

Cabinet Office Green Paper – Modernising Commissioning

Essex County Council Children Schools and Families - Consultation Response

This consultation response is drawn from a number of the service areas of Essex County Council and the Essex Compact Steering Group and therefore reflects a range of views.

Consultation responses have been included from:

Essex County Council

Children's Commissioning Service
Adults, Health & Community Wellbeing Planning and Service Development
Community Planning and Public Engagement
Voluntary Sector Unit
Procurement Services

Other

Essex Compact Steering Group

NEW OPPORTUNITIES

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

- There should be no specific criteria for selecting a civil society organisation over any other, other than the wider social benefit clause in bidding and contracting, which all organisations private, independent or civil society should have to meet.
- There should be opportunities for civil society organisations themselves to present a case through the 'right to bid' wherever they think an opportunity lies. This will ensure that there is greater innovation and flexibility, with organisations using their intelligence and expertise to rethink and redesign service provision to deliver outcomes.
- The scope of such opportunities should not be restricted to the usual suspects such as personal care of frail older people or other adult, family and children's social services. Any area of public service delivery could be amenable to delivery by a civil society organisation.
- Conversely, analysis of experience in the private sector suggests that organisations in any sector should hesitate to outsource its core management functions or functions that determine the organisational character and culture.
- In a model where much of service provision is undertaken by a range of independent providers, public organisations would become strategic commissioners with a duty to ensure that needs are analysed and met and the impacts and results are monitored and measured.

- A too narrow definition of services, or thinking in terms of transferring a service rather than responsibility for an outcome, will seriously restrict the scope for diversification of provision. It may be that general health of older people can be effectively supported by help with gardening or computer use, or that reoffending rates can be cut by taking on ex-offenders as paid staff or volunteers on wildlife reserves. If commissioners have the mindset of transferring a service with a few tweaks, and construct a specification accordingly, that will discourage many potential providers and prevent radical innovation.

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

- Careful consideration needs to be given as to how payment by results transfers risk to the provider, this may be a significant barrier for many civil society organisations especially smaller ones; in some cases transferring the risk may not be the appropriate way to achieve the best outcomes: e.g. civil society organisation 'margins' may be lower than private sector, but they may only be able to input with lower risk.
- Some civil society organisations will be unable to engage unless there is money up-front. This could of course be in the form of a recoverable loan. Payment by results obviously increases the risk placed on the service deliverer compared to a traditional contract, where non-delivery of, say, a given number of advice sessions to a stated standard will almost certainly be the fault of the service provider. While large national organisations will be able to cope with this – provided the results requested are realistic and the profit from hitting targets is enough – smaller organisations will not be able to risk devoting resources to delivery over a year or more and then finding payment denied or clawed back.
- Nonetheless, the principle of payment by results is welcome because it focuses attention on the end product rather than process or outputs, thus freeing up providers to choose their own methods. It does, though, depend on a clear understanding both of what is achievable and of what is an outcome.
- The best judgement of commissioners and providers may overestimate what may be achieved, perhaps because of the intervention of unexpected events. A provider may fail to achieve pre-agreed results and yet outperform most other organisations delivering the same service elsewhere.
- Payment by results will be a matter of concern for many civil society organisations: the smaller ones especially may balk at the risk involved, so the question of transfer of risk needs careful consideration. Civil society organisations' "margins" may be lower than in the private sector, but they may only be able to input with lower risk.
- Finally, many genuine outcomes are hard or impossible to measure, while outputs can easily be measured. In this situation commissioners need to research and accept indicators which, collectively, present a picture which strongly suggests how far an outcome has been achieved. Again, flexibility and clarity are needed.
- Concerns that procurers and commissioners will set unrealistic and inappropriate performance indicators of organisations which either do not measure what they actually intend to, or result in negative and sabotaging behaviours by suppliers who

'fudge' figures to avoid issues of not being paid. Supplier relationship management, two way communication, and early notification of difficulties or issues can also go a long way to mutual problem solving and improvements in performance without causing an arms length relationship between Council and supplier.

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?

- The scope of what could be provided should be determined to an extent by what the civil society organisations, with appropriate support, feel able and are enthusiastic to deliver. This will inspire greater innovation on their part and enable new, non-traditional and more efficient models of service delivery to emerge challenging current methods rather than reflecting them. There is a strong case for a more generative approach where the conditions are created for civil society organisations to offer new solutions to areas of delivery where they have not traditionally been involved this will rely on and further inspire the creative potential and innovation inherent in the sector.
- It would be a mistake, however, to view the civil society as a completely homogenous sector as it is very diverse and only organised collectively in part and is varied in terms of coverage across geographic areas. There are also wide varieties in governance and operation and sometimes a reluctance to work together in consortia because of competition for funding and resources.
- This presents some issues in terms of prospective public service delivery, namely:
 - Achieving an equity of provision across different localities, this means not the same everywhere, but the right things, for the right people, in the right places at the right price;
 - Ensuring availability and continuity of provision to the most vulnerable, managing risks to them, and ensuring their safety;
 - Avoiding 'fragmented' services and un-joined up service user experiences, given the range of potential 'civil society' providers, and their often specialised nature, how do we manage this, so individuals get a more streamlined 'pathway' approach;
 - Supporting peoples awareness of services and how to access them from this wider range of providers;
 - Achieving economies of scale, and/or reduce the transactional costs of commissioning multiple orgs.
- Many of these challenges are not uncommon to the commissioning process as it is now and are already issues for local government commissioners.
- The support to council staff to establish mutuals to run public services should also be included here.
- It is important that processes and safeguards are proportionate to risk; and that there is a clear understanding of capacity issues. Civil Society Organisations may be able to articulate their offer better in their own words than through the local government established bureaucratic systems.
- Some significant barriers to more civil society organisations being involved lay in

procurement procedures, such as:

- Common to all SMEs, PQQ questions are often not sector relevant and therefore civil society organisations find them hard to fill in.
- PQQs are long, onerous and time consuming.
- Often Authorities do not provide any feedback at selection stage to help organisations improve future business questionnaires.
- Not enough Early Supplier Engagement
- Tender timescales often do not make allowances for 12 week consultation
- Procurers often do not know about Compact or do not follow as it is not seen as priority.
- Not enough commissioners understand how to create social value in their evaluation criteria during tender activity or are being pressed by such tight savings targets they do not bother with SEE value.
- LA jargon
- Extensive questioning at selection stage which is over and above the necessary associated with risk of contract.

Sub- Questions: Should Government explore extending the right to challenge to other local state-run services? If so, which areas and what benefits could civil society organisations bring to these public service areas?

- As previously stated there are really no public services that could not be provided by a civil society organisation but an incremental approach would enable capacity to be built to prepare the sector for the challenges of managing some services.
- It is difficult to predict how the right to challenge will operate. A stepped approach thus seems sensible – so the tentative answer would be “not yet”.

Sub-Questions: Are there types of assets whose viability, when transferred to civil society management or ownership, would be particularly dependent on a continuing income stream from service contracts or public sector tenancies?
What are the main barriers that prevent civil society organisations taking over asset-based services?

- Taking over asset-based services: likely to be issues around length of lease (too long, too short), associated costs (e.g. insurance liability, maintenance, particularly with older buildings e.g. community centres) which could inhibit civil society organisations. The suitability and adaptability of the building could also be an issue: has it been modernised, maintained etc, as this will impact on the range of uses possible to generate income. We need to ensure that we don't cut off our nose to spite our face, i.e. it may still keep our own costs lower if we give a favourable lease with us retaining some costs, if the civil society organisation actually runs the premises. Bureaucracy, capacity and raising the required working capital are also likely to be significant barriers.
- It may be difficult to predetermine categories of assets for which this is true and more sensible to deal with the issue on a case-by-case basis. For example, a potential community hall in a good location, serving a large population not dominated by long-

distance commuters or transient residents and without rivals, may quite easily pay for itself. Another to which none of these factors apply may be used as a community hall for at most half the time and may not be financially viable without continued income stream from statutory users. These issues should be examined by both sides before finalising the deal.

- Risk is clearly an issue. Processes and safeguards should be proportionate to risk. Capacity in the civil society organisation will quite often be another: both sides need to understand the capacity issues and be prepared to take measures to overcome shortcomings.
- Any organisation taking on a community asset would insist on some security over future revenue funding streams as part of the deal and this could constrain commissioners' decisions. As a minimum, I'd expect Trustees / Directors to insist on a risk-sharing agreement before taking on any asset, otherwise they could be seen as in breach of their duties under charity / company law.
- There may be a need for up-front work to convert, repair or modernise premises, for which private sector loans may be hard to secure in the current climate if the organisation seeking the loan is small and has no previous experience of taking on such a task. Rivalry is another potential barrier: a change of ownership can reawaken old rivalries and enmities between individuals and community organisations. It may be that the public body is trusted to be neutral in such matters (and certainly will have procedures to make bias less likely), so transfer to community ownership may justifiably be viewed with concern by some potential users. In such cases a contract to manage on clear terms rather than an asset transfer may be the best option.

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

- Cross sector consortia involving staff across both public and civil society Organisations could provide the forum for discussing joint ventures.
- Local government could use tendering processes to enlist support from established civil society organisations to partner with employee-led mutuals.
- Both sides will need guidance and encouragement from people who can be trusted as unbiased facilitators. These might be placed in the local authority or in CVSs and national equivalents.
- Other organisations perhaps already skilled to provide such advice are already available and extensively used within the social enterprise sector and it may be that contracts for such support could be awarded at a local level.

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

- Encouragement of secondments of people with specific skills from government to

civil society organisations, especially the smaller ones, and financial support for civil society organisations seconding people to the statutory sector. This would increase understanding between the sectors. There are also issues around training – for government, on the nature of the voluntary and allied sectors and on outcome-oriented thinking; and for civil society organisations, especially smaller ones, on outcomes and on bidding. At the local level these issues should be handled locally.

- It would also help if Government treated the Compact with deep seriousness and avoided breaches wherever possible. The timescale of this consultation – and the one on the revision of the national Compact – as well as the abolition of the Commission for the Compact, have unfortunately given the opposite impression to many people.
- It is imperative for Government to ensure that GP commissioning consortia are fully aware of the value and character of the civil society organisations in their area and operate within the Compact and other good practice guidelines.
- Greater financial security for civil society organisations would undoubtedly help deliver the Big Society through service transformation and in other ways. A minority of civil society organisations may benefit from a shock to the system, but for most smaller organisations the edge of a cliff is not the best place to think broadly and long-term or to exploit risky opportunities.

MORE ACCESSIBLE

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

- By ensuring that processes and safeguards are proportionate to risk; by understanding capacity issues and that civil society organisations may be able to articulate their offering better in their own words than through our bureaucratic systems.
- The Contracts Finder is helpful but probably unlikely to make a huge difference: issues around publicity: how will small civil society organisations and those not currently engaged through commissioning, etc, know about the Contracts Finder and how to use it. Need to ensure that it, and other systems to make markets more accessible, are user friendly and recognise the capacity issues faced by many civil society organisations.
- In full agreement about the need to ensure that bids are assessed on overall value rather than costs: some social enterprises in particular may be happy to have higher overheads because of the societal/environmental value, etc, of so doing, but this is not currently taken into account and needs to be assessed appropriately.

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

- Compact compliance – in spirit as well as in letter – good information, reasonable

timescales, broad and fair publicity, flexibility and a willingness to listen are key factors.

- We are in full agreement with the principle that bids should be assessed on overall value rather than cost alone: some social enterprises in particular present as having high overheads because their mode of operation creates social value at a cost.
- Statutory sector engagement with these issues will be most productive when it flows from a good strategy for relations between the sectors such as we are seeking to develop in Essex. Such a strategy will include but not be restricted to (or even necessarily dominated by) commissioning and outsourcing issues.
- Many civil society organisations will find themselves in consideration as sub-contractors, often to large national Civil society organisations or private sector firms. Statutory commissioners need to ensure fair treatment for sub-contractors through the terms of the contract and, where appropriate, through the Compact.
- Consistent with the Compact, contracting processes should be streamlined where possible (but not so as to hamper mapping or early consultation) and requirements for information, proof of financial stability, monitoring systems and so on should be proportionate to the size of contract except insofar as protection issues are involved. Timely payment is also vital for smaller organisations.
- Many civil society organisations struggle with one-year contracts, having to devote a disproportionate amount of time to the bidding process and suffering the effects – in inhibition of long-term planning and in loss of employees – of constant short-term uncertainty about resources and even survival. Consistent with the Compact, we urge the use of three-year contracts or longer wherever there are not clear reasons for the contrary.
- There are a number of complaints the smaller civil society organisations frequently voice about public sector commissioning, including too short timescales for bidding, one-year contracts where three would seem reasonable, limited publicity, early warning for organisations seen as friends but not for others known to work in the same field, changing requirements and (more often) criteria used to assess bids in mid-stream, excessive paperwork for small contracts (though of course when protection of children or vulnerable adults is in question, size of contract cannot be the only determinant) and lack of feedback when unsuccessful. To these can be added lack of clear guidance as to what the commissioner is seeking to achieve. Most of these problems are covered by the Compact and the worst examples are clearly breaches of the appropriate Compacts – so failure to take the Compact seriously represents a barrier. Within large statutory agencies commissioning is often dispersed and pockets of good practice may co-exist with less impressive areas. The solution is not necessarily centralisation, but certainly common standards and a lively exchange of best practice ideas and information.

Sub- Question: In the implementation of the above mentioned measures, what issues should the Government consider in order to ensure that they are fully inclusive of civil society organisations?

- An Equality Impact Assessment should be conducted on policies, and should include, for example, rural-proofing. A proper market mapping exercise should be

conducted periodically. Government should listen to concerns from civil society organisations when raised and should map them to identify patterns. The equality commitments of the Compact should be implemented.

Sub-Question: What issues should the Civil Society Red Tape Taskforce consider in order to reduce the bureaucratic burden of commissioning?

- Procurement legislation needs to be reviewed to ensure that it is not actively disadvantaging civil society organisations rather than creating a level playing field.
- Recognising additional wider social value and weighting this accordingly in bidding processes will go some way to addressing this but over regulation in this area has created processes that demand sometimes significant resource from bidding organisations to enable them to be engaged. This disadvantages many smaller civil society organisations.
- It is important to strike the right balance between safety and effectiveness in deciding on documentation required from providers regarding CRB checks and insurance requirements, especially for older drivers.

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

- Periodic review of progress with a contract, provided there is some goodwill, should allow for the early identification of problems. Commissioners should be prepared, and legally able to be flexible and agree changes in terms where these are justified by, for example, by unforeseen circumstances.

Sub- Question: What are the key issues civil society organisations face when dealing with TUPE regulations and what could government do, within existing legislation, to resolve these problems?

- TUPE issues are perhaps the most challenging in relation to the transfer of services from Local Government delivery to the civil society either through mutualisation or through contracting of like provision. The issues of cost and liability are crucial as TUPE transfers liability to the new provider whilst avoiding redundancy costs to Local Government.
- In the case of transfer through a 'right to provide' there are perhaps dual disincentives as staff both desire the protection of continued conditions of service while also not wanting to burden the new staff led mutual or social enterprise with the economic implications of TUPE.
- Where an organisation bound by TUPE, such as, for example, a new co-operative formed by former statutory employees, is competing with a private sector organisation not bound by TUPE the new co-operative would be rendered uncompetitive. In these circumstances the concept of social value might be useful but would need to also be in keeping with national and European procurement laws.

Sub-Questions: 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?

- Civil society organisations often deliver social value, that is, something additional to and different from the outcome being commissioned. Commissioners must be able and strongly encouraged to take account of this. The issue is particularly live when the additional value mainly concerns another public body, for example, public health outcomes which reduce crime. The second point is that commissioners should think radically about the real outcomes sought and not be unable to detach themselves from traditional characteristics of services which may not be the most effective response to the need.

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?

- The Big Society Bank could operate as an innovation fund supporting staff led mutualisation where a right to bid or request has been made or other civil society organisations that have proposals that would:
 - Improve the delivery of public services, increasing personalisation, improving responsiveness;
 - Promote an outcome based rather process approach to service delivery;
 - Increase productivity and achieve efficiency.
- These investments could operate on a time limited loan basis with returns being reinvested in further support across the sector. The loan period would enable the new mutual to develop and adopt its preferred constitution, Social Enterprise, Community Interest Company, etc, and become commercially viable. For existing Civil Society Groups the loans would provide an incubating period to enable them to bid to provide and win contracts from public authorities.
- The Big Society Bank could act as a broker in obtaining and matching private venture funding for civil society organisations to seek to achieve outcomes in innovative ways, in effect acting in the same way as a Social Impact Bond, investing in innovation and reaping returns from success while insulating the civil society organisation against risk. In effect acting as an actual social impact loan provider, co-investing with other social investors in Civil Society Organisations in return for outcomes based 'interest'.

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

- In particular, Government should restore and enforce the Compact commitment for the Compact to apply to sub-contracting and contractors. The standard should ensure a reasonable return for small organisations contributing to a contract and a

reasonable distribution of risk. The practice of private sector or non-local organisations which have won a contract expecting local civil society organisations to provide them with advice and other support free of charge should cease.

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

- A mechanism to create engagement might be the promotion of cross-sector consortia to bid for public service contracts. This will allow of skill and knowledge transfer. There is a case for the development of a network of Local Infrastructure Organisations that can facilitate the forming of such consortia. The Local Infrastructure Organisations could have connections to both sectors and also the independent sector to foster the relations needed.
- This approach does, however, run the risk of organising innovation out of the system and diminishing the potential for individual organisations to grow beyond their current scale and remit. Larger organisations are more likely to have the ready capacity to engage in consortia whereas smaller organisations that are more focussed on delivery would find it harder to release capacity.
- It may be that a bottom up approach to consortia led by organisations that feel that there is value in working together rather than by any centralised approach would better reflect and recognise natural connections between organisations. This would result in a range of consortia both in terms of theme and scale alongside other single providers. This could be instigated by encouraging consortia bidding for larger county wide contracts with considerations in contracts given to the resources required for consortia organisation.
- An alternative view would be to provide the right conditions for innovation to thrive and try not to over organise from the centre, allowing social entrepreneurs to emerge as new opportunities become available or are presented from the sector itself. In this more generative approach the sector itself will be best placed to decide how to organise, for some organisations with common interests consortia would make sense where others, in particular social enterprises, will thrive on the competition within a mixed market place.
- The barriers to operation by consortia are largely not down to public agencies. Charitable objectives of some civil society organisations may prevent it. Fear and personal rivalries can play a part, as can experience or stories of failures. If organisations are under immediate pressure, they may struggle to scope a fundamental change of this sort. Organisations already in competition for funding may hesitate to enter into discussions about a consortium for fear of giving away information and any tactical advantage.
- Barriers to forming consortia include capacity of organisations to become involved and competition for funding. Consortia bids should be welcomed as a way to build capacity and allow a range of organisations to work together to deliver better outcomes or indeed to signpost individuals to other organisations within the consortia or network. This would facilitate better coordination with the council and communication. However, care needs to be taken that it does not end up pushing out smaller individual organisations and stifling creativity – particularly those who are not funded primarily by the statutory sector or those that rely solely on grants. These

organisations may consequently find barriers to accessibility associated with their lower profile.

- Consortium bids should be welcomed where they offer a way of building and spreading capacity, of providing better services and of effective signposting of individuals to a range of services. They may also make communications with statutory bodies simpler.
- Consortia are not necessarily the most effective response, and it would be unfortunate if a belief to the contrary prevented level-headed evaluation of risk, potential and current capacity. Care should be taken that smaller organisations are not squeezed out and that the politics of an all-embracing consortium do not stifle creativity. A dissident voice proposing a different way of achieving something may well be silenced if all funding goes to a consortium, whereas a more open and less risk-averse market approach would allow the dissident to prove his or her point. Such experimentation is at present often supported by modest grants – a lifeline too for small or new organisations – and this underlines a need to retain grants used strategically to encourage innovation and capacity-building.
- If we are to encourage a Civil Society that is capable of pre-empting the market and working with the state it must have the tools to do this. Within Civil Society, assuming this to be everything between the family and the state, there needs to be the connection between the currently disparate parts. This is where the role of the Local Infrastructure Organisation and infrastructure in general come in. There is an opportunity for targeted support to build relationship between the various sections of Civil Society. From a commissioning point of view it is also important that there is the 'leap of faith' taken and trusted to allow for some of the difficult first steps towards developing this vision into something tangible.

VALUE

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

- There is a general enthusiasm for and agreement about the need to ensure that bids are assessed on overall value rather than merely costs, some social enterprises in particular may be happy to have higher overheads because of the additional societal or environmental value of so doing, but this is not currently taken into account and needs to be assessed appropriately.
- We need to ensure that outcomes rather than inputs and outputs are built into the specification and tender process at an early stage rather than only in the final evaluation of tenders. Civil society organisations have a wealth of experience and opportunity to innovate and offer flexibility, providing the desired outcomes in a different manner to the current service provision. If the tendering for public services simply a like for like contract, this will limit the potential for 'added value'. It is vital that we commission for outcomes, not outputs, and let the civil society organisation articulate how they can produce this, whether in the way we originally thought or not.
- It is important to note that social, environmental and economic value could be held in tension: what will the priority be if one bid is high on social value but lower on economic value, for instance? Unintended consequences should be identified as far

as possible so that they can be mitigated or recognised in relation to the overall value. Individual budgets/personalisation can also be in tension with broader social value and this should be recognised and mitigated for, civil society organisations and in particular consortia could play an important role in this.

- There is potential for tension between economic and social value in evaluating tenders. The statutory sector needs to consider how to compare one submission which is high on the former and low on the latter with another with the reverse characteristics. If the solution is some kind of unified cost-benefit analysis, will it be weighted towards the original purpose of the exercise? The process must take into account unintended consequences and dis-benefits of particular solutions as well as benefits. Individual budgets and personalisation can also be in tension with broader social value and this should be recognised and mitigated: Civil society organisations and particularly consortia could play an important role in this.
- It's not 'how' that is the problem and we are putting in place all sorts of procedures to enable procurers to identify the SEE impacts and mitigate them through their tender activity. The problem lies with having the ability to use SEE in an environment where large savings are required within short timescales and these savings become the overriding priority.

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

- Liberalisation of procurement regulation to enable wider social, environmental and economic value to be a prime consideration in awarding contracts.
- Connectivity in assessment of impact across quantitative and qualitative measures relating to social, environmental and economic issues.
- Ensuring that contracted provision in one service does not adversely impact on other areas of priority, e.g., school and social services transport reducing journey numbers through greater efficiency and contributing to reduced congestion and emissions.

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

- The Public Services (Social Enterprise and Social Value) Bill, which aims to ensure that authorities 'take account' of social and environmental factors should not detract from the need to reach a proper outcomes-based model; it should also not detract from the use of grants, which can still provide a valuable tool to achieve outcomes at lower cost. Whereas contracted work can be more prescriptive and hence limit flexibility, grant-funded organisations/projects would allow space for innovation which might lead to the identification of appropriate or relevant broader outcomes.
- The Public Services (Social Enterprise and Social Value) Bill is a step in the right direction, but should not distract from the need to reach a proper outcomes-based model or from the considered use of grants, which allow more room for flexibility, risk-taking and rapid response to unanticipated need and may thereby pave the way

to contracts. Minimising ring-fenced budgets is another, as these make working across boundaries more difficult.

- Place-based and Community Budgeting offers compelling examples of how consideration of wider social value can lead to cheaper and more effective solutions.
- Commissioners must build an approach based on outcomes rather than inputs or outputs into the specification and tender process at an early stage and not just into the evaluation of tenders. Thus they will be able to take a step back and scope a range of methods for delivering the desired outcome. Civil society organisations have a wealth of experience in rethinking such methods rather than amending an existing service, and this will be lost if key decisions about the shape of the service are taken by commissioners alone.
- The Government's primary role is about flexibility in using funding – especially easy, no nonsense transfers to partners as well as providing mechanisms to support local commissioners in judging the more ethereal 'social capital' aspects and good practice in engaging citizens and communities.

CITIZEN AND COMMUNITY INVOLVEMENT

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

- We need to go back one stage further than this and ask how civil society organisations could themselves be engaged in the process. It would be very easy to overlook a large number of civil society organisations and their valuable insight if we focus only on those we are already actively involved with in the commissioning process. It is vital that we retain communication with the sector as a whole and not simply those we are engaging with in delivery contracts, especially since smaller organisations who may not be delivering contracts are likely to have good 'grass roots' intelligence and open up new routes of communication across wider networks.
- Additional support may include coordinated training programmes, capacity building and ensuring that there is a lead funder/commissioner and/or single point of contact in the organisation, so that contact with the authority is easier and less bureaucratic for the civil society organisations.
- Barriers to civil society organisations engaging in community budgets: trust, silo-mentality of existing organisations and bureaucracy: mainly the same issues as already outlined in this paper and our response.
- As mentioned above, civil society organisations, particularly working together as consortia/networks, can provide a unique opportunity to help overcome some of the tensions around personal budgets and broader social value: for example organisations within consortiums could refer and signpost individuals and cooperate in the pursuit of the economic, social and environmental outcomes.

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

- This is an extremely wide question. Representatives of particular groups with distinctive needs or experiences – homeless people, students, refugees and asylum-seekers, frail older people, carers, people with learning difficulties, minority ethnic groups, pregnant women or young parents or carers when the issue lies outside maternity or paediatric specialism's – have a crucial role but are often poorly-resourced to contribute. Their voices need to be heard and supported.

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

- The information that civil society organisations will need not just to monitor the work that comes out of the JSNA, but to hold commissioners to account. And how will they get access to this information.
- Identifying the barriers that exist that may prevent civil society organisations from engaging in dialogue and what can be done to remove these barriers.
- Identifying the methods that civil society organisations will use to engage in the process and whether this is an effective method.
- The measures that will be in place to prevent some organisations from dominating partnerships to the detriment of other, perhaps less well funded, resourced or experienced groups.
- The role that civil society organisations have in feeding their own data and intelligence into the JSNA process and how can this 'local' data add value to the JSN.

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

- They can publicise and explain the opportunities. CVSs, Rural Community Councils and other broad infrastructure organisations can do this very effectively because of their wide networks and knowledge of how to gain the attention and retain the understanding of their contacts. They can advocate for people whose voices might not be heard, for example because they lack the skills to make their points in the right language. They may provide representatives to community bodies.
- A more basic question is how civil society organisations themselves can be engaged in the process. It would be very easy to overlook a large number of civil society organisations and their valuable insight if commissioners focussed only on the ones already involved in the commissioning process. It is vital that they retain and develop communication with the sector as a whole and not simply those they are already engaging with in delivery contracts. Two powerful reasons for this are that smaller or newer organisations not involved in such contracts may have the best grass-roots intelligence and be least influenced by set ways of thinking or vested interest; and that some sections of the sector, such as BME, local rural or faith organisations, may

be outside the charmed circle of usual suspects entirely. In this context the application of Equality Impact Assessment and rural-proofing is vital.

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

- Deep respect for and thorough adherence to the Compact is a vital first step. It is worrying to note that the Government has already promoted two major consultations (on the replacement of the national Compact and on Modernising Commissioning) which were far outside Compact guidelines because of the short timescales. Locally, we find that a logical and representative structure for the governance of Compact work (such as we have), keen Compact activists such as our champions and constant effort to push the Compact within statutory procedures and policies (for example on procurement or on grant decisions) is an important support for good relations – as is the ability to challenge failures and openness in the organisation challenged (whichever sector it lies in) to consider that it may have been wrong and may need to change things.
- The abolition of the Commission for the Compact leaves a worrying gap in national Compact promotion because neither Compact Voice (representing the voluntary sector) nor OCS (an arm of the Government) can provide balanced, fair and authoritative guidance and support. Recent guidance on Compact audit and monitoring at national level is highly encouraging, but this still leaves a gap when balanced and authoritative professional advice on Compact matters is needed. Perhaps a network of local Compact groups, being partnerships of both sectors, could fill part of this gap.
- Additional support may include co-ordinated training programmes, capacity building and ensuring that there is a lead funder/commissioner and/or single point of contact in the statutory organisation, so that contact with the authority is easier and less bureaucratic (though we recognise that in some cases this person's role may be as facilitator rather than as sole gateway).

Sub-Question: What issues should the government consider in the development of the future programme of training public service commissioners?

- Some key issues include understanding of civil society organisations, particularly VCS and smaller ones; the benefits of secondment; how to map VCS and social enterprise potential to provide; the Compact; particular areas of need such as refugees and asylum-seekers; plain English; and accessible on-line resources (including not being off-putting to the non-expert).

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?

- Civil society organisations must be included from the start in discussions. It is not enough for statutory agencies to meet, determine priorities, decide on projects and then ask civil society organisations what they can do to help. Nor should the nature of even commonly acknowledged issues be defined purely by statutory sector people to the exclusion of the civil society and private sectors, only for these sectors to be invited to contribute later.
- Barriers to achieving this include the VCS (particularly) being below senior managers' radar; limited VCS and social enterprise resources to devote to meetings and detailed study; proposing things that are unusual and risky (action that it is hard to prove will work precisely because it is so innovative); statutory sector and civil society organisation silo mentality; and being outgunned in discussions: the latter happens easily when VCS representatives are alone in a meeting or do not have the support of assistants and researchers who can make a statutory sector proposal seem more robust.

Sub- Questions: What can civil society organisations contribute to the roll out of Local Integrated Services? What barriers exist to realising this contribution? How can these barriers be removed?

- Clearly they can bid for and deliver services. Infrastructure organisations such as CVSs, voluntary youth service networks and disability alliances can publicise the opportunities to influence, to bid and to be trained, and may also provide, commission or promote training. They may also monitor the implementation of programmes and raise any opportunities or shortcomings they identify. Both CVSs and local Compact groups should monitor, at local and national levels, how LIS is developed at local and make representations on Compact issues.

Sub- Questions: What can civil society organisations contribute to the development of Free Schools? What should Government consider in order to realise this contribution?

- Some civil society organisations may either want to develop free school provision or play a role in this alongside community led consortia. They would have a significant role in particular in free schools that have a focus on community benefit.
- More established civil society organisations could add skills and capacity to community led free school development.
- Government could create the conditions where this involvement is encouraged by providing information for prospective free school providers on the benefits of involvement of civil society organisations. Further encouragement would be given if involvement was incentivised in some way by increased access to grant funds, tax considerations etc.

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

What changes do both commissioners and civil society organisations need to make to adapt to an environment where citizens are commissioning their own services?

- Civil society organisations will of course in many cases be providers. There is serious work to be done to make them ready for the opportunities, the changed mode of working and the financial uncertainties involved. This points to the second role, one of advocacy and advice for people making personal choices and in danger of not making informed choices – and to the third, of infrastructure support (information, training, representation on policy issues) for potential civil society providers. The last two require an element at least of public sector funding.
- See above. For those civil society organisations already providing these services under contract to a statutory organisation or through grant-aid, profound changes are necessary, to financial planning (a periodic huge uncertainty interspersed with financial certainty being replaced by systemic uncertainty within parameters which will gradually become apparent as the market settles down) and to promotion and justification of the organisation (from the skills of persuading statutory sector officers and members to the skills of persuading individuals and families). The private sector could help with both and Business in the Community could have a role.
- The needs of civil society organisations providing services for the first time will be similar, but will involve learning something new rather than radically changing existing approaches. There will also be difficult issues around potential conflict between being a voice for people and providing services to them. An organisation providing services cannot be an independent monitor and constructive critic of its own services. Where no such non-service-provider organisation exists, someone such as a CVS may need to help create strong user groups to fulfil the role.
- Both new and old providers may need to consider means of co-operating so responsive small providers are not squeezed out.
- Commissioners should consider the need for advocacy for clients and support for provider organisations through necessary change, and be prepared to fund them.

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