



Stockton-on-Tees
BOROUGH COUNCIL

POLICY, PERFORMANCE & PARTNERSHIPS

5 January 2011

Dear Sir / Madam

Modernising Commissioning Consultation

I write on behalf of Stockton-on-Tees Borough Council to offer our formal response to the Modernising Commissioning consultation. The response will consider the key areas of the consultation.

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

In theory it is possible for most, if not all, public service areas to be opened up to more civil society providers, with the exceptions of those functions which are regulatory or strategic. However there are a significant number of considerations which would need to be addressed before the wholesale creation of new opportunities is possible. These include, but are by no means limited to; the legitimacy of the service provider, their ability and capacity to deliver and their impartiality when delivering services. Other key cornerstones of public service provision such as safeguarding, redress for errors and democratic accountability will also need to be transferred to new providers along with any services.

The success of payment by results for civil society organisations would of course depend on how the criteria for results were developed and monitored. However there is a risk that larger, better resourced, organisations would succeed at the expense of smaller ones and a question about whether payment in such a manner would fundamentally change civil society organisations, therefore removing many of the advantages they currently offer. Such a payment scheme could also be a retrograde step in so much as it would recreate a culture of counting numbers rather than impact. As such any payments by results system must be outcome focussed.

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In terms of asset transfers, there are a number of assets which community organisations would be keen to run which would be particularly dependent on a continuing income stream from service contracts or public sector tenancies. Most notable amongst these are public libraries, which by their very nature, have only limited opportunities to generate income and community centres, which again in order to ensure their activities are accessible as possible can charge only limited amounts for their space and time.

Even those assets which might at first sight seem more able to compete with the private sector such as leisure centres will require ongoing modernisation and investment to ensure their offer remains current. Again, without ongoing grant funding or other funding streams, investment opportunities or access to loans, such investment would be possible only if prices rose substantially therefore potentially excluding many current users.

There is an associated real risk in the transfer of asset based services which is that the civil sector will, quite obviously, be most interested in assuming control for the best existing services. There is potential therefore that local authorities will be in a position where they have a dwindling portfolio of assets which are of a lower quality yet costing an increasing amount to maintain.

Government could seek to develop a series of pathfinder or pilot projects aimed at creating new opportunities for civil society organisations such as supporting the development of collaborative or consortia based approaches within the sector to allow bidding for larger, more strategic contracts. Also opportunities exist for civil sector organisations to deliver a basket of services on a thematic basis although acknowledging that such an approach could have potential knock on effects in terms of ensuring the joining up of services. Finally, Government could consider developing a national quality mark scheme for civil society organisations seeking to deliver public services which would only be awarded when the organisation had proven its ability to meet certain agreed criteria thus demonstrating its strength and providing the necessary assurances for statutory partners.

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

There are many practical steps government commissioners at all levels can take to open up existing markets to civil society organisations and there are many examples of how local government has done so. Also there are opportunities for simplifying the tendering process to allow greater access to the civil sector. Whilst cognisant of the Public Administration Select Committee's report, legal conditions must remain within any contracting arrangements and their length be driven by the requirements of the contract.

In terms of risk management, again if a civil sector organisation is delivering a service it is only right it is also responsible for the risk management of that service and the consequences of any failures in their systems. There is scope however to set thresholds for acceptable risk and requirements for risk management policies and procedures at appropriate levels for individual contracts as they arise.

In terms of the development of Big Society Bank, ring fencing a proportion of this funding to enable civil society organisations develop to a level where they are able to access public sector contracts would be a good use of resources. Helping civil society providers develop in this way would also be preferable to introducing less rigorous legal and performance and risk management regimes.

Business Link and associated organisations are increasingly helping small and medium size private sector organisations to come together and bid in consortia for public sector contracts. There would seem to be some merit in extending this approach, via an appropriate agency, to the civil sector.

Again a number of opportunities for additional Government support are available. TUPE transfers and their associated on costs can often be daunting for small organisations to take on and further support from government in terms of additional monies to offset these costs could potentially benefit civil society organisations. Also the development of a mentoring programme to help civil society organisations develop could be worth exploring.

At a local level acknowledgment of the added value civil society organisations can bring should be embedded within procurement policy and practice. For example within Stockton our Sustainable Procurement Policy highlights the benefits of working with civil society organisations.

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

There are a number of ways in which civil society organisations can support this aim including through actively shaping and participating in the development of local engagement and consultation strategies, strategic partnership infrastructure and developing thematic experts and champions. With support, independent infrastructure organisations can act as the “honest broker” facilitating continuous development and improvement of relationships between the sector and statutory partners.

Such infrastructure organisations can also help statutory providers ensure that training and guidance for procurement officers and commissioners includes aspects of the nature and culture of civil sector organisations and vice versa thus helping promote and embed mutual understanding. Many civil society organisations at a local level can bring detailed understanding of local community norms and values which will be useful relating to community budgets, fostering relationships and helping reduce and mediate tensions.

Moving on to other questions raised in this section, sufficient representation of civil society organisations is vital on Local HealthWatch organisations, especially service users to ensure that expertise from civil society organisations can be utilised. Other areas to consider include access into hard to reach groups and neighbourhoods and ensuring that the voices for harder to reach groups are included. Local HealthWatch could promote the local user voice in commissioning discussions. For example through its consultation activities and handling of complaints it will be able to highlight areas of concern and potential areas of action, thus informing the commissioning cycle.

In refreshing the Joint Strategic Needs Assessment specific reference to civil society organisations and the importance of ensuring that they are both included and represented during undertaking any needs assessment needs to be included within the guidance. Once again it is important that work takes place with these organisations to reach those users who may be affected, as well as those harder to reach groups and communities. Additional support may need to be available to overcome the current limitations of some civil society organisations.

Civil society organisations could play a key role in the development of free schools and offer many of the extended school activities as well as having the potential to be commissioned to provide some activities and services such as improving attendance. In terms of personalised budgets the sector could again play a vital role including selling the benefits to local people, acting as advocates and champions and delivering some of the activities. In order for this to be successful mechanisms for demonstrating and quantifying savings would need to be developed. As ever there are barriers around this notably child protection, safeguarding vulnerable adults and in some cases issues of capacity, skills and knowledge within civil society organisations.

I hope you find these comments useful and look forward to the next stage in the proposals. In the meantime if you would like any further information or would like to discuss any issues further, please do not hesitate to contact myself or Simon Lee, Policy and Development Manager on 01642 524581.

Yours faithfully

Lesley King
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