
Modernising Commissioning Consultation

Response from Southwark Habitat for Humanity

We respond to this consultation as a housing charity, one of whose activities is the repair and refurbishment of empty property, working with volunteers and young people who are not in education, employment or training. Further information about how we work is appended to the back of this response.

We welcome the broad thrust of these proposals to modernise commissioning

**Which public services areas could be opened up to more civil society providers?
What are the barriers to more civil society organisations being involved?**

As a housing charity, we would like to see housing opened up to civil society providers, particularly those who work in local communities.

Providing housing – particularly affordable housing for either rent or sale in London and the south east – is very expensive. Currently government funding streams are focussed on Registered Social Landlords who work with the Homes and Communities Agency. This makes it virtually impossible (with the exception of the NAHP for Community Land trusts and some partnerships under the Temporary Social Housing Grant) for community organisations to access grant and provide housing at affordable levels.

We would like to see suitably constituted organisations able to access grant streams and provide affordable housing without needing to partner RSL's. This could be the refurbishment of empty properties or new build. We would particularly like to see community housing organisations who provide housing with additional benefits, such as working with unemployed people or volunteers able to access housing grants, subject to an appropriate monitoring and evaluation framework.

For charities, or small community organisations, partnering RSL's can be complex. The contracts are onerous and seek to transfer high (possibly excessive) levels of risk to partnering organisations, including performance bonds and high levels of retention of charitable funds. The contracts are geared to working within the RSL's methodology and any variation from that can lead to protracted negotiations increased legal bills. RSL's can also need to be convinced about the benefits of working with the local

community, rather than the problems associated with working outside their traditional paradigm.

As a first stage it may be possible to encourage more RSL's to work with community organisations via an enhanced grant regime (we have suggested this as part of the New Homes Bonus Consultation) which supports the additional benefits of providing local training or community involvement.

What issues should commissioners take into account in order to increase civil society organisations' involvements in existing public service markets?

The examples given in the consultation document are points well made, particularly around complex legal contracts and the establishment of financial status.

Fundamentally commissioners need to understand our legal status more fully (I have an example of a local authority legal officers decline our tender documents on a housing project as our charitable Trustees/Directors could not be held personally financial liable for any failure). Perhaps they could talk to large grant makers who understand how to undertake due diligence on charitable organisations.

In the implementation of the abovementioned measures, what issues should the Government consider in order to ensure that they are fully inclusive of civil society organisations?

Again the examples given in the consultation document are well made. A standardised PQQ for any scheme involving HCA grant would be really very helpful for civil society housing providers, particularly if reflected how civil society organisations worked. This would include

- appropriate due diligence information from civil society organisations rather than using a private sector methodology
- appropriate requests for financial guarantees and performance bond
- provision of references or case studies demonstrating capacity and competency to allow smaller organisations to enter the market.

What issues should the 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?

Fundamentally, it is assumed that the Big Society bank will support civil society organisations that are not able or willing to access finance from the commercial banks. Therefore, again the specific differences between civil society organisations

and private sector organisations need to be understood and weighted in lending decisions. Where civil society organisations are able to raise or lever other funds (such as corporate donations for specific outcomes or outputs on the project) against loans, this needs to be assessed appropriately.

In order for new and smaller organisations, Big Society Bank advisors need to have the time to provide expertise/financial advice and to mentor on project delivery, rather than act purely commercially. They need to understand the context of civil society and be open to new and innovative delivery styles.

What barriers prevent civil society organisations from forming and operating in consortia? How could they be removed?

Currently barriers for acting in consortia are lack of defined frameworks and fear of expensive, bespoke legal agreements (with issues of cost and risk) marring traditional 'trust' relationships which are a feature of civil society working practice. Frameworks, which are light-touch and appropriate should be produced that we could all sign up to.

Susan Simmonds
CEO, Southwark Habitat for Humanity

Who we are

Southwark Habitat for Humanity is a community based Christian charity whose mission is to ensure that everybody has a decent place to live. We are an affiliate of Habitat for Humanity International whose work worldwide over the last 30 years has built more than 300,000 homes in over 100 countries.

Southwark Habitat for Humanity was established in 1996 by a group of local people who were concerned about housing in London and who were passionate on their belief that the church needed to be active in providing housing solutions in their community.

How we work

Southwark Habitat for Humanity builds houses using a unique mix of volunteers from all sections of the community who are supervised by skilled construction staff and qualified contractors. Volunteers can be from the corporate sector as part of a Corporate Social Responsibility Programme, young people learning construction skills or local volunteers working to give something back to their community.

