

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

Kensington and Chelsea's contribution to the key questions raised in the Green Paper.

1. In which public service areas could Government create new opportunities for civil society organisations to deliver?

There are very few areas where it would not be appropriate for the Government to create new opportunities for civil society organisations to deliver public services.

We welcome further consideration by the Government of the issues for civil society organisations where payment by results is used.

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

We support the proposal to promote independent provision in key public services and would suggest that this sort of information is easily available to commissioners so they can better understand the supply side for different public service sectors.

Government needs to better understand the supply side and market maturity as it will be different in different sectors. This will identify what the key barriers are to making markets more accessible and help nuance the debate for different sectors. It would also be an alternative to having a long list of all the barriers that apply to different situations.

Some of the key barriers are well known such as EU procurement (in light of TECKAL judgment), procurement processes, TUPE, pensions, etc. Issues around cultural barriers in different sectors and closed markets should be acknowledged and steps taken to understand how to change these.

As well as developing new rights for communities and employees to buy and run services LAs and other public sector bodies will need to develop new processes so the rights can be implemented as painlessly as possible. Good practice guidance, peer support or toolkits would be useful in this respect.

Good costed case studies of the benefits to the LA, benefits to the employees and benefits to the community would help make the case and encourage employees, commissioners and third sector organisations to innovate.

There needs to be some flexibility to the general commissioning cycle so that guidance and support includes the Right to Provide and challenge, as well as citizen action. Greater

transparency and accessibility of data to third sector and private sector organisations could encourage interest in new markets.

Existing civil society organisations could be encouraged to team up with employee led mutuals by showcasing examples of where it has worked – or the government could encourage more pathfinders. Civil society organisations need to understand what the benefits and risks could be for them. There is a case but it has not yet been made or communicated.

To create more opportunities for civil society organisations to deliver public services Government could do more to promote and work with Philanthropy; pilot social impact bonds and other financial instruments to encourage investment; and leverage public sector contracts to deliver more social value.

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

Commissioners could use assessments such as Social Return on Investment to bring greater rigour to the commissioning process when bids are assessed (accepting the fact that SROI assessments are not necessarily comparable between organisations).

Assessments such as SROI would also help set strategic commissioning strategies for community budgets. Providers would benefit by being able to better demonstrate the impact they have outside of achieving singular targets.

If the market is to open up many third sector and social enterprise organisations will need to raise their game on monitoring and understanding the social impact they have so that commissioners can justify funding them.

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

SROI is a very good way to involve citizens in public service markets and commissioning.

Coordinated citizen action aligned with spending timelines could be used to better inform commissioning decisions.