



Public Services Team, Office for Civil Society, Cabinet Office, Admiralty Arch,
The Mall, London SW1A 2WH;

MODERNISING COMMISSIONING

Introduction

sporta, founded in the mid 1990s, has a membership of over 100 leisure trusts and social enterprises, most of them charitable, ranging from small trusts running single leisure centres to larger organisations managing more than 65 sites. **sporta** members are independent of local authorities and the private sector. They play an important role in the regeneration and building of sustainable communities at a local level, reinvesting their surpluses for the benefit of their communities. Together the members have a combined turnover in excess of £750 million, have more than 175 million customers visiting their facilities each year and employ the equivalent of 21,400 employees. Collectively, they operate more than 910 individual sites. Find out more at www.sporta.org

sporta has responded separately to the associated consultation on *Public Sector Reform* and to the consultation on *Supporting a Stronger Civil Society*. **sporta** would be pleased to participate in any further discussion of these issues with Government Departments and others.

Responses to Questions

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

The range of individual service areas is potentially very wide but the extent will vary from area to area, and the precise focus of the provision can be supported by measures described below.

Any stronger focus on 'payment by results' in relation to core costs could result in big cash flow issues for lightly capitalised civil society bodies, including **sporta** trusts, if payment is delayed, and this needs consideration.

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

All the proposals made will be helpful and government can assist this process by requiring or encouraging an assessment of the existing and required social infrastructure in an area and a clear recognition of the technical and practical

Park Farm, Norwich Road, Hethersett, Norfolk NR9 3DL

Tel: 01603 814233

Fax: 07092 811792

www.sporta.org

Company registration no: 05932294

competences required for effective service delivery – including an appreciation of the need for scale to provide efficiency and value for money.

With this information and 'map' to guide them civil society organisations can then see how they might play various roles in any service area, in some instances by providing a complete service, and in others by providing one part of a whole service. Smaller and newer organisations will also be able to see how they can begin to take responsibility for service delivery by beginning in a partnership or collaboration with existing providers, perhaps then eventually building up to a fuller role once they are established.

These points underpin the ability to extend reform into a wide range of public service areas, and the proposals for supportive measures made in the paper will be more effective if they are based on them.

Sport, leisure and cultural trusts are commissioned by local government to provide a wide range of services and have a successful model that could be extended to other functions. There are already good examples of larger cultural trusts incorporating theatres, libraries and museums and many are working closely and effectively with health services and education.

Thanks to their public mission, depth of experience and operational competence, and role as social enterprises leisure trusts can enhance and extend their current role in civil society by working in partnership or collaboration with other community organisations. Much smaller organisations running community based facilities could be supported by larger trusts on back office services and in the training of volunteers.

Across all these functions trusts can fulfil roles both as strategic partners of local authorities and as social enterprises, which can operate flexibly and dynamically, including with commercial capacities, carefully managed alongside charitable activities

Direct service organisations such as maintenance, refuse collection catering whilst not necessarily building based may still benefit in terms of efficiency, focus, ownership etc. and technical services such as architects that are routinely costly in internal recharges could be cut adrift to become more accountable and efficient.

The trust model is there to provide scale and efficiency in the delivery of community based services and is adaptable to all local needs and circumstances.

However, to fulfil this potential, especially at times of severe public expenditure reductions, trusts need help, and the following points can also have wider relevance for the success of many other new civil society organisations. In particular:

- There are barriers to taking over asset based services. Asset condition is the main problem linked to replacement liability/responsibility. The use of capital dowries could help or having access to public capital grants, low cost or no

Park Farm, Norwich Road, Hethersett, Norfolk NR9 3DL

Tel: 01603 814233

Fax: 07092 811792

www.sporta.org

Company registration no: 05932294

cost loans. Trusts will be considering all potential means of finance, including the Big Society Bank.

- Procurement processes need to be relaxed to allow direct commissioning without unnecessary and costly competitive procurement processes. Too much reliance is placed by local authorities on procurement professionals many of whom have a vested interest in maintaining the process itself.
- It is vital to protect tax incentives such as NNDR and VAT, but also address the unfair impact of CRC which has become a tax on scale rather than inefficiency.
- Trusts maintain high standards of employment practice but there is a need to consider and deal with pension liabilities on TUPE transfer if further expansion and enhancement of the trust model is to be achieved. The options could be to close pension before transfer or underwrite liabilities. As trusts are not highly capitalised there is a need also for local authorities to underwrite liability for redundancy caused by external factors such as council strategic decisions, and withdrawal or reduction in funding leading to staff reduction. Transfer of major financial liabilities will also be a problem.
- New facilities such as the Big Society Bank it should be supported by further initiatives and incentives including full commitment to making it compulsory for Banks to participate with their dormant accounts.

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

There is a particular need in current circumstances to strengthen assessments of wider value and the inclusion of social value in contract performance conditions as commissioning bodies are being encouraged by budget cuts to place priority on price at the expense of public value. Some sporta trusts have already commissioned studies both on Social Return on Investment – notably North Lanarkshire Leisure, and Social Accounting – notably Jesmond Pool, and sporta has been developing a study and project over the last few months to provide a toolkit and learning programme for use across the whole network. Details of all this work can be provided.

Central and local government could assist this work – first by clarifying the extent to which they regard social value as significant and which techniques they recognise as most valid; and secondly by assisting civil society organisations and representative bodies such as sporta to gain from dialogue about best practice.

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

Again all the proposals made in the paper can be helpful. Civil society bodies should be encouraged and assisted to maintain dialogue and consultation with local people, including on how greater engagement of citizens and communities in the provision of services can be achieved.

sporta trusts have the great advantage of being an established part of local physical infrastructure with regular contact with many people and local communities – their customers – who visit their facilities and take part in their programmes. There are already many examples of how trusts support local

Park Farm, Norwich Road, Hethersett, Norfolk NR9 3DL

Tel: 01603 814233

Fax: 07092 811792

www.sporta.org

Company registration no: 05932294

clubs and groups who organise their own activities, and there is scope for this to be developed more fully into commissioning processes. Also, the staff of trusts live in their local communities – a study of one of the largest sporta members has shown that 80 per cent of the staff live within 2 miles of the facility where they work. Finally, the trusts work closely with the local authority, thus providing a link through to strategy making in local government. Again it is important to encourage people to build on existing provision and capabilities, rather than simply to invent new mechanisms.



Craig McAteer
Chairman

Park Farm, Norwich Road, Hethersett, Norfolk NR9 3DL

Tel: 01603 814233

Fax: 07092 811792

www.sporta.org

Company registration no: 05932294