



A North West BME Voluntary and Community Sector Response to the Cabinet Office Consultation on Modernising Commissioning

This submission makes several key recommendations including:

- Payment by results should form part of a 'payment framework' that includes up front funding when working with marginalised communities.
- A modernisation of local grants using the Big Society Bank
- Undertake an equality impact assessment of Government social enterprise policy
- Investment in local and specialist infrastructure organisations to support frontline involvement in public service delivery
- An endorsement of the Public Services Bill
- Develop more equal relationships in the supply chain
- Consider the impacts of decisions and policy on the most vulnerable
- Listen, Value and Invest in the BME voluntary and community sector
- Ensure minimum standards of access and outcome
- Ensure equitable commissioning

Daniel Silver – One North West
www.onenorthwest.org.uk

About One North West

One North West is the regional Black and Minority Ethnic (BME) Network. We work with BME voluntary and community sector organisations across the North West to promote opportunities to connect with each other, develop knowledge and to influence decisions in order to achieve greater race equality and improved social justice.

By working in partnership with a wide range of organisations composing of a coalition of front line organisations, including BME women's organisations, social enterprise, infrastructure organisations and national partners, we provide an informed voice that is reflective of the North West's BME voluntary and community sector and provides policy-makers with a unique insight based on experience, expertise and knowledge of people from within the sector.

The BME Voluntary and Community Sector in the North West

There are currently an estimated 570, 000 BME people that live in the North West. The BME voluntary and community sector plays a key role for communities; we believe that the BME sector has an integral role in delivering Big Society due to the sector's unique engagement with marginalised communities, the promotion of underrepresented voices and with the delivery of essential services

Cabinet Office Consultation

The Cabinet Office has set out the Government's plans for the modernisation of commissioning. This aims to take forward the commitments made in the Coalition Programme for Government and poses the following questions:

- In which public service areas could Government create new opportunities for civil society organisations to deliver?
- How could Government make existing public service markets more accessible?
- How could commissioners use assessments of full social, environmental and economic value to inform their commissioning decisions?
- How could civil society organisations support greater citizen and community involvement in all stages of commissioning?

Methodology

One North West has worked with over one hundred and twenty BME voluntary and community sector organisations across the North West region, from Cumbria, Lancashire, Cheshire, Greater Manchester and Merseyside in developing a position around the wider Government agenda of Big Society. This work has formed the basis of this response, whilst detailed case studies have been provided through one to one interviews.

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

What are the implications of payment by results for civil society organisations?

Payment by results could disproportionately impact on grass-roots organisations that work with the most vulnerable communities. This is due to two key issues:

- Access to working capital
- Levels of engagement needed with vulnerable communities

The impacts can be seen through the case study of Fatima Women's Association, which is a small grass root women's organisation based in Glodwick, Oldham. Originally set up in 1991 by a group of Pakistani women as a sewing group, they have now progressed and become a registered charity supporting over 150 local women per year on issues of employment, training, health and well being. The levels of engagement needed with their client group means Fatima Women's Association will face difficulties with this method.

'Most of the women we work with are not ready to take up jobs. For example, the passport to employment programme really struggled to find women at that stage. Our client group is very different, women who face multiple barriers' (Fatima Women's Association)

Fatima Women's Association and many other grass roots organisations will face challenging times under the new payment by results system. The Chief Executive from Fatima Women's Association says that: 'Getting women into employment is one thing, keeping them there and sustaining this is another thing altogether because we would not receive the money until the person has stayed in work for over a year. This is just not feasible for us AND we are working with some of the most vulnerable women. With men it would be easier but with women, what can you do? It's so restricted, and subject to what the men in their family say. Men are more likely to speak better English and have fewer restrictions placed on their shoulders'.

Payments by results will disproportionately impact on FWA and other essential organisations that work with some of our most marginalised communities. Unless inequalities are considered and become part of the commissioning process and a key element of Big Society, the new Government will fail many communities. As FWA highlighted, engagement with marginalised communities is not valued and the additional resources are not forthcoming. This requires reflection. Furthermore, with high unemployment and payment by results, there is a high probability that service providers without the link to communities, will focus on the more job-ready in order to ensure that they are paid, leaving many of the most vulnerable cast further adrift.

The lack of access to working capital will severely disadvantage small grass-roots organisations, especially during times of recession and public service spending cuts, in which many organisations have used their reserves. The fact that prime contractors will be able to take on the capital risks will mean that they will be able to demand inequitable terms.

Recommendation: Payment by results should form part of a 'payment framework' that includes up front funding when working with marginalised communities. Payment by results need not be an all or nothing funding model. There is an alternative.

One North West endorses the recommendation of Voice 4 Change in their Shared Vision¹ that calls on Government to make payments in advance and assess the appropriateness of payment by results when the needs of vulnerable communities are being addressed. Cash flow difficulties are being created for BME voluntary and community sector organisations due to payment in arrears and the move to payment by results creates significant disadvantage especially when working with vulnerable communities as highlighted above.

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

Alongside the public service areas that are already being explored, potential areas could include:

- New public health agenda / GP commissioning
- Community organisers and national citizens service
- Work Programme framework

Barriers for BME voluntary and community sector organisations are well documented and include the limited understanding of the BME voluntary and community sector and the communities it works with, institutional racism, perceived lack of trust amongst commissioners of BME voluntary and community organisations, and a lack of engagement with the early stages of the commissioning process².

For example, the existence of intersectionality and the multiple disadvantage that is experienced by women from BME communities is often not recognised at the beginning of the commissioning cycle, which means that when services are put out to tender they do not reflect what is needed for the whole community and therefore, will often exclude organisations that meet the needs of the excluded people or at least mean that the service delivered will not be as effective as possible.

Due to this lack of representation, the contract terms do not always match the needs of users; commissioners do not always look at what resources will be needed to reach the more marginalised communities. For instance, tenders for working with BME women are often gender neutral and do not consider essential elements like childcare provision.

By addressing many of these barriers, public services will become more effective through a more diverse supplier base. This must include a modernisation of local grants and a radical rethinking of how to equality proof procurement processes to include full equality impact assessments to be undertaken and measures taken to overcome the barriers that have been identified and resources allocated to provide an effective and efficient service.

¹ <http://www.voice4change-england.co.uk/assets/files/e-copy.pdf>

² <http://www.voice4change-england.co.uk/assets/files/e-copy.pdf>

What other methods could the Government consider in order to create more opportunities for civil society organisations to deliver public services?

The BME voluntary and community sector in the North West is able to play a greater role in public service delivery as a partner of, and not a replacement for, the public sector. The BME sector is integral due to its unique engagement with marginalised communities, the support and development of underrepresented voices and with the delivery of tailored and essential services. They are also essential in terms of supporting economic recovery. Organisations such as Inspired Sisters who offer free learning and self-development opportunities that help people facing difficult circumstances into employment provide a means of providing social mobility for BME communities. And this needs investment.

However, much of the BME voluntary and community sector requires capacity building in order to be able to acquire contracts for service delivery. This will need support and development, which must also include a distinction between private and voluntary sectors and move towards a procurement practice that values social value over simple short-term efficiencies. This requires an investment in support, which will in turn ensure a stronger market and supply chain with a broader base and stronger reach into communities.

Investment in local and BME specialist infrastructure that can successfully deliver culturally sensitive business support opportunities that are accessible at a local level. This will enable BME voluntary and community sector organisations to successfully restructure and modernise in order to deliver public services and become more resilient.

More intensive support is often required by BME organisations than that which is currently provided by mainstream provision. For example, there is a need for intermediary support organisations more often during the early stages of development by an organisation which is culturally sensitive, has a relationship with the community, understands the barriers that exist, and that has built up trust within the community so that BME people already feel comfortable working with the organisation.

This support includes key areas of action and can be provided by BME and generic infrastructure organisations:

- Consortia Development
- Quality assurance
- Tendering Support

The following examples provide evidence of successful infrastructure support:

Case Study: Consortia Development: Manchester First is a consortium of learning and employment providers made up from ten organisations from within Manchester, who have been part of the Learning, Skills and Employment Network and include a range of BME voluntary and community sector organisations. Manchester First has recently won a £1.6 million contract to deliver ESOL through the European Integration Fund. This consortium provides an example of restructuring and modernisation and a case of where local infrastructure has proved an essential part of this process.

Case Study: Quality Assurance: The Congolese Association Merseyside delivers courses and also supports communities with education, employment, welfare, health, immigration advice, legal matters, housing and more. The shop also hosts outreach services of the Community College and Connexions, supporting them to reach disadvantaged communities. Through work with the CHARA Trust, a local BME-led infrastructure organisation, the Congolese Association achieved the Matrix Standard for Information, Advice and Guidance, which ensures quality standards and provides recognition to support successful tenders.

Case Study: Tendering and Procurement Support Project (TaPs): Greater Merseyside ChangeUp delivered a project which aims to meet the needs of both infrastructure and frontline VCS organisations operating throughout Greater Merseyside. The TaPs project provides a 'one-stop-shop' for advice, information and support and enables organisations interested in becoming involved in public service delivery to access specialist support services. It connects existing infrastructure support providers with a specialist referral point for advice and information on tendering and procurement for the public and voluntary sectors with the ultimate aim of increasing voluntary sector involvement in service delivery.³

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

Whilst the Government's commitment to the voluntary and community sector is welcome, there needs to be a recognition that not all organisations want to deliver on public service contracts, but still want to deliver essential and innovative services to communities. The new public service delivery model could entrench well documented barriers that result in a commissioning process that is not equitable for BME voluntary and community sector organisations. As the Government advocate a shift away from public service provision and towards a range of organisations delivering services as more contracts become available for competitive tender, there is a significant potential for the BME voluntary and community sector to become disadvantaged.

There is concern that the BME voluntary and community sector will be left to compete in a 'marketplace' for public service delivery that includes larger voluntary organisations and private sector companies that are more experienced in winning contracts, but may deliver a service that is not appropriate or as effective.

This shift towards contracting and away from grant funding will have a significant impact on the BME voluntary and community sector; this needs to be considered within the Big Society plans. The BME voluntary and community sector in the North West receives twelve percent of all grants in the North West⁴ and grants remain crucial to the sector. The North West BME Policy Forum highlighted the innovation enabled by grants and also the ability that grants provide in order for organisations to survive when they are emerging and developing, enabling organisations to develop a specialist service and allowing a quick response to community need whilst forming a more market orientated approach when appropriate.

³ http://www.changeupmerseyside.org.uk/hub/index.php?option=com_content&task=view&id=858&Itemid=28

⁴ Centre for Local Economic Strategies "Demonstrating the local economic and social value of grant-making with the Voluntary and Community Sector" (2010)

Some small BME organisations are best when they remain small. Such organisations respond to what they see on the ground and make a major impact at a local level, working in a value-driven way. Therefore, the new model of public service delivery could potentially have a negative impact on the sector and 'Big Society' that has to be considered. If the Big Society includes a strong grass roots 'civil society' developing, then grants will have to remain a fundamental area of funding for the community and voluntary sector and 'modernisation' would not be applied across the sector.

Indeed, grants are a basis for organisations to be able to develop in order to become contract ready. For example, Wai Yin Chinese Women's Society (2010 NW BME Social Enterprise of the Year) began in 1989 with a basic grant responding to need within the community. In 1996, the Lottery money transformed the service and helped Wai Yin to develop. Now Wai Yin has 70% of income from contracts and 30% grants. This journey took fifteen years and required a determined effort.

New research from the Third Sector Research Centre shows that emerging policy in relation to social enterprise may not benefit ethnic minority groups equally⁵. This is not due to lack of involvement in social enterprise. Research shows that migrants and ethnic minorities are not only more likely to become engaged in social entrepreneurial activities than the white population but that this activity is growing among BME groups.

Despite growing attention from policy makers towards BME social enterprise, research shows that current policy directions are as likely to reproduce marginalisation and exclusion for ethnic minority populations as they are to transform them. BME groups moving towards a social enterprise model are often less engaged with policy processes and have unequal access to mainstream support infrastructures. They are commonly small community based groups, without the capacity and resources to compete for public service contracts.

Whilst social entrepreneurial activity is growing among the BME voluntary, community and third sector, this is largely due to enforced financial impetuses such as the reduction of grant funding. Social enterprise practices are likely to exclude such groups unless they are developed from activity that is already taking place within communities. There is a concern that Government develop policy without the knowledge, conceptual tools or data required to fully understand the needs of BME communities. At best, this lack of understanding means that Government strategies would not successfully support ethnic minority communities and at worse could worsen the disadvantage currently experienced.

Recommendation: Undertake an equality impact assessment of Government social enterprise policy

Recommendation: A modernisation of local grants should be developed, from which grass roots organisations maintain the benefits of a mixed economy of funding opportunities, rather than the more formal and bureaucratic system of public service contracts. This could include the Big Society Bank providing up front grant funding that could be (partly) repayed if payment by results was adequate.

⁵ <http://www.tsrc.ac.uk/Research/SocialEnterprise/Socialenterpriseandethnicminorities/tabid/754/Default.aspx>

What issues affecting civil society organisations should be considered in relation to the extension of the Merlin Standard across central Government?

It is imperative that within the new model of public service delivery that larger voluntary sector organisations and private sector corporations work with grass roots organisations in an equitable and mutually beneficial way, otherwise the vibrancy and diversity of the sector could become swallowed up in a case of public service Darwinism, leaving organisations successful in managing contracts, but not as effective in delivering services, especially to some of the most vulnerable communities.

Recommendation: The larger voluntary and community sector organisations should have a better social conscience and work with smaller grass roots and specialist organisations as partners. This would include more equitably financing the sub-contractors to deliver on key outcomes as well as supporting them to develop their performance management capacity. The promotion of good practice and guidance around this should form a key aspect of Government action.

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

There must be a distinction between private and voluntary sectors and move towards a procurement practice that values social value over simple short-term efficiencies. Otherwise, the Big Society agenda could exclude the BME voluntary and community sector, which would have negative impacts on many communities and on equality in a wider sense.

Where the Public Services Bill amends Section 4 of the Local Government Act 2000, meaning that local authorities must include proposals for engagement with social enterprise in their area through their sustainable community strategy and a statement of the measures suggested to enable social enterprise to participate in implementing these proposals, there should be full requirement for consultation with marginalised communities and a full equality impact assessment undertaken.

Recommendation: One North West fully supports the implementation of the Public Services Bill and in particular, the social value aspect of it. We also believe that strong consideration be given to incorporating equality audits and impact assessments into process.

There is widespread agreement that the voluntary and community sector needs to demonstrate impact and make the link between the outcomes that are achieved and the additional value that is added. However the social return on investment model is not an ideal way to achieve this as many small grass roots organisations do not have the tools or capacity to undertake the process.

Recommendation: One way to overcome this would be to resource locally based support organisations to evaluate the social return on investment for the community and voluntary sector organisations in their area. Furthermore, communities should be involved in the service design and review / scrutiny parts of the commissioning cycle.

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

The BME voluntary and community sector has a vital role to ensure that there is community involvement in all stages of commissioning, especially in light of the proposed changes and move towards a more localised agenda, which may mean that marginalised voices are not heard when local priorities are being established.

The NW BME Policy Forum⁶ identified the key reasons why the BME voluntary and community sector in the North West is so important. These were based around three key factors:

- **Inequality:** The BME voluntary and community sector emerged from a lack of accessible services and inequality within society that still persists today. The sector is an essential way to bring about equality within society. Conversely, the long term socio-economic costs of an unsustainable BME Third Sector are enormous.
- **Delivering Services and Engaging Communities:** Whilst often delivering effective services to the whole community, BME voluntary and community sector organisations understand the needs of BME communities and engage with them most effectively, due to a wide variety of factors that includes cultural understanding, commitment and expertise, the provision of safe spaces and the holistic approach that is often taken
- **Advocacy:** The BME voluntary and community sector in the North West is an essential partner for national and local Government in order to communicate the needs of BME communities that public authorities and mainstream voluntary sector organisations consider 'hard to reach'.

The BME voluntary and community sector needs to be listened to, valued and invested in. This will ensure a more fair and equitable involvement within the commissioning process and will guarantee that services more accurately reflect the needs of the whole community. For example, there are barriers that exist within the commissioning process that do not recognise intersectionality and the multiple disadvantages that are experienced by women from BME communities. If commissioners work closely with the BME women's sector, this will be recognised and a more efficient service delivered. This disadvantage occurs at the beginning of the commissioning cycle, which means that when services are put out to tender they do not reflect what is needed for the whole community, for example, not providing childcare for women.

⁶ The NW BME Policy Forum brings together 30 BME VCS organisations, including front line organisations and BME women's organisations, social enterprises, local and sub-regional infrastructure organisation and national partners.

This will often exclude organisations that meet the needs of the excluded people or at least mean that the service delivered will not be as effective as possible. By putting measures in place to ensure that the sector is involved from the beginning, the whole commissioning process will serve the whole community in a more effective way.

Recommendation: Consider the impacts of decisions and policy on the most vulnerable:

Equality is essential to the Big Society. To ensure that Big Society includes diverse communities, we stress the importance of the Government and local authorities in ensuring that they carry out and publish thorough Equality Impact Assessments (including consulting with BME communities), on all decisions that are being made, especially proposed major policy changes and funding cuts. Intersectionality and the recognition of multiple disadvantages must be considered in order to ensure that the most vulnerable members of our society are not excluded. This should include developing innovative ways to engage with all members of society.

Case Study: The BME Women's Solidarity Forum (WSF) is a coalition of women who voluntarily come together because BME women's voices are not heard within decision making. They have developed a women-only space to come together in order to influence decisions and the commissioning process. The WSF have developed a BME Women's Charter for Participation that sets out how local authorities could ensure wider representation and make sure policy does not impact disproportionately on the most vulnerable

Recommendation: Listen, Value and Invest in the BME and BME Women's Voluntary and Community Sector

The BME voluntary and community sector has been delivering 'Big Society' for many years and can deliver on Government and local priorities in an innovative and value-driven way to the most marginalised communities, communities who are often dismissed as 'hard to reach' by service providers. The role of the sector in promoting the voice of under represented voices needs support to ensure that BME communities included in the Big Society and as a key partner within the commissioning cycle.

Furthermore, the specialist value and expertise of BME women's organisations must be recognised both nationally and locally, particularly as the budget cuts will impact the most on women. BME Women's organisations have been proven to be good value for money and it is crucial to improve investment in order to secure both the short and long-term goals of saving money and ensuring better futures for all women and girls, their families and the wider community. Any commissioning strategy must include plans to work with the sector.

Case Study Liverpool's Black and Racial Minority Joint Action Plan is a partnership between the BRM Network, the Local Authority and the wider BRM community. It is unique in the fact it has been formulated and shaped by community members and their representatives, whilst achieving the endorsement of Liverpool's Local Strategic Partnership. The delivery of the action plan achieves results on key priority areas. Participatory Budgeting was used as a mechanism to select voluntary and community sector organisations to deliver on priorities and a full spend on the available funding pot of £112,500 was achieved in its final year before the budget withdrawal in light of recession.

Recommendation: Ensure Minimum Standards of Access and Outcomes

It is recommended that Government bring in a framework for local authorities that considers the impact of their services on all communities and ensures that there is a mechanism in which they can be held to account. There still needs to be on-going monitoring and evaluation around equality standards. This need not be about targets, but of quality and standards and evidence for communities to monitor, allowing more chance of the 'Big Society' developing.

Case Study: Many communities who are in small numbers will remain invisible with the Equality Act's focus on quantitative data as the only means to promote equality. This will also have a significantly adverse impact on the people who are not in the normal identified ethnicity data monitoring codes. For example, in Carlisle there is a new and emerging Nepalese community who are not on the voter registration list due to the limitations of the Representation of the People Act 2000. They are not monitored locally through any data monitoring code for the purpose of race equality monitoring. This means their needs will not be considered within the commissioning cycle.

However, Awaz (Cumbria), a specialist BME infrastructure organisation, delivers work with BME communities across the county to influence policy so that the planning and delivery of services for Cumbria takes in the needs of BME communities. For example, they have worked with the Nepalese community to link the community with employers and provide support in identifying ways to overcome barriers in accessing education, training, work experience, apprenticeships, jobs and volunteer opportunities. Without such support, many BME communities will be left out of the 'Big Society'.

Recommendation: Ensure Equitable Commissioning: A Common Standards for Equalities in Procurement that embeds equality and diversity in procurement practices of public authorities and also amongst private sector contractors would support more equitable commissioning.

Case Study During the summer of 1997 six councils in the West Midlands - acting collectively as the West Midlands Forum (WMF) developed an innovative policy the 'Common Standard for Equalities in Public Procurement'. The Forum launched a pilot project in July 1998 which sought to use local government procurement as a means of promoting racial equality amongst council contractors i.e. private sector companies that do work for the councils. In simple terms the aim of the Standard is to ensure that council contractors have a racial equality/equal opportunities policy, and that contractors implement their policy. The successful pilot was completed in 2001 and the Common Standard mainstreamed into the pre-qualification policies and procedures of the WMF. The Standard has been widened in scope (2005) to include other equalities strands including Gender and Disability.⁷

⁷ <https://www.wmf-commonstandardforequalities.gov.uk/wmf/portal.nsf/fcontent?readform&docid=SD-BDEX-7DXCUZ&contentid=1.003>

