

Modernising Commissioning Green Paper

Social Firms UK response

- 1.1 Social Firms UK is the national support agency for Social Firms. Social Firms Scotland and Social Firms Wales are our sister organisations. We are responding on behalf of our members, who are Social Firms or organisations interested in the Social Firm sector.
- 1.2 Social Firms are social enterprises that sell a wide range of quality goods and services and who are committed to employing people facing major barriers in the labour market. For more information see www.socialfirmsuk.co.uk
- 2 **In which public service areas could Government create new opportunities for civil society organisations to deliver?**
 - 2.1 If it is to transform public service delivery and maximise the benefits that civil society organisations, and particularly social enterprises, can offer, it's our view that the Government needs to make clear what it considers a "public service" to be. At the moment it's not clear whether it considers public service to be
 - a) A service for public benefit delivered by the public sector
 - b) A service for public benefit funded and delivered, under a contract as appropriate, by any sector
 - c) Any activity that results in a benefit to the public, or some part of it, that is not driven primarily for private gain.
 - d) Any activity financed through public funds that result in a benefit of the general public, or a particular part of it.
 - e) All or any combination of the above.
 - 2.2 With their social mission to employ people at greatest disadvantage in the labour market, many of our members already fall within the definition at 2.1 c) above. Few, however, receive any public funding or finance for doing so. Some of our members have both social and environmental missions and they fall within the definition at 2.1b) because, for example, they have public sector contracts for recycling.
 - 2.3 A significant number of our members fall within the definition at 2.1d). They provide quality services in areas such as printing and fulfilment, catering, travel services, grounds maintenance which, if purchased by local authorities, would result in added value for the local community. These services are delivered by workforces in which a high percentage of workers have been rejected , or not even considered, by mainstream employers because

they have a learning disability, mental health problem, prison record, history of homelessness or addiction. National and local public authorities buying from Social Firms not only get the goods or services, but also help to sustain social businesses and support job creation. This brings local economic benefits as well as empowerment and independence to local Social Firm employees. Buying from Social Firms also leads to savings in other areas because many of the employees would have been “users” of “traditional” public services (adult social care, mental health services, criminal justice service etc) were it not for the employment opportunities and support offered by Social Firms and the positive impact that work brings (income; confidence and increased self esteem; independence; increased skills and qualifications; work history; social contact).

- 2.4 More opportunities would be opened up for civil society organisations generally, and social enterprises in particular, if commissioners were required to look for added social value as an outcome of any purchasing exercise.

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

- 3.1 While the Green Paper has correctly identified many of the barriers to public service markets that civil society organisations face and, in many cases it is true to say that these barriers are often shared by private sector SMEs, the action set out in the Green Paper that the government plans to take does not go far enough.
- 3.2 The government cuts, at both national and local level, are prompting many civil society organisations that are grant-reliant to transform themselves into self-sustaining social enterprises. They require access to help and expertise to do this and to get to the position where they can successfully win contracts. Social enterprise infrastructure bodies have particular expertise in this area and therefore have the potential to assist. But they would also need financial support to increase their capacity to meet the demand.
- 3.3 The limited scope of the government’s Transition Fund means that many civil society organisations are either ineligible or will not be successful in their applications. Furthermore, there is no support for civil society organisations, including social enterprises, who do not currently have an element of tax-payer funded income for the public services they provide.
- 3.4 Our members have told us about a range of action they want to see and support that they need in order to bid for contracts. These include:
- raising commissioners’ awareness and understanding of social enterprise and Social Firms;
 - help with preparing tenders;
 - setting the size of individual procurement packages in a way that makes them accessible to social enterprises and SMEs and help with developing partnerships and consortia in order to jointly fulfil contract requirements;

- extending the length of contracts in order to mitigate the risk for Social Firms and social enterprises that's associated with the investment that may be necessary to develop innovative services.
- 3.5 One of the things most frequently asked for is detailed information about government contracts at local levels and the contact details of the relevant officials. The plans to replace Supply2Gov with "Contract Finder" with free access are to be welcomed but it will be of most use if it contains information on local public contract opportunities and personnel.
- 4 How could commissioners use assessments of full social, environmental and economic value to inform their commissioning decisions?**
- 4.1 We have outlined at paras 2.3 and 2.4 above how social enterprises often bring more value to the commissioner than the monetary cost of purchasing goods and services. We believe that commissioners should, as a matter of routine in its tendering process, ask organisations to set out what the additional social , environmental and economic impact would be of awarding a contract to them. Tenders that offer additional positive social and environmental impact can actually lead to more being achieved for less, as the example in the Green Paper shows.
- 5 How could civil society organisations support greater citizen and community involvement in all stages of commissioning.**
- 5.1 We would refer you to work that has been undertaken in Scotland on public social partnership and co-commissioning. See Public Social Partnership in Scotland – Lessons Learnt.
<http://www.socialfirms.org.uk/FileLibrary/Resources/Procurement/PSP%20LessonsLearned%20-%20full.pdf> It highlights some very valuable lessons about the issues that can arise.

