



MOTIV CIC
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5th January 2011

Dear Nick Hurd MP,

In response to your request for comment on the green paper 'Modernising Commissioning' I would like to offer you a limited summary of comment in the time scales given.

As a founding Director of MOTIV CIC I offer a relevant wealth of knowledge as an individual who was successful in the private sector and was inspired to apply these skills to making a social impact. The idea for MOTIV was piloted in late 2005 with support from UnLtd millennium grant and incorporated by 2006 having successfully delivered to 60,000 school pupils on a low budget with considerable impact in school attendance improvement. MOTIV was incorporated as an early CIC (limited by guarantee) and regulator Sara Burgess is aware of the organisation and uses MOTIV in case study examples.

With a model for scaleable growth and Local Authority service agreements to improve attendance across the board MOTIV has been able to achieve significant, quantifiable results.¹ In the last academic year MOTIV reached 120,000 school pupils in Manchester, Oldham, Salford, Blackburn and Nottingham in over three hundred schools. The sales/turnover of the organisation was £250k (4 full time staff) and the social impact include, for example, "Since the launch of the Citywide Attendance Campaign in Manchester, 29,383 pupils (54% of all pupils aged 5-16) had better attendance, and of these 7,191 (13.59% of all pupils aged 5-16) improved their absenteeism by 10% or more."²

To enable the organisation to scale we have had investment support from Venturesome to which we have an outstanding loan of £190k on which we are meeting our repayments.

MOTIV's expertise is in delivering popular culture appeal to gain greater attainment from school pupils. MOTIV works with global brands including Crayola and Legoland, national supporters the ODEON, Ten Pin and Hard Rock café to name but a few. MOTIV has encouraged private sector investment into public sector problems. This ethical approach to improve marketing standards in schools and apply 'cool' brands to social improvements was recognised by the Tridos Bank and The Times in 2009 as winners of WEBA (Women in ethical business awards).

Our sustainability however, has just been turned upside down with the decommissioning of LAs and our economies of scale model has been removed from the market place. We do however welcome the changes but strongly believe consultation with smart and innovative organisations such as ourselves is vital. We also welcome the transition fund and other measures that are being put in place to help small organisations with great potential and ambition – like ours – to navigate their way through these tumultuous times and access the opportunity to continue to deliver successfully on the double bottom line.

¹ Oldham Council 3 year evaluation document supplied on request.

² Manchester City Council CC press release

http://www.manchester.gov.uk/info/200109/council_news/4839/manchester_people-issue_44_autumn_2010/7

Community Interest Company Registered In England 5850293

The questions I would like to address as a priority are:

2. How could Government make existing public service markets more accessible to civil society organisations?
3. How could commissioners use assessments of full social, environmental and economic value to inform their commissioning decisions?

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

As outlined above MOTIV CIC has been from inception, a model example of improved outcomes on reduced budgets. So much so that Social Enterprise Almanack from 'Good Deals 2009' put the value of MOTIV as 'for every £1 a local authority spends with MOTIV it potentially saves £11.60 elsewhere' ³

The 100% Challenge – MOTIV's school attendance program has an outstanding track record and success rate and has been successfully taken up by over 96% of schools in the Las in which we have worked with the LA. The cost is £1.50 per pupil which is comparable with the cost of one truancy officer. The added value we bring is really high e.g. on a £90k budget MOTIV brought £1.2m in value of rewards from private companies.

It has taken us five years to understand why this does not automatically result in commissions:

- (i) The 100% challenge's ability to improve figures and quickly creates an illusion of the problem being fixed i.e. it has been used to deal with the short-term crisis in a Children's Services department and so they move on to next 'crisis'. This ability to offer long-term engagement is what Big Society can deliver if implemented correctly.
- (ii) The culture of councils is not entirely accepting of outcomes that may show them to be over paid and highly ineffective. This is not always the case but this is the defensive, natural position we have found countless officers revert to as part of their inherent working culture. There are some individuals, it has to be noted, that force their way through this continual 'blocking', hence we have been able to work in the areas we have worked and made the impact we have.

Public sector accountability has to be a key driver in changing attitudes to a 'can do' position and the flourishing of the whole sector.

Public sector workers would benefit from the following new culture and Civil Society would hugely benefit from a new kind of engagement with public sector:

- Performance management
- Meaningful Targets and meaningful removal of privileges if e.g. constantly late, constantly cancel meetings with civil society at short notice etc.
- Accountability – culture of nobody cares and nothing matters endemic attitude across local authorities – deadlines being missed against service agreements on their side should result in actual penalties and accountability

³ Good Deals Social Almanack produced by social enterprise magazine for cabinet office of the third sector

- Encourage ideas and efficiencies to counteract the 'keep your head down and your job safe' attitude
- To knowledge share – NOT steal ideas and IP
- The best people and the great people should be rewarded and this is broadly not the case in council culture

Execution and implementation of all these policies has to be performance managed

The implications of payment by results for civil society organisations are that statutory partners are motivated towards successful outcomes. This success should be directly linked to their pay packet or annual leave if this is not possible their working conditions or privileges.

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

I have a social enterprise in development addressing this idea and pitching to a local council next week for a trial... will keep you posted ☺. Traded Services often see Social Enterprises as a threat though and as noted above are not motivated to work with Civil Society for better outcomes.

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

I am applying the response to the new purchasing model for schools going forward.

Consider this:

In January 2010 MOTIV took two meetings with Manchester City Council who purchased the 100% Challenge for up to 170 schools.

In January 2011 MOTIV is expected to take three or so meetings with 170 schools each, of which less than 10% believe they have the budget and have very limited experience in buying strategic delivery programs.

- Teaching schools to buy. Buying and negotiation skills for e.g. schools that have previously had their services procured for them do not know how to buy and / or negotiate.
- To market to schools the need to work with Civil Society and not treat everyone suspiciously – for schools to recognise a Community Interest Company and the difference in buying ethically rather than from private organisations – what the different motivators are for the sale / purchase.
- Learn how to work with suppliers – to give them enough notice, not to mess them about continuously etc!!

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

- There is a working conflict of interest in 'traded services' whereby councils are keen to use their own people and manage their own budgets although this is often not the best use of budget or resource.
- Council's should continue to be audited on how much business they do with social enterprise and this should be across all departments
- *Sub-Question: What issues should commissioners take into account in order to increase civil society organisations "involvement in existing public service markets?"*
- A registered charity, CIC, Co-op etc should always be given the contract over and above a private company where the services and projected outcomes are similar as a 'rule'.

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

Recompense for time lost – DCSF for example used up vast amounts of MOTIV's time in 2009 producing documents, strategies, outcomes, budgets for a region wide roll out and committed a £400k to the strategy⁴. When it was realised that budgets had over run in other areas (Greater Manchester Challenge and City Challenge) and there was a change in personnel MOTIV was reduced to having no calls returned and nobody responsible to pick up what we had been led to believe – a program that was about to be signed off and implemented in the next few months.

This nearly sunk MOTIV as we had turned down other work to be able to deliver the program. We strongly believe 'time wasting' and meetings for meetings sake culture needs to be penalised if the two sectors are to work together more effectively.

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

- Reward government officials with efficiencies and suggestions to reduce money. eg currently Insist on seeing three quotes but two versions of one quote would be better e.g. if you find the right supplier and they give you a price – what's the price or the added value once an officer has negotiated with them! Rather than just going on the 'cheapest'.
- Joined up policy and thinking: e.g. 'City Solicitor' no idea what a CIC was/is, Green policies not reflected by town planners etc.
- There needs to be the right to show a 'Displacement card' and offer a challenge to work together when government or public sector are set to put policies in place that affect real business or communities that are already working.

Displacement notice period – e.g. a further education college setting up a beauty salon in the city centre and offering discounts etc. – completely subsidised, not real experience for students and displacing the beauty salons that exists. CLCs with greater printing technology and kit than a small business could dream of offering print services are another example. We had a great deal of experience in the private sector of this kind of displacement. Recording studios are almost non-existent in Manchester as every school, college and community venue has better kit that they can offer at subsidised rate than any private studios in the area can afford.

⁴ Evidence easily supplied on request

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

The fiduciary duty of a Director in a private company is to make as much money as possible for private individuals/gain. This means that ultimately every decision managers are instructed to make are based on these principles.

The fiduciary duty of for example a CIC, is to make the most impact and best serve the community it exists for and every decision is based around this.

A registered charity, CIC, Co-op etc should always be given the contract over and above a private company where the services and projected outcomes are similar as a 'rule'.

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

Economies of scale could really suffer here – a lot of risk on the small provider – not enough time to go into detail but MOTIV is underwriting the cost of the production to schools direct now and if less than 150 schools sign up we will be considerably out of pocket.

Sub- Questions: 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 are commissioning their own services?

This 'power' needs to come with lessons in buying. Not everyone buys well or budgets even though they are given the money directly. What happens when the money is ill-spent but the problem remains and the budget has gone?

The motivations for the purchase can be very different also – for example – what MOTIV sold to a Local Authority was a citywide plan for improvement over a long-term but with measurable short-term results. Part of a young person's life plan, giving them the best possible start in life by not creating for example bad school attendance habits. However, a school is motivated by different factors which are less social and strategic and more about the needs of the school that day... so we are competing against for example a new school bench for the yard.

When young people are consulted by MOTIV about what they want – their ideas have limited scope because they don't know what is possible. Predominantly they will be motivated by factors such as 'what do we get for lunch'. They often don't like the 'sound' of what we are proposing in 100% Experiences (events where they learn about cinema, TV production, music, green economy etc). However once they've been through the experience they discover they did enjoy it and did get a lot out of it.

People often don't like change and often don't like the idea of something that can produce positive outcomes and somewhere this 'buying power' needs to be supported and guided.

Please note this has been completed in limited time and the views expressed are of Rose Marley and not MOTIV CIC or its other directors necessarily. I am more than happy to comment further or explain the detail of some of my points.

Thank you

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