
Modernising Commissioning: Increasing the role of charities, social enterprises, mutuals and cooperatives in public service delivery

Response from Citizens Advice to the Cabinet Office

Introduction

Citizens Advice welcomes the opportunity to respond to the Cabinet Office Green Paper on Modernising Commissioning. We have had extensive experience of both good and bad commissioning practices within the statutory sector and firmly believe that Civil Society Organisations have a key role to play in the delivery of public services. However, the disparity in commissioning practices has meant that, on occasion, it would appear the CSOs have been disadvantaged in their ability to tender. We hope that this Green Paper and the Public Sector Reform White Paper in January will help to remove some of the barriers we have experienced.

Background

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination. The service aims:

- To provide the advice people need for the problems they face; and
- To improve the policies and practices that affect people's lives.

In 2009/10, the CAB service in England and Wales dealt with over seven million problems from 2.1 million people. In the second quarter of 2010/11, the profile of CAB clients was as follows:

- 55 per cent were women
- 30 per cent were disabled or had long term health problems
- 15 per cent were from black and minority ethnic (BAME) backgrounds,
- 79 per cent were aged 25-64, with 11 per cent aged under 25 and ten per cent aged 65 or over
- 16 per cent of households were lone parents and 20 per cent were couples with dependent children
- 24 per cent were in full-time employment, 13 per cent in part-time employment, and three per cent were self-employed – a total of 40 per cent in paid work
- 33 per cent were owner-occupiers, 26 per cent were social housing tenants, 25 per cent private sector tenants, and 11 per cent did not have their own home (homeless, hostel or living with relatives/friends).

The Citizens Advice service is a network of nearly 400 independent advice centres that provide free, impartial advice from more than 3,000 locations in England and Wales, including GPs' surgeries, hospitals, community centres, county courts and magistrates courts, and mobile services both in rural areas and to serve particular dispersed groups. Each member is a registered charity with its own trustee board and is therefore responsible for ensuring it has sufficient funding to operate.

Funding for each bureau comes from a number of sources. Local authorities account for 42 per cent of all funding and this is what partially funds the core services of the bureaux. Of the local authority funding received the majority is still received in the form of grants and service level agreements. However, in the past two years over 200 of our member bureaux have either been commissioned and required to bid for contracts, or are due to be commissioned within the next 12 months.¹

¹ Bureau Information Survey 2009 - 2010

As a result Citizens Advice has formed a small dedicated Commissioning Team to provide support for bureaux that are required to tender for funding contracts. Many are unfamiliar with the processes and support has been in the form of training, tools and practical one to one support in completing the tender document. The team have therefore been involved in a high number of commissioning and tendering processes and have experienced both good and bad practice. In addition staff working closely with bureaux at a local and sub-national level have developed experience of working with both public and private sector partners and contractors. Their experiences will form part of the response to this Green Paper along with contributions from bureaux themselves.

We have responded only to those questions which we have evidence on which to provide feedback on.

New Opportunities

What are the implications of payments by results for civil society organisations?

Outcomes that are chosen to benefit the end service user to the maximum effect should have a key role within any commissioning framework. There are risks in linking outcomes to payments in that it could result in the selection of outcomes which are readily and quickly quantifiable; and are therefore not conducive to a user-centred approach when developing services through commissioning. A second major risk is that moving to a complete payments by results model will effectively lock out large swathes of smaller CSOs who have a unique position in the market in that they are user centred. This will leave a distorted market made up of large organisations who are able to have sufficient capital to bank-roll services. These are most likely to be private sector organisations, rather than charities.

Other factors that need to be considered include:

- For some CSOs, the perceived risk of not being paid maybe too great and their expertise and services could be lost
- The time delays between delivery of service and achievement of outcomes (e.g.) a user has been in employment for six months or outcome dependent on a legal process that may take some time to be heard such as an immigration appeal, will place an unbearable strain on the finances of CSOs awaiting payments for results achieved.
- Often once a CSO has paid for the staff and other costs to deliver the service they will not have the ability to repay any amount based on non-delivery of an outcome target.
- Outcomes will never be known for all the users of our services. This is because not all advice achieves an outcome, and where it does it may not be identifiable at the time of advice. One example would be where there is no outcome due to a clients situation; The client may approach CAB after they have nowhere else left to turn, they may have contacted other service providers without receiving a successful outcome. These clients may not have a high probability of a achieving an outcome.

Ways forward on this we would recommend given consideration are:

- undertaking more pathfinder activity focussed on smaller CSOs on payment by results
- use monthly payment arrangements that reflect expected performance activity, and then adjusted to reflect actual performance retrospectively.

- guaranteed longer contracts as the norm enabling CSOs to be more confident of achieving a level of return
- promoting a mixed economy of payments, certain percentages of work to be undertaken or certain key outcomes could be linked to results whilst the remainder of funding provided up front
- true user led outcomes will be inconsistent and based on a variety of personal needs, There is a need to develop a robust evaluation framework to understand how this could work in a payment by outcomes model, when the funder doesn't determine the outcomes. The CAB Service have experience in designing these.

Which public service areas could be opened up to more civil society providers? What are the barriers to more civil society organisations being involved?

Rather than listing a range of public services areas that could be opened up to more civil society providers, we would suggest a number of key factors should be considered across all of the public service to 'test' as to whether they should be opened up.

The factors we have identified include:

- What added value is there to be gained for the service beneficiary to the service to be delivered by a CSO (and vice versa)?
- Does this service benefit from a tailored local approach that could be provided by a CSO?
- Is the service being offered linked to conditionality which could threaten the independence of the sector? An example would be the delivery of benefit services which can be linked to implementing a benefit sanction against an individual
- Does the opening of the service to civil society improve access and provide a better service to the public?
- What does undertaking a service specific Equality Impact Assessment show? For example is there a risk that there will be a lack of provision for all sections of the community?

Often it is not the service that is being tendered that is the barrier to the involvement of CSOs but the manner in which the process is being tendered. A lack of understanding of the application of the EU Directives in terms of Part B contracts has led to some bureaux being required to provide levels of insurance that are wholly out of proportion to the value of the contract, and processes that are clearly far too costly and resource-intensive for the level and type of contract required. For example:

Halton CAB were asked to tender for a small specialised contract in advice by their local authority. It was clear from the paperwork they received as part of the ITT that they were being asked to complete forms used in large building contracts with huge levels of insurance required.

Other barriers include that of TUPE and we highlight some of these in our response to later questions

Should the government explore extending the right to challenge other local state-run services? If so, which areas and what benefits could civil society organisations bring to these public service areas?

The Coalition Government's commitment to building a stronger civic society is based on empowering individuals and communities and that can only happen if citizens have the information and skills to enable them to do so. Conversely, the current reduction to public expenditure will impact on how citizens can access that information and develop those skills. There is a real danger that this will be very exclusive with some individuals/communities being disadvantaged through not having the skills nor the means to acquire those skills. Effectively this is usually the most vulnerable members of society.

We therefore look forward to being able to examine the detail as to these proposals. Our social policy work at a local, regional and national level consistently highlights to public services where services could be improved or where there are failures in delivery that have an impact on those who use our services.

We would look to work with our service users to see that any development of a right to challenge considers the following issues:

- The impact on all sections of the community and how all sections of the community can be involved in challenging
- That the role of a 'community challenger' if taken by a CSO does not prejudice any future delivery of public services
- What support and advocacy is proposed to be able to support all citizens in challenging
- How bureaucracy is reduced and not increased

Are there types of assets whose viability, when transferred to civil society management or ownership would be particularly dependent on a continuing income stream from service contracts or public sector tenancies? What are the main barriers that prevent civil society organisations taking over asset based services?

Bureaux are based throughout the communities in which they are established, often utilising community buildings and space to ensure their services are based where potential clients are. Some bureaux have taken a lead in managing a community asset as there can be much to be gained from hosting a range of complementary organisations in one place.

However, barriers for large parts of our service include;

- Skills and expertise to purchase and manage such assets
- Lease commitments are a key issue – particularly if longer term than the contract and dilapidations liabilities can be considerable and unavoidable.
- Risk of mission drift
- Raising sufficient capital for any purchase arrangements
- Ability to be able to raise or guarantee sufficient levels of financial return
- The physical condition of some of the assets available

How can we encourage more existing civil society organisations to team up with new employee-led mutuals?

Partnerships within civil society are derived from the need of the user, however, they also reflect the ethics of the organisations involved. Like will attract like and where there is synergy effective partnerships will emerge.

Employee led mutuals will need to experience distinct culture shifts in moving from being part of a public sector organisation to one run by its members. They will need to be more aware of the level of civil society organisations and their activities in order to see where the likely connections are.

Some form of brokering service (much like the Big Society website) could offer opportunities to bring partners together with similar ethics and practices and could offer employee led mutuals a 'way in' to the larger civil society.

Finally commissioners will need to ensure that they actively encourage consortia bidding for contracts.

What other methods could the Government consider in order to create more opportunities for civil society organisations to deliver public services?

In addition to the points raised above and ensuring good practise commissioning highlighted throughout this response, we would also suggest;

- Easily navigable supplier directories which CSOs can be encouraged to join
- Continued expansion of the governments commitment to openness and transparency by producing easily accessible information as to the current cost and outcomes of public services so CSOs are able to make informed business decisions prior to bidding.
- Continuation of support for, and development of, the national and sub national COMPACT to outline, monitor and develop good practice between the government at all levels and civil society.

There are risks here, and the following issues need to be borne firmly in mind:

- There could be a risk that in some areas services are run by CSOs and in others areas this doesn't happen. This could lead to service difference which is not in the end users' best interest.
- Once services are no longer being run by the state, there may be more of a risk that they are vulnerable to funding reductions.

More Accessible

What issues should commissioners take into account in order to increase civil society organisations' involvement in existing public service markets?

CSOs can have a clear understanding of the needs in a local area and also where there is a failure or difficulties in the current market. It is essential that this knowledge and understanding is utilised effectively by Commissioners when examining existing markets and developing service specifications.

Our member bureaux deliver services throughout 3,500 locations in England and Wales and last year alone we helped 2.1 million people to resolve 7.1 million problems. Nevertheless, all too often our member bureaux are not involved in the development of a needs analysis and specification for services. This has led to inaccurate needs analysis and poorly written specifications that fail to achieve the required services.

Our evidence backs up the barriers documented within the Green Paper and these barriers don't appear to be improving with an additional worrying trend being shown of 'rolling' together a PQQ and ITT stage causing considerable potential time wasting if an organisation is unsuccessful at PQQ stage

Civil Society organisations are often much smaller than some of the private sector companies that compete for contracts. In such small front line orientated organisations roles are often combined. In particular, there is rarely a team who have experience of bidding and large amounts of time to complete a tender. Timetables that provide the civil society organisation time to complete relevant paperwork would encourage involvement. For example:

At Citizens Advice we have monitored all the bids that bureaux have been involved in and as a result we have designed a PQQ ready pack. This enables the bureau to pull together all the information required in any PQQ and to hold it ready for when the PQQ is published. This improves turn around times in the preparation of the later bid and also offers bureaux the opportunity to respond quickly to opportunistic PQQs as and when they are published.

In summary, our key issues include:

- Ensuring adequate reasonable timescales at all stages of the process
- Ensuring effective communication of any opportunities
- Having transparency of the costs of running existing public service provision
- Taking risks in tendering - by this we mean not being so risk adverse that contractual arrangements detail and constrain services, making them so standardised that the individual service user need becomes 'lost' and innovation stifled
- Continuation of support for, and development of, the national and sub national COMPACT to outline, monitor and develop good practice between the government at all levels and civil society
- Proportionality in all stages of the process from PQQ information required (including areas such as levels of insurance needed), through to content and depth of the contract offered

- Understanding by commissioners/procurement teams as to what EU law requires them to do. Advice services are Part B services yet often commissioners/procurement teams put processes in place that are as onerous as Part A services
- Ensuring the knowledge of local communities and of market failures are used fully during the commissioning cycle. Ways that this could be done would include ensuring local communities are asked about what services they require and ensuring that a feedback exercise is undertaken after each commissioning exercise to examine what worked well

In the implementation of the above mentioned measures, what issues should the Government consider in order to ensure that they are fully inclusive of civil society organisations?

Citizens Advice welcomes the measures suggested in the Green Paper and if adhered to these should enable civil society organisations to more included in public service delivery.

The Government needs to ensure that all aspects of the civil society sector are made aware of any new measures. The size and front line focus of many smaller organisations means that they are often not able to 'horizon scan' in every area of their work; often focusing on the service delivery elements. It is therefore crucial that new measures are not simply advertised through government websites but are cascaded through the sector's structure of infrastructure organisations and alliances.

Information will need to be available in plain English and community languages.

We also welcome the proposal for a 'Lean Review' to uncover causes of delay in procurement and to suggest action to rectify them. We would however, go further and suggest that each commissioning and procurement process undergoes a review at completion and that 'lessons learned' are a required action by the commissioning and procurement team. Repeats of bad practice which have been identified and not acted upon (where reasonable) should be subject to challenge and sanctions. For example:

The Isle of Wight Council developed a new competitive grant-making process, the objective of which is to create a rolling grant-making process centred on a number of public sector commissioning prospectuses. The prospectus approach is a simplified and inclusive approach to commissioning, and is a key element of the Isle of Wight Compact Strategy Group's Third Sector Strategy and has been endorsed by the Island Strategic Partnership, which recognises that "the third sector plays an important and growing part in delivering many public services". Each prospectus is based on commissioning outcomes. The prospectus sets out the objectives and outcomes that public sector commissioners want to achieve in relation to a specific aspect of island life, and invites voluntary organisations and community groups to bid for funding. All funding awarded through a commissioning prospectus is regarded as a grant, with a funding agreement that is proportionate to the scale of the service being delivered. Funding agreements can run for periods between 1 – 3 years. Proportionality enables the prospectuses to fund some very small projects. It also supports collaboration between the organisations who are bidding, without any one provider having to take on the role of lead member of a consortium.

What issues should the Civil Society Red Tape Taskforce consider in order to reduce the bureaucratic burden of commissioning?

We believe that the Red Tape Task force should examine the following issues to reduce the bureaucratic burden of commissioning:

- EU law incorrectly applied by commissioners/procurers
- Commissioning activities have become overly complex, time consuming and costly due to Commissioners, often under pressure from their procurement colleagues, becoming focused on the process rather than the outcomes.
- Specifications for services have become output driven with little consideration taken of the needs of the user which has led to complex contracts with high levels of monitoring

We believe that the solutions to these problems include:

- A common understanding of the flexibility of approach to Part B contracts is essential for all commissioners. Resource and cost intensive processes for small value contracts are not best value for the commissioning team or the tax payer.
- Promotion and use of 'Intelligent Monitoring' by the National Audit Office and we would welcome this being reflected more widely in contract documentation.²
- Standard (boilerplate) contract terms used across public services
- Greater clarity by commissioners on when VAT and TUPE are applicable
- Involving citizens and the CSOs more in shaping services could lead to being less concerned about risk and process; knowing that they have been meaningfully involved in designing community specific services
- Promotion of a mixed economy of CSO funding which includes short and long term grants and contracts.
- Commissioners should be trained and guided to be able to make informed decisions on the best type of funding needed to meet the need of the end users

²

http://www.nao.org.uk/guidance_good_practice/third_sector/successful_commissioning/successful_commission_toolkit/toolkit_home.aspx

How can commissioners achieve a fair balance of risk which would enable civil society organisations to compete for opportunities?

We would suggest the following:

Agreeing a standard approach

In our experience, different commissioners have different approaches to risk. For example, we have seen the same demands for levels of professional indemnity insurance cover for a £100,000 contract and a £20 million contract. Standard PQQ questions could be agreed across national and local government as already announced and banding for evidence required can be developed

Development of a template

This could be used by Commissioners with potential providers as part of the commissioning process so risks can be talked through and ways of reduction/mitigation/elimination or acceptance strategies can be developed together. Currently such an approach to risk is not undertaken.

What are the key issues civil society organisations face when dealing with TUPE regulations and what could government do, within existing legislation, to resolve these problems?

Our response to this question will follow under separate cover.

What issues should the Government consider in order to ensure that civil society organisations are assessed on their ability to achieve the best outcomes for the most competitive price?

Often it is the disparity between commissioners at the evaluation stage which can cause issues for civil society organisations. Currently commissioners do not operate to one common standard; nor are they required to be professionally qualified unlike their procurement colleagues. Developing one common standard of skills and competencies would ensure that at evaluation civil society organisations know that they are to be treated in an equal manner.

Use of volunteers should also be considered as part of any assessment. Using volunteers increases the actual outputs from the service; that is an increase in the number of users seen and number of cases dealt with. They allow bureaux to offer outreach programmes or longer service hours. Other benefits from using volunteers include community cohesion, providing a range of soft outcomes around confidence and well-being, building relationships, networks and bonds of trust between people. Volunteering is therefore widely recognised as having an impact on the 'health' of a community. Providing developmental roles for volunteers raises aspirations and hopefully encourages more people to volunteer. Volunteering builds confidence and self-esteem, brings personal satisfaction through 'making a difference' and provides new opportunities and challenges for the individual. For some, this helps them back into employment. Currently approximately 30 per cent of our volunteers move on to further training or employment.

Volunteering is a cost effective way to deliver services, but it is not free and commissioners need to understand this. Typical costs include support and supervision, travel and care costs, training and

recruitment. Current work being undertaken by Citizens Advice shows that the costs of using volunteers as opposed to paid staff is around 40 per cent.

Investing in the development of measuring social value and seeing softer outcomes as part of the delivery package will go some way to ensuring that those outcomes that many civil society organisations are able to deliver, are given the same value as the harder cost driven outputs that many of our members have seen in tender documents.

What issues should the Government consider with the development of the Big Society Bank, in order to enable civil society organisations to take advantage of public service market contracts?

The creation of a Big Society Bank could offer civil society organisations a chance to break down the barriers that have prevented their full participation in public service delivery. One of the main reasons why civil society organisations struggle to compete in an open market is that they are often unable to make the transition from payment in advance (as many grants and service level agreements operate) to arrears (as in contract payments). Having access to working capital at a competitive rate would ease the financial burden on such a transition.

The Big Society Bank can also offer the opportunity for investment in the civil society sector to ensure that resources are available to enable them to be 'tender ready' for future opportunities. Capacity building and service delivery changes take time and money and to have a competitive source of funding that would invest in the future of the sector would be welcomed.

For future investment the Big Society Bank could become the market leader in new methods of investment for public service contract. For example, Big Lottery and Sainsbury's Foundation have both recently invested in the Social Impact Bond pilot in Peterborough. This could be a role for the new Big Society Bank in areas where private investors may be more reticent to invest due to the specialised nature of the service or the perceived level of risk.

What issues affecting civil society organisations should be considered in relation to the Merlin Standard across central government?

The introduction of the Merlin Standard for prime contractors is welcomed as it gives an assurance to sub contractors of the level of service and ethics they can expect in the supply chain. As many civil society organisations are likely to form part of the various supply chains for government it will be encouraging to see the standard being expanded across all government departments.

In addition to assurance, it also provides CSOs with a framework by which to 'challenge' prime contractors should anything go wrong.

We would also wish to raise two further points:

- Whilst we support the roll-out of the Merlin standard, we do not believe that the prime contract model is the sole route to providers. Much merit can be gained through consortia working and bidding.
- We would suggest that there is a continued role for CSOs to be supported in understanding their costs when making proposals to form a part of a supply chain. Our experience is that

where sub-contractors have been driven to 'agree' a price with a prime contractor which is not fully reflective of their costs, this creates a risk of failure.

What barriers prevent civil society organisations from forming and operating in consortia?

The formation of consortia is a time and resource intensive activity. Civil Society organisations often have the majority of their staff and funding focused on the service delivery, indeed this is what makes them so attractive as value for money organisations. Consequently there is often little time and funding to invest in creating consortia. Having access to a resource (see our earlier response to the Big Society Bank question) would allow them to make the necessary arrangements. Formation of formal consortia can take time and informal consortia can expose individual organisations to greater risk.

It has sometimes been difficult to develop consortia within the advice sector issues because members have different quality standards. This has meant that there has been no clear common approach to the quality of work being carried out. The Legal Services Commission Quality Mark scheme is no longer actively administered by them; and indeed was resource intensive in itself to acquire. This has led to a number of accredited quality schemes, each with a slightly different approach. The Big Lottery funded, Citizens Advice led, 'Working Together for Advice' project went some way to addressing this issue but further investment will be required to ensure that a common recognised standard is accepted across the advice sector.

Levels of monitoring within contracts are also often a barrier to the running of consortia. High levels of outcomes monitoring can make contracts 'management heavy' and funding is therefore not available to pass on to consortia members to allow them to recover all their costs.

Finally, commissioners themselves often do not allow for consortia responses to tender specifications. For example:

A CAB in Hampshire reported; 'Local authorities encourage joint working of community organisations, yet their commissioning rules have made it impossible for consortia to bid. We were barred from bidding as we had no history of providing services, yet all our members have that history and the delivery would have been through them working together. We appealed, but to no avail. This has effectively locked us out of providing supporting people services at the county or sub county level'

What approaches would best support commissioning decisions that consider full social, environmental and economic value?

Citizens Advice fully supports approaches to commissioning whereby the true value of services are evaluated rather than lowest price wins.

There isn't a standard model that has been used sufficiently to provide an evidence base to demonstrate how the systems can be built into the service delivery model to capture and report on outcomes. There also isn't evidence of the outcomes and social return on investment that can demonstrate that these can be used as reliable indicators to be used within a performance framework link to contract value.

In general the models require consultancy (often at a fairly high cost) to be completed. The data sets are often small (and in one high profile law centre report based on a single user).

Recent research by Demos suggested that there are few organisations (around six) that are nearly ready to be able to start to use SROI (Social Return on Investment) models. Citizens Advice is second on their list.

However, we believe that although we have invested heavily in embedding outcomes (and satisfaction) recording in our services (100,000 users fed back last year on satisfaction and over 200,000 outcomes were recorded) there would still need to be a lot of work to do to develop SROI. We also have a comprehensive electronic case recording system which allows for sophisticated analysis of users, problems, work levels, interactions. We also have standard approaches to costing services and the ability to model unit costs.

Our solution to the above would be to develop a model that can be run without expensive consultancy and that provides a way of measuring the social, environmental and economic value of services. Such a model should be developed with the CSO sector, capitalise on existing work and should be made available and agencies should be encouraged to test the model. Evidence from the model should be collected and collated to demonstrate that produces valid and usable information. Only once completed should commissioners require any form of detailed measurement.

What issues should Government consider in taking forward the Public Services (Social Enterprise and Social Value) Bill?

Citizens Advice believes that the Bill provides the opportunity for civil society organisations to demonstrate their full worth in terms of their social value. Caution should be taken on how the social value measurement is going to be carried out. Citizens Advice has led the field in the advice sector with tools for our members to use in demonstrating both service and community outcomes³.

Civil society organisations often deal with users who are on the fringe of society. Their interventions with them can range from being intensive, for example re-offending teams, to single interactions, e.g. with a Citizens Advice Bureau. Where there is repeated and intensive interaction with the user, it is often easier to measure the social value of the service, than where there are high numbers of low level interactions. This needs to be borne in mind by Government when considering how and what to measure.

Tracking users is also an issue for the more vulnerable and transient members of society that may use public services. For example, Citizens Advice has a number of specialised projects working with Gypsies and Travellers. Due to the transient lifestyle of such users long term outcomes measurement of the social value of their interaction with the service would be almost impossible to achieve without a huge investment in resources.

Possible solutions include:

- Outcomes evidence and research should be used to inform which services to commission. Reporting should be built into contracts (including funding to do this) in order demonstrate value to develop an increased evidence base
- A standard SROI that can be run without expensive consultancy should be made available and agencies should be encouraged to test the model. Evidence from the model should be collected

³ A copy of the Citizens Advice Outcomes Toolkit is available upon request

and collated to demonstrate that it produces valid and usable information. (see also answer to previous question)

- The work above is undertaken prior to adoption locally by commissioners

What role and contributions could civil society organisations place, through Local Healthwatch, in informing the local consumer voice about commissioning?

Citizens Advice believes that the inclusion of patients and the public views within the local commissioning process will need to ensure that it is not simply 'the loudest voices' that are heard but that the system reaches the more remote, excluded sections of the community (often with the poorest health) in order to gain legitimacy for decisions. It will therefore be crucial that the local HealthWatch has sufficient flexibility to tap into the wealth of patient feedback and experiences local civil society organisations, such as the CAB hold around health and wellbeing related services, feeding this into the commissioning process. Local HealthWatch can then use as a basis to challenge commissioners to further improve their services. This will help to guard against, or reduce conflicts of interest, to ensure that people involved in decision-making are not also involved in 'holding themselves to account' or that local HealthWatch only represents the loudest voices in a community.

What issues relating to civil society organisations should the Government consider when refreshing the Joint Strategic Needs Assessment Guidance (JSNA)?

The NHS is undergoing significant change which may not work as originally planned. However, without evidence from organisations working with people trying to access health services, there is a risk that decision-makers may not even know if the changes are working as envisaged. Civil society organisations like Citizens Advice Bureaux can fill this gap, providing up-to-date outcome-based evidence, so the JSNA can truly reflect local needs. Without this evidence, the JSNA may be reliant on service deliverers for feedback on the services they are offering. It is therefore imperative that the refreshed JSNA guidance encourages evidence from civil society organisations to be taken into account when drawing up a JSNA.

How could civil society organisations facilitate, encourage, and support community and citizens involvement in decision making about local priorities and services commissioned?

The Citizens Advice service has twin aims:

- to provide advice and help to those who need it, and
- to use the experiences of our clients to lobby for change at both a local and national level.

This means that we have a wealth of knowledge about what works well, and what does not within the public sector field. We use this evidence, gathered directly from service users, to call for improvements in public policy. We also involve service users and our member bureaux in local, regional and national policy campaigns ensuring the voice of service users is heard.

For substantial changes to be made in the delivery of public services, local and national government needs to consider and respond positively to suggestions made by CSOs and the public. Members of the public and communities of interest will often only become involved if they can see the changes

occurring as a result of their input. Government needs to be brave and dynamic in its response to the involvement of local people designing their own services.

CSOs have a critical role to play and they should ensure that they engage their beneficiaries and volunteers in responding to ensure that the weakest voices are heard or else we are in danger of creating bigger divisions in local communities.

We would suggest:

- CSOs are routinely used by Commissioners to facilitate discussions with service users and non-users as to what are their requirements. This 'trusted intermediary role' is one that can be of great value in gaining an understanding of what is needed
- Commissioners need to understand that involving CSOs in community engagement is not incompatible with an open and transparent commissioning process
- Ways of gaining input from individuals and communities need to be diverse and not restricted to formal consultation events. Examples could include use of radio talk shows, local and national media and online polls.
- Commissioners should require as a starting point responses from tenderers around community engagement including the use of volunteers, a decision support tool could be developed to help Commissioners decide how to include appropriate questions within a tender process and how to score any responses

What forms of support will best enable statutory partners and civil society organisations to improve their working relationships?

At Citizens Advice we have many good examples of where bureaux have worked in close partnership with their statutory funders. Bureaux in West Sussex were closely involved in the development of the specification for advice services in the county. In Sutton the bureau are a strategic partner with the local authority and have helped to shape and deliver advice services in the borough.

Key factors include:

- Strong communication at the appropriate level between the provider and purchaser.
- Providers and purchasers agreeing between them what are the best outcomes that can be achieved for individuals and communities
- Benefits for the service user remaining the focus, rather than a focus on process and procedure
- Correct application of EU law and not being concerned that by engaging CSOs that any subsequent commissioning process will become challengeable

What issues should the Government consider in the development of the future programme of training public service commissioners?

Citizens Advice attended both levels of the recent IDeA/CIPFA training for commissioners. It was clear from the attendees that the public sector is keen to know more about civil society organisations and the value that they provide. However, it was also apparent that only those statutory bodies that were already keen to engage had attended and there were a great many commissioning authorities that did not attend either level.

Commissioning does not require any professional qualification or common occupational standard or competency. Yet it is crucial in ensuring that the design of service both meets the needs of the local community and provides value for money. It would therefore be sensible for there to be some mechanism to reward those commissioning bodies that do attend training and development as they are the organisations that will answer the Government's call to ensure that civil society organisations form a critical part of public service delivery.

National occupational standards should apply to commissioners across all government whether local or national. The standards are vocational and can be assessed 'on the job' so should be easy to implement.

Working with councillors is also important as commissioning is a political and not just a technical issue. The role of councillors as commissioners is particularly significant in relation to the broader governance and accountability of local government. Commissioning can assist councils in bringing multi-sector service providers together to ensure maximum public benefit and accountability across a range of public, private and voluntary sector provision. In making judgements about commissioning, councillors must ensure that at all times the council retains its capacity to meet increasingly complex needs of the communities it serves. There is a clear role for elected members to be supported in their learning and understanding of commissioning.

What can civil society organisations contribute to the roll out of community budgets? What barriers exist to realising this contribution? How can these barriers be removed?

CSOs such as Citizens Advice Bureaux can provide local authorities with valuable, additional information, data, and delivery expertise across a number of factors fundamental to the success of community budget setting such as:

- Strategy development and implementation
- Consultation and engagement
- Funding and resources issues and subsequent planning
- Equality and diversity – increasing volunteering
- Supporting community cohesion

Local co-ordination is essential to tackle issues and CSOs like Citizens Advice Bureaux are ideally placed to make a valued contribution to ensuring that community budgeting realises its full potential through ensuring they act as 'champions' for the most disadvantaged and vulnerable.

Complex societal problems do not always require new funding sources and CSOs have the ability to provide holistic services that cross previous traditional service provision boundaries. However, to be innovative and responsive they will require both continued local and national investment.

CSOs have the potential to help tackle challenges that local authorities face in times of downturn such as:

- Ensuring choice
- Promoting independence
- Increasing the role of preventative services

Thus reducing the need for funding and co-ordinating large networks of services. Such an approach will challenge the traditional methods of delivery and Commissioners need to ensure they are explicit

about how they plan to move spending from crisis intervention and ensure that any de-commissioning is carried out appropriately.

The roll out of community budgets is based upon the evidence that securing better outcomes for individuals, families and communities cannot be achieved on a single service basis. It is necessary at a local level that the approach to complex problems is strategic and integrated in order to reach appropriate outcomes and to reasonably hold those services to account.

What can civil society organisations contribute to the roll out of Local Integrated Services? What barriers exist to realising this contribution? How can these barriers be removed?

A likely barrier to CSOs contributing to the roll out of Local Integrated Services will be the relative “technical” commissioning skills in the local authority and each organisations’ ability to respond to the commissioning process presented. Integral factors to achieving a successful process that deliver the services needed by the community will be:

- population needs assessment
- customer intelligence (“citizen insight”)
- demand forecasting
- market mapping
- option appraisal
- smart procurement and
- managing through networks.

The ability to respond to the data and intelligence will require some capacity building within the Civil Society sector and will also require CSOs to be engaged with local authorities to ensure the integrated nature of the services and design appropriate outcomes.

Multi-sector and/or cross-organisational working brings with it distinct challenges and potentially significant barriers to CSOs seeking to provide public services with local partners. The assumption that there is a clear and shared understanding of what the commissioning process means across all the organisations involved is not in most cases correct.

With the strategic driver of integrated services being about preventative activity and assisting people to live more independently, CSOs can help highlight local service gaps and barriers. Citizens Advice Bureaux have a holistic approach to users issues and experiences enabling users to exercise choice and have more say over decisions that affect their daily lives. This places the needs of the users at the heart of service development which is a highly effective way of identifying opportunities for more effective service integration.

What contributions could civil society organisations make to the extension of personal budgets across a range of service areas? What changes do both commissioners and civil society organisations need to make to adapt to an environment where citizens commission their own services?

CSOs have a critical role to play in the extension of personal budgets across a wide range of service areas. Areas of expertise within the sector include:

- advice and information about personalisation and budgets
- brokerage: helping people find services and support locally
- helping people manage their personal budget: navigating the system, managing the money
- advocacy
- user-specific individually negotiated services

For personalisation to be effective, it is absolutely essential that an individual has access to independent information and advice to enable them to make informed decisions about which services they wish to purchase to make the most difference to their lives. We believe that it is vital that such an information and advice service is universally provided and should not be down to an individual to have to purchase.

Changes that will need to take place include;

How much expertise is required

We highlighted earlier in our response our concern that no formal qualification is needed to be a commissioner. We suggested that this could be remedied by adoption of the National Occupational Standards. Because personalisation means taking commissioning down to the individual level, we believe that it is even more critical that commissioners are skilled and experts in being able to assess need and tender for services that meet those needs.

Universal access

We believe that there is a need here to ensure that even in the current economic situation, everyone has access to services that make the most difference to them. We would be concerned that there may be a disconnect between what services would make the most difference to the individual and what services are affordable.

Funding

Making a business model work for CSOs will be critical. One of the key features of large parts of the sector is that there is no profit motivation because an individual is provided with the support that they need. We are concerned that there is a risk that in the pursuit of sufficient income to ensure survival a CSO could lose the very personalised service that is already offered for one that provides the most funding.

Summary

In summary our key points include;

- Adopting a user-led approach to the commissioning process should ensure appropriate outcome measures and enable CSOs to demonstrate their expertise in the bid process
- Individuals and communities should be involved in decision-making around the provision of public services and challenging decisions where necessary, however, the most vulnerable and isolated may need support in order to be involved. CSOs are trusted organisations that can offer such support

- A full understanding of the EU Directives (Part B) by Commissioners, greater clarity on TUPE and VAT would reduce bureaucracy and cost in all commissioning processes
- Volunteers are a cost effective way of delivering public services and should not be discounted by commissioners when assessing service delivery models
- Further consideration is given to payment by results including a mixed economy on payment mechanisms
- The Big Society Bank can offer CSOs the opportunity, through investment, to be 'tender ready' and therefore able to compete on an equal footing with other bidders
- Consortia and partnerships can offer a package of deliver equal to that of any Prime Contractor model. Commissioners should include such delivery model opportunities where appropriate and Prime Contractors should all adhere to agreed supply chain standards
- Social value is a key way of ensuring the local expertise of CSOs are demonstrated in public service delivery. However, the level of monitoring prescribed by Commissioners needs to be proportionate to the level of contract
- Many users of CSO services are vulnerable, isolated and transient and can be difficult to track over prolonged periods of time. The development of a cost effective and relevant SROI model would ensure that social value is measured appropriately.
- Having a common qualification and occupational standard for any Commissioner involved in public service delivery will ensure that there is a level of consistency in approach and that commissioning and procurement is cost effective. Those Commissioners that engage with training and development should have some degree of formal recognition.

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