair commissioning practice into the future?



Three Principles of Engagement with the VCFSE Sector

1. Collaborative Commissioning

Commissioners should embed collaborative commissioning approaches that position VCFSE organisations as strategic partners rather than transactional providers. Services should be co-designed with providers, people with lived experience, carers, and communities from the earliest stages of service development, well before formal procurement processes begin. Commissioners should create safe spaces for dialogue, innovation, and shared problem solving outside tendering exercises, enabling providers to contribute openly without commercial risk. This includes piloting new delivery models, testing preventative approaches, and supporting partnership based solutions that reflect local need and community assets.

2. Strategic Inclusion

VCFSE organisations should be represented consistently within planning, commissioning, and governance structures at neighbourhood, place, and system levels. Decision making should be informed by outcomes, quality, prevention, and long-term social impact rather than narrow comparisons of hourly rates or short-term unit costs. Commissioners should adopt a whole life cost approach to commissioning that recognises the wider economic and social benefits generated through continuity of care, early intervention, community connection, workforce stability, and reduced escalation into crisis services. Procurement and contract evaluation should therefore balance quality, social value, and sustainability alongside financial considerations

3. Equity and Transparency

Commissioning systems should promote equitable access, visibility, and engagement opportunities for organisations of all sizes, including smaller grassroots and hyper local providers that are often closest to underserved communities. Commissioners should ensure transparent communication, proportionate procurement requirements, and continuity of relationships between commissioning cycles. This includes providing early notice of commissioning intentions, reducing unnecessary barriers to participation, and maintaining ongoing dialogue with providers to strengthen trust, collaboration, and market stability.

Commitment 1: Fair Fees

Commissioners should establish **fair fee structures** that reflect the true cost of delivering safe, high-quality, and sustainable services. This includes:

Setting **minimum fee rates** based on true costs.

Building **annual inflationary and cost of living reviews** into multi-year contracts to maintain service viability over time.

Addressing **inequities and disparities** in funding across sectors and provider types.

Working towards **targeted fee uplifts of 10–12%** where historic underfunding has undermined service sustainability and workforce retention.

Commissioners should recognise that persistently low fee rates contribute to mental health social care workforce instability, reduced service quality, and provider fragility across the VCFSE sector.

Commitment 2: Contractual Clarity and Sustainability

Contracts should provide **clarity, stability, and financial sustainability** for providers delivering public services.

Commissioners should also recognise that TUPE complexity and repeated workforce transfers can contribute to staff instability and undermine continuity of care, trusted relationships, and long-term service quality.

Commissioners should:

Implement **prompt payment terms**, with payment periods not exceeding 30 days.

Include mechanisms for **contract renegotiation** where inflation, demand pressures, or workforce costs materially affect delivery sustainability.

Recognise that **short commissioning cycles inhibit long-term investment** in workforce development, digital infrastructure, innovation, and preventative practice.

Acknowledge that **repeated tendering exercises create financial and operational liabilities** for providers, particularly smaller organisations with limited capacity.

Ensure **transparent and timely disclosure of TUPE information**, including pension liabilities and workforce implications.

Commitment 3: Outcomes, not Activities

Commissioning approaches should prioritise **outcomes, prevention, and social value** over narrow activity measures or lowest-cost procurement models. These outcomes should reflect the broader impact of services on independence, recovery, inclusion, resilience, community connection, and quality of life, alongside traditional performance indicators.



Service specifications and contract management arrangements should focus on:

- Quality of support and lived experience outcomes.
- Prevention and early intervention.
- Community wellbeing and social cohesion.
- Workforce stability and continuity of relationships.
- Reduction in inequalities and barriers to access.
- Wider social, economic, and community impact.

This approach enables providers greater flexibility to innovate and deliver **person-centred, place-based** support models that respond to local need.

Commitment 4: Enabling Financial Resilience

Commissioners should recognise that **financial reserves are a core component of good governance and organisational resilience, not surplus profit**. Good practice guidance suggests that organisations should aim to maintain reserves equivalent to a minimum of six months of indirect operating costs alongside contingency funding for unexpected pressures.



Reserves may also be required to support:

- Digital and technological development.
- Infrastructure and estate investment.
- Workforce development and retention.
- Service transformation and innovation.
- Capital expenditure and organisational modernisation.

Commissioners should avoid commissioning models that rely implicitly on VCFSE reserves to subsidise statutory service delivery. Chronic underfunding and below-cost contracts place providers at significant financial risk and can erode organisational resilience over time.

Commissioners should therefore:

Recognise the impact of **underfunding** on organisational sustainability and provider solvency.

Avoid treating **reserves as unrestricted profit** or freely available funding.

Support **strategic financial planning** and long-term sustainability discussions with providers.

Promote commissioning approaches that enable organisations to build resilience, invest in infrastructure, and maintain continuity of service delivery.

Commitment 5: Transparency and Information-sharing

Transparency and Shared Intelligence

Commissioners should commit to **transparent and timely sharing** of funding information, commissioning intentions, and fee-rate assumptions at the earliest opportunity. Early engagement enables providers to plan effectively, collaborate strategically, and contribute meaningfully to service design.

Service Mapping and Market Intelligence

System partners should use **shared intelligence tools**, workforce mapping, and service audits to identify unmet need, duplication, gaps in provision, and opportunities for integration. This includes using approaches such as “wheels of service” and sector mapping methodologies to support evidence-based commissioning and local system planning.

Relevant sector resources include:

- [Mental Health Workforce Mapping](#)
- [Mental Health Sector Mapping](#)



Commitment 5: Transparency and Information-sharing

Impact Reporting and Proportionate Assurance

Performance management arrangements should focus on **meaningful impact measures** rather than excessive administrative reporting requirements. Commissioners should work collaboratively with providers to develop proportionate, outcomes-focused reporting frameworks that:

- Use provider insight and qualitative evidence alongside quantitative metrics.

- Capture prevention, wellbeing, and community impact.

- Reduce duplication across reporting systems. Simplify KPI monitoring and contract management processes.

- Minimise administrative burden, particularly for smaller VCFSE organisations.

This approach enables providers to focus greater capacity on frontline delivery, innovation, and community engagement while still ensuring accountability and transparency.

Commitment 6: Strong Relationships

Sustainable and Embedded Partnerships

Commissioners and VCFSE organisations should work together to build **long-term, sustainable relationships** that are embedded within systems and governance structures rather than dependent on individual leaders, champions, or informal networks. Effective partnership working should be institutionalised through shared principles, consistent engagement mechanisms, and collaborative decision-making processes that can withstand organisational change and workforce turnover.

This requires a shift from transactional commissioning relationships towards mature strategic partnerships based on trust, transparency, mutual accountability, and shared ownership of outcomes. Commissioners should create ongoing opportunities for dialogue, joint planning, and collective problem-solving outside formal procurement activity to strengthen system resilience and continuity.



Collaborative Bidding and Partnership Models

Commissioners should actively support collaborative delivery arrangements, including consortia, alliance models, and partnership bids that enable organisations of different sizes and specialisms to work together effectively. Procurement approaches should be designed to **avoid unintentionally disadvantaging smaller VCFSE organisations** through disproportionate risk transfer, administrative burden, or financial exposure.

Commitment 6: Strong Relationships

Where collaborative bids are encouraged, commissioners should promote:

- Fair and transparent allocation of risk and reward between partners.
- Equitable subcontracting arrangements and decision-making structures.
- Proportionate due diligence and reporting requirements.
- Protection against exploitative “bid candy” practices where smaller organisations are included without meaningful influence or benefit.
- Capacity-building support for organisations participating in partnership models.

This approach can strengthen local ecosystems, encourage innovation, and improve integration across sectors and services.

Local system alignment and place-based commissioning

Commissioning and procurement activity should **align clearly with wider strategic priorities** across local systems, including prevention, reducing inequalities, community resilience, integration, and population wellbeing. Providers should be supported to align their delivery models with place-based objectives and neighbourhood-level priorities while retaining flexibility to respond to local community need.

Commissioners should recognise the value of hyper-local organisations and community-led provision in reaching underserved populations, building trust, and supporting culturally responsive approaches. Procurement processes should therefore reinforce integration across health, social care, housing, employment, and community support systems rather than creating fragmented or siloed delivery models.

Commitment 7: Continuous Learning

Annual Charter Review and Joint Governance

A formal annual review process should be established through a joint VCFSE-commissioner working group to assess progress against agreed principles, commitments, and commissioning practices.

This review should consider:

- Progress towards fair and sustainable commissioning. Provider experience and market health.
- Workforce sustainability and continuity.
- Impact on service quality, prevention, and outcomes.
- Barriers to implementation and opportunities for improvement.

The review process should be transparent, collaborative, and focused on **continuous improvement rather than compliance alone**. Findings should inform future commissioning intentions, procurement design, and system development priorities.

Feedback, Learning, and Adaptation

Commissioners should establish **regular forums and engagement mechanisms** that enable open dialogue, shared learning, and adaptive practice between statutory partners and VCFSE providers.

These forums should support:

- Early identification of emerging risks and pressures.
- Sharing of innovation, evidence, and best practice.
- Joint problem-solving and service improvement.
- Reflection on procurement and commissioning experiences.
- Ongoing adaptation of approaches in response to changing community need and market conditions.

A culture of continuous learning and improvement can help strengthen trust, reduce adversarial commissioning behaviours, and support more responsive, preventative, and integrated systems of care and support.

Summary

Commissioners can use the opportunities created by the Procurement Regulations 2024 to move beyond transactional purchasing and embed more preventative, collaborative, and place-based approaches to commissioning. This includes using procurement processes to incentivise long-term outcomes, strengthen local partnerships, and reshape markets around community need rather than short-term cost efficiencies.

Shift to outcome-based practice

Commissioners can enhance outcome based commissioning and procurement practice by designing specifications, evaluation criteria, and contract management arrangements around measurable social, health, and community outcomes rather than narrowly defined service outputs. This enables providers greater flexibility to innovate and tailor delivery models to local need while aligning procurement activity with strategic system priorities.

Prioritise quality, social value, and community cohesion over lowest-cost procurement models

Commissioners can make fuller use of the flexibility within The Procurement Regulations 2024 to weight evaluation criteria towards prevention, inclusion, lived experience,

workforce stability, sustainability, and wider social impact. Commissioners can use procurement to reinforce community resilience and long-term public value rather than focusing primarily on short-term price competition.

Promote local and hyper-local integration, partnership working, and shared decision-making

Commissioners can encourage collaborative delivery models involving VCFSE organisations alongside statutory and anchor institutions. This includes designing procurement approaches that support consortia, neighbourhood-based partnerships, co-production with residents, and integrated service pathways that reflect place-based priorities.

Invest in long-term market shaping rather than reactive commissioning cycles

Commissioners are encouraged to engage proactively with providers, communities, and system partners to build sustainable local capacity and capability over time. Commissioners can use early market engagement, flexible contracting mechanisms, innovation partnerships, and longer-term relationship management to stimulate diverse, resilient markets that are better able to respond to future demand and reduce dependency on crisis interventions.

