

SWAN – the South West ACRE Network

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Response to: Modernising Commissioning: Increasing the role of charities, social enterprises, mutuals, and cooperatives in public service delivery.

In the opening statement for the above, Government states that its objective is to:

‘support the creation and expansion of mutuals, co-operatives, charities and social enterprises, and enable these groups to have a much greater involvement in the running of public services.’

SWAN – the South West ACRE Network is delighted to support this objective wholeheartedly. A sub-national association of the Rural Community Councils in the south west of England, SWAN is a registered Charitable Company comprising:

Community Council for Somerset
Community Council of Devon
Community First Wiltshire
Cornwall Rural Community Council
Dorset Community Action
Gloucestershire Rural Community Council, and
West of England Rural Community Project of SWAN itself.

Between them, these organisations - offering both support and front line intervention - have a staggering history spanning from the early 1920's, and exemplifying the cutting edge of community engagement and encouragement within the context of Government's thinking around the Big Society and Localism. The services they offer range from direct delivery of supporting those with Mental Health issues, to the elderly and other vulnerable through Village Agents schemes; transport and access issues; local services (Village and Community Shops) and Village and Community Buildings.

Many have run services on behalf of local government and indeed participated in delivery of central government objectives over many decades. With this experience, SWAN as the sub-national association for them, is delighted to contribute to the current debate, and welcomes this opportunity.

In making this response, we have engaged our colleagues and others in order to formulate our observations and comments.

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NEW OPPORTUNITIES

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

Your Objective: To drive efficiency, effectiveness and innovation in public services by opening more public service areas to civil society organisations.

1. Sub-Question: What are the implications of payment by results for civil society organisations?

In your text you quote the example of the Social Impact Bond at HMP Peterborough, and this exemplifies succinctly the issue for the Civil Society sector. Whilst Payment by Results should hold no fears for us if we are to truly operate within a bidding scenario, our understanding of Charity Law – and we speak as registered Charities – is that Trustees should not take unnecessary risks, and indeed would lay themselves open to Charity Commission redress should they do so. The greater majority of Civil Society Organisations (CSOs) do not carry the level of unrestricted reserves that would enable them to take such a gamble. Experience within our group of RCCs shows that where such contractual arrangements are entered into, they are very beholden to the commissioning body to deliver the referrals and leads required for the contractor to deliver the requisite outputs – restructuring of the government agency concerned in this case meant certain failure to achieve and as such a considerable loss was experienced.

To be truly accessible therefore there must be some form of staged payment, whereby organisations bidding for such work can have their outlay met in part. This is a recognised factor by Government in its Treasury Regulations relating to commissioning the CSO sector and should not be departed from.

In the main of course, such commissions as that evidenced would require a CSO joining with a major national [commercial] partner. Again this should hold no fears except that it would be a truly altruistic company that would acknowledge the needs of its CSO partner for 'up front' funding within the context of an highly competitive market.

2. Sub- Question: Which public services areas could be opened up to more civil society providers? What are the barriers to more civil society organisations being involved?

There should not be any limit as to the nature of the service which could be subject to commissioning either within the central or local government context. The very broad range of CSOs means that there could be a contender for virtually any form of service delivery.

The barriers have mainly been rehearsed within your consultation document, but in essence are:

- Overly bureaucratic processes, drawn out and subject to change
- Over scrutiny of costings submitted, especially in the area of overheads and 'contribution' [profit elements]. The bid is either judged best value or it is not and should be comparable in the scrutinising process to those from overtly commercial organisations for whom such information is "commercially confidential".
- A key barrier however is the investment in actually formulating the bid, and unless the above are recognised and dealt with, there will be fewer CSOs taking the trouble, much as they might wish to. Currently, the whole process is seen as "licence for 'the Big Boys' to print money".

3. Sub- Questions: a). Should Government explore extending the right to challenge to other local state-run services?

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Yes it should, and further, it should also recognise that in some instances a CSO might identify a service which it could deliver and come to the Local Authority, Government Department or Agency with a proposal. In these instances the commissioning process should be flexible sufficient to allow that authority to engage in a Preferred Provider

relationship with that CSO unless it is patently obvious that the proposal would not 'stack up'. Many CSOs are concerned that they might undertake such an action only to find that 'their idea' has now become part of the Commissioning process and put out to Tender.

b). If so, which areas and what benefits could civil society organisations bring to these public service areas?

Localism! Local Knowledge, local delivery streams and connection to community at the grass roots. These are key opportunities which need to be properly understood, and reflect issue you raise in your section VALUE!

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

One area of concern that could inhibit such 'teaming up' could be a clash in governance arrangements. Charities that standard Objects, would not necessarily be able to work with a mutual that was sharing the 'contribution' between members, and whilst SWAN welcomes the broad base of structures outlined in the Introduction to this paper, there could be issues to be overcome.

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

The speeding up of the new Community Interest Organisation status could assist in freeing registered charities from some of the encumbrances that currently might preclude 'teaming up'.

MORE ACCESSIBLE

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

Your Objective: To address practical, regulatory, legislative and cultural 'barriers to market entry' in existing markets, with a particular focus on barriers that affect civil society organisations.

6. Sub-Question: What issues should commissioners take into account in order to increase civil society organisations involvement in existing public service markets?

Local knowledge and local 'Reach'. They also need to be assured that a bidding organisation has the capacity to deliver, but the localism issue is of paramount importance in order to ensure that local need is truly reflected in the work proposed.

An issue that has to be addressed is the pre-commissioning consultation when potential 'bidders' may well be involved in designing commissioned work, and thus be seen by others to have an unfair advantage. This is going to need careful handling by all concerned.

7. Sub- Question: 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?

We will cover this more fully under the issue of VALUE below.

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More generally, the Government has established a Civil Society Red Tape Taskforce to answer the question “How can we reduce the bureaucratic burden on small organisations, particularly in the charitable, voluntary and social enterprise sectors?”

8. Sub-Question: How can commissioners achieve a fair balance of risk which would enable civil society organisations to compete for opportunities?

To a large degree it is a matter of TRUST. Government has to trust the integrity of the CCSOs and we have to trust Commissioners that they are genuinely including the sector. There will be risks on both sides, especially if the concept of Payment by Results is adhered to, in fact the risk for the CSO will be the greater one.

9. Sub-Question: What issues should Government consider in order to ensure that civil society organisations are assessed on their ability to achieve the best outcomes for the most competitive price?

The CSO sector has – for the greater part - a good track record of delivery not just from a Value for Money perspective, but also from the aspect of community engagement and participation. If Commissioners genuinely wish to have services delivered more cost effectively that reach those in most need, then the methodologies adopted by certainly the RCC (sometimes referred to as the RCAN – Rural Community Action Network) ‘family’ are tried and tested especially Community-led Planning where communities (usually geographic communities) are supported to undertake an assessment of the needs and aspirations of the community by the community and with the community. To date according to ACRE (Action with Communities in Rural England), over 4,000 communities across England have so far engaged in some form of CLP, often achieving engagement from their communities of between 70 -80%. A conservative estimate of the number of people benefiting in some way from the use of all Community Led Plans is 7.2 million. ACRE has found that 47% of the actions that emerge from a CLP can be delivered by communities themselves. If people are involved in assessing and agreeing the issues, they are more likely to get involved in delivering the solutions. This aspect of community engagement, is a factor that needs to be taken fully into account – in other words not just the ‘cost’ but also the ‘reach and local experience’.

10. Sub-Question: What issues should 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?

Given that the sum of money available to the big Bank is as yet not known and may not be as high as previously forecast, the proposal to maximise this fund through working with other funding opportunities makes sense. The issue of the proposal to only use this fund to subvent other funding partners rather than CSOs themselves still needs to be thought through more clearly.

What may be critical is the way that this money could be used for example by Big Issue Investment, as a means of equity shares in new ventures – i.e. contract opportunities in order to provide start-up money that a CSO may not itself have. At least the burden of risk would be shared, and any ‘dividend’ paid would come back into a revolving pot. The critical issue is enabling CSOs to participate through having access to venture capital.

11. Sub- Questions: What issues affecting civil society organisations should be considered in relation to the extension of the Merlin Standard across central government?

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SWAN would wish to endorse the concepts of MERLIN as past experience within the sector has not always been good, and colleague organisations have been used to gain contracts and then left to wither. The commitment envisaged through the MERLIN STANDARD is therefore much to be applauded. The MERLIN STANDARD, must we believe be extended through Central and Local Government Commissioning opportunities.

12. Sub- Question: What barriers prevent civil society organisations from forming and operating in consortia? How could they be removed?

Again it is as much about an issue of TRUST between and within the CSO sector as it is about TRUST with external partners and agencies. There is a real danger that the new culture envisaged could actually promote conflict and competition rather than an harmonious consortium. It will need careful management internally, and expert support from would be commissioners.

It might well be that the MERLIN STANDARD should be applied as comprehensively to all CSO Consortia as to any Private/Public/CSO partnerships.

VALUE

You ask: How could commissioners use assessments of full social, environmental and economic value to inform their commissioning decisions?

Your Objective: To enable commissioners to make strategic commissioning decisions on the basis of a full understanding of the social, environmental and economic impact.

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

Perhaps we need to work together to develop a Social Impact Assessment to go alongside those Impact Assessment process for Environmental and Economic Issues and more latterly Equality Impact Assessment.

Such an Assessment should take into account:

- Local **Reach**
- Local **Knowledge**
- Engagement Processes (e.g. **Community-led Planning** where the CSO has a role in supporting such activity to allow the communities themselves to develop their Agenda for action, as previously iterated)
- **Track Record** of past provision prior the Commissioning process
- **Partnerships**, and
- **Quality Accreditation** (e.g. the ACRE Quality Standard as endorsed by the charity Commission)

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

SWAN welcomes the Government's support for this Bill, and endorses the concept of **Full Value**, as we believe that it embraces the concepts outlined above.

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

Your Objective: To enable civil society organisations to support and facilitate the increased involvement of citizens and communities in commissioning.

15. Sub-question: What role and contributions could civil society organisations place, through Local HealthWatch, in informing the local consumer voice about commissioning?

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CSOs should be fully engaged in HEALTHWATCH, and should be able to bid for contracts to deliver this locally, just as they have been in LINKS schemes. Their contribution to the ongoing maintenance of Health Standards has been critically important in many areas, and the information conduit they have provided has been welcomed by communities through the engagement process they have achieved.

16. Sub-question: What issues relating to civil society organisations should the Government consider when refreshing the Joint Strategic Needs Assessment Guidance?

Given the imperative of Government to create Health and Wellbeing Boards it is right that it is seeking to include the CSO voice, and it is to be hoped that CSOs are already involved in the LGID deliberations. They can bring an hugely important dimension to the JSNA and Health and wellbeing Boards.

17. Sub-Question: How could civil society organisations facilitate, encourage and support community and citizen involvement in decision making about local priorities and services commissioned?

As already commented on, several RCCs are engaged in delivering Health LINKS and as part of that process have been instrumental in bringing together groups of people from all walks of life. Given their facilitation skills through Community-led Planning they have built up a considerable bank of knowledge and information which is of great value to colleagues in planning services. This should be built upon and enhanced further.

18. Sub-Question: What forms of support will best enable statutory partners and civil society organisations to improve their working relationships?

It has to be recognised that intervention, support and advocacy does not come free or even cheap, and therefore a key component in any working relationship with CSOs has to be on a financial basis to allow for the gathering of evidence and information and recognising their skills in facilitating grass roots engagement.

19. Sub- Questions: What can civil society organisations contribute to the roll out of community budgets? What barriers exist to realising this contribution? How can these barriers be removed?

Many CSOs generally, and Rural Community Councils in particular have been engaged in promoting the concepts behind Community Budgeting through their work with parish and Town Councils and Community-led Planning, the latter which invariably includes the participation of local people in deciding where monies should be prioritized and spent.

20. Sub- Questions: a). What can civil society organisations contribute to the roll out of Local Integrated Services?

Again there is a breadth of experience within the Rural Community Council family in working to integrate local services. Such experience has been gained through participating in the Peak National Park Integrated Rural Development [IRD] Programme in the early and mid 1980's, The Forest of Dean IRD Programme, and again Community-led Planning which is very much about the integration of service delivery at the very local level.

SWAN has recently engaged with a broad span of professionals in a Colloquium looking again at Integrated Rural Development and how this could fit the Government's Localism and Big Society Agenda. This work was supported by the South Regional development Agency and the Commission for Rural communities, and will be ongoing. We believe that there could be a very real fit between IRD and the concepts embraced in Local Enterprise Partnerships.

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b). What barriers exist to realising this contribution? How can these barriers be removed?

TRUST, or the lack of it, and the willingness to cede 'power' to others. To work, IRD is based on mutuality of vision and trust in each partner organisation to remain committed to the overall objective – the betterance of service delivery from Grants and Administration to frontline facilities from Libraries to Community shops and access to services. We have neither the time nor resources to maintain a conflict scenario, and if this situation is to change then Integration of Service Delivery has to be the modus operandi.

21. Sub- Questions: a). What can civil society organisations contribute to the development of Free Schools?

Rural Community Councils have for several decades assisted local communities to work to better and save local rural schools, often in the face of severe constraint and budgetary controls.

Nothing should be saved just for the sake of it, but local schools are the heart blood of any community and should be presumed 'remaining open' unless there are very good reasons for closure. Government has a commitment to reduce class sizes, and yet time after time we hear of closures on account of falling roles or some other reason.

Maintaining some of these schools 'open' could - by clustering and federation - achieve a great deal more in terms of standards and economic impact than their closure.

CSOs certainly have a role to play in helping communities identify their educational needs through Community-led Planning, and then the ensuing process of establishment of a Free School – if that is what transpires.

b). What should Government consider in order to realise this contribution?

The need to ensure that supportive and advocating organisations are suitably resourced in order to provide that very key service to local groups and communities. None of this can happen unless that core resource is available, and we are not afraid to bid for the commission.

22. Sub- Questions: What contributions could civil society organisations make to the extension of personal budgets across a range of service areas?

Again, there is an huge contribution that CSOs can and already are making. The concept of Personalisation is something we welcome as it gives the 'consumer' the right to chose. However, this can be extremely confusing especially for an isolated elderly person, and help is needed. The Village Agent scheme now expanding across the country from its origins in Gloucestershire could wit suitable support be enhanced to allow Village Agents to act as Hubs for local community enterprises to take off providing care and service at a very local level. For example: the recruitment of Care Workers for rural consumers is one that si constantly being cited as an issue. Unsocial hours, lack of transport and the rural premium often preclude recruitment from an urban environment where the personnel might be located, to serve a rural locale. However, if Village Agents [or similar] were in a position to mix and match local provision on Community Enterprise basis, much more could be achieved.

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