

## Modernising Commissioning:

Increasing the role of charities, social enterprises,  
mutual and cooperatives in public service delivery

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CONSULTATION

A RESPONSE FROM



## INTRODUCTION

Please find enclosed our written response to the Consultation, submitted on behalf of Third Sector Consortium Management LLP (3SC).

3SC is an organisation providing management services, formed in response to an express need by civil society organisations for a co-ordinated, effective and quality response to the changing requirements of public sector commissioning.

3SC offers an opportunity for commissioners to procure high quality services delivered by civil society organisations. It is unique in that it combines national reach gained from its founding partners with local delivery by a network of civil society organisations. It is a sustainable model which can be replicated across diverse commissioning areas including criminal justice, health and social care and welfare to work.

3SC is structured to enable all civil society organisations, whatever their scale, to participate in collaboration with other members in delivering large public service contracts. At present, over 1300 civil society organisations have registered their interest in playing a part in consortia managed by 3SC. Since a number of these members are regional consortia it is estimated that in excess of 4,000 organisations are therefore represented; it is anticipated that this number will grow significantly as 3SC expands its operations.

3SC's priorities are:

- To increase the percentage of public service contracts won by civil society organisations
- To utilise the local understanding and connections across the civil society sector
- To improve the lives and wellbeing of individuals and local communities

The information presented has been compiled in consultation with 3SC's membership.

We would be delighted to support this response with a personal briefing to the Minister or Officials, and to provide further information or clarification on any point

Yours faithfully,

Michael O'Toole

Chief Executive

## **Modernising Commissioning**

### **In which public service areas could government create new opportunities for civil society organisations to deliver?**

The introduction of, and increasing likelihood of adoption across Government departments by Commissioners of the Payment By Results process is a given on the new contracting landscape as set out by Government. Further thought needs to be devoted to the mechanism by which such processes are implemented, with a view to enabling, and not disabling participation in public sector contract delivery by Civil Society Organisations.

We would recommend agreeing the proportion of specific services across all service environments that should be delivered by independent organisations, and these be linked to achievable, measurable targets for improved social outcomes.

Supporting this objective, we would advocate the introduction of new rights for communities and local Civil Society Organisations, who would then be empowered to run such services.

### **Sub-Question: What issues should the Civil Society Red Tape Taskforce consider in order to reduce the bureaucratic burden of commissioning?**

It is a given that whilst, at a senior level, there is a political appreciation of the Civil Society and the benefits for commissioners of working with organisations from the sector, often this is not matched on ground by decisions makers. Improved understanding allied to improved communication is called for to right this wrong.

Practical experience has shown that in some instances Commissioners consider Civil Society Organisations to be inferior to their counterparts, and amateur in their approach. This latter point merits consideration. It is true that the sector has historically, principally through a lack of resources, been considered in some quarters to be less than professional in its approach. However, it has always been passionate and caring for the recipients of its works. Over the last decade we have seen a significant shift in a positive way, and now we do not simply attract the best candidates for positions through engaging them in a voluntary capacity, but as paid-for professionals, changing the landscape of the sector for good, for the good of communities and country.

With collaborative models, it will be important to consider their collective track record, financial strength, reach, flexibility and expertise. This will provide a unique sense of strength and reach to the communities in which they will deliver public services. In giving fair consideration to such an approach, it will be essential to ensure that procurement process are designed to accommodate these collaborative models.

**How could Government make existing public service markets more accessible to civil society organisations?**

A move towards a decentralised commissioning approach to contracts would, in the longer term, open up the market. On a practical level, a more immediate way of opening access to the markets, ie to accessing for Government tenders, would be to launch a one-stop contract finder service for small organisations to find procurement and sub-contracting opportunities all in one place. Consider the NCVO's web portal "Funding Central" as a template to develop this service for the sector as a whole.

Improve transparency of public procurement opportunities and cut away red tape by streamlining procurement processes.

**Sub-Question: What issues should Government consider in the development of the Big Society Bank, in order to enable civil society organisations to take advantage of public service market opportunities?**

Payment By Results presents some financial challenge for Civil Society Organisations, as:-

There is no encouragement, no incentives or guarantees from Government to the Commercial Banking sector for them to consider Civil Society Organisations.

Banks are unwilling to finance Civil Society Organisation. To date, their track record of lending to the sector is very poor. This is because they often have the same misled beliefs as commissioners regarding the capability of the sector in terms of performance and delivery.

Commercial Banks should be encouraged to redeem themselves by supporting Civil Society Organisations in the development of the Big Society. Consideration should be given to establishing a Civil Society Organisation finance guarantee scheme, in the style of the Loan Guarantee Scheme, and/or social impact bonds to provide financial support to Civil Society prime and sub-contractors

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**How could commissioners use assessments of full social, environmental and economic value to inform their commissioning decisions?**

Fully support and implement the recommendations of the Social Value Bill which would require the recognition of 'full value' as part of mainstream commissioning practice.

Encourage understanding of the social and environmental priorities of local people, and introduce measures for these to be considered in the commissioning process. This would help in delivering services that were in keeping with an agenda that gave importance to localism and sustainable communities.

Commissioners should be enabled to attend training and development opportunities with civil society organisations such as 3SC. This would equip them with an insight and greater understanding of the 'expert' role and benefits civil society organisations bring to outcomes in effective service delivery.

**How could civil society organisations support greater citizen and community involvement in all stages of commissioning?**

The new 'right to challenge' is a bold move on the part of Government, which should be embraced by local communities. We would encourage Government to extend the planned 'right to challenge' to public services.

We would also suggest the rolling out of the 'Community Budgets' initiative, which pools funding for local services, and facilitates greater flexibility to meet local priorities, creating a more 'joined up' approach, across those with an involvement in the delivery of services.

Enabling local civil society organisations and current public service providers to strengthen working relationships to ensure continuity of delivery of services is vital. We would recommend developing packages of support tailored to meet the specific needs of the community as closely as possible.

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**Sub Question: How could civil society organisations facilitate, encourage and support community and citizen involvement in decision making about local priorities and services commissioned?**

For this to be effective, Civil Society Organisations must be at the heart of the community, and at the heart of the democratic decision making process. One without the other will not be effective, will not achieve the desired result.

They could engage as an interface between the community and decentralised local Government, and manage an on-going process of consultation. By adopting a holistic approach the question of involvement and participation, using these organisations would be particularly appropriate as such organisations represent or can reach those in the community that may, typically be excluded from participation in these processes. Inclusion in these processes will eventually lead to a more integrated community.

ENDS.