MODERNISING COMMISSIONING
Increasing the role of charities, social enterprises, mutuals and co-operatives in public service delivery

A response from The Guild, January 2010

THE GUILD

Background: About The Guild

The Guild is a leading provider of business support, training and consultancy to the social enterprise, voluntary and community and public sectors. Established in 1991, The Guild has almost 20 years experience of supporting and providing valuable information on and for businesses that trade for a social purpose. We are unique in that we regularly work with small start-up community enterprises, but have also done wide-ranging work for Government departments (recently working with NOMS), regional and local agencies and specialist social enterprise and community development practitioners and academics. Recently, our Gold status (joint ILM/SFEDI) Accredited Business Support Professional Sally Kelly has been supporting public sector staff to understand social enterprise structures and organisational forms, usual starting points, examples, where to get help and what type of help is available. Our response draws on this extensive experience.

General comments

- *Payment by results* – Government's aspirations regarding payment by results, the principle of localism and enabling small voluntary and community organisations and social enterprises to benefit from an improved commissioning system are in conflict. Payment by results will be a major disincentive for small, local groups and will prevent them from bidding to do work where they can have a significant impact.

- *Attracting external investment to deliver public services* – public services are delivered though payment raised by the state in taxation. Any other funding or investment would mean that they are not public services. These services should be paid for at local and national level by public finding – there should be no expectation of any subsidy from private or charitable finance.

Overarching questions

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

'Civil Society Organisations' as a term does not include social enterprises – a group that this paper purports to include.

The main areas where this approach should be carried out is where fragmentation of services through delivery by different providers has no wider impact. For example, the community running a local park would have no impact on another community elsewhere or another park. This can be compared to schools where there is a wider society benefit that can be damaged if individual providers pursue a local agenda.

The localism bill talks about a 'bid to buy' – this should be a right to buy.

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

By introducing social clauses – as per the Public Services (Social Enterprise and Social Value) Bill 2010 -11 – into every type of contract and that must be met by all types of provider.

What issues should government consider in the development of the Big Society Bank…?

Don't be too prescriptive about how organisations use the money. Funds such as futurebuilders were too prescriptive in relation to how money could be used by organisations based on government priorities not business needs.

How could civil society organisations facilitate, encourage and support community and citizen involvement….?

Utilise the knowledge and resources developed within the National Empowerment Partnership and the whole body of knowledge attached to community development. There is a wealth of expertise available to do this – it would be a terrible waste of government money to re-invent this wheel because it was built under a previous administration.

Detailed answers to sub-questions

p14 - What issues should the Civil Society Red Tape Taskforce consider in order to reduce the bureaucratic burden of commissioning?

One of the key barriers to easy and straightforward tendering is the commonplace use of complicated and counter-intuitive e-tendering systems. It is not the *concept* of e-tendering that is problematic – submitting documents online should be quicker, less costly and safer than submitting documents in triplicate by post. It is the *practice* of e-tendering, particularly using Bravo Solutions or other similar systems, that is obstructive.

While it is understandable that commissioners want a particular type of information, in a particular order, at a particular time, the use of e-tendering to enforce compliance with rules about word counts, attachments and the nature of answers is essentially a sledgehammer to crack a nut. Responsible bidders can keep to word counts, make the correct attachments, provide supporting information and answer messages adequately without this additional element of control on the part of the commissioner.

E-tendering procedures, as currently conceived, make the bidder learn to navigate a new system before they can bid. This extra time and effort is resented by small organisations and, as we have been told anecdotally, is not particularly useful for the commissioners either as they cannot get a sense of the overall qualities of the project while having to examine formalities and small pockets of information one by one.

In an e-mail on December 2008, the following information was submitted by us to EEDA after they asked, informally, for a review of their Bravo Solutions e-tendering system. It details exactly the problems faced by intelligent, web-savvy and engaged people in finding simple information on the tenders available. The problems finding information are indicative of the type of processes found throughout the site and by extension in all other similar systems designed from the point of view of a computer programmer, rather than commissioner or bidder.

Original email text:

“There are three main problems with the EEDA e-tendering website:

1. The site is difficult to negotiate your way through and the language used is not at all intuitive. You have to learn what particular 'EEDA/Bravo Solutions-speak' terms really mean and you have to memorise the route to get to particular parts of the site, some parts of which are repetitive and look similar but allow you to perform different tasks. I will give examples.
2. The site does not allow you to construct a flowing narrative for the proposal. Because everything is split up into tiny boxes, a maximum of 2000 characters, you are unable to write a response that proceeds in a logical and understandable way.
3. It takes an unfeasibly long time for EEDA to respond once you have submitted a tender. This is particularly galling considering you've put in hours of painstaking work to put the bid together then take the bid apart again and put it into the tiny boxes on the EEDA website. We submitted a bid in May 2008 and received a response finally in September 2008. Another bid, submitted by a colleague in partnership is taking a similar amount of time to receive a response.

I give recommendations at the end of this e-mail, but immediately below is an example to illustrate the difficulties of using the e-Tendering website:

Example:
Getting more information about an ITT you are interested in:

1. You arrive at the EEDA e-tendering web-page
2. You click on 'View current opportunities'
3. You click on the named tender opportunity you are interested in

4. You get very little information at all (no more than a couple of lines, usually) about the tender opportunity.
5. You wonder how to get more information (there must be a project specification somewhere?)
6. There is a link that says 'login or register to participate' at the top of the page - what does participate mean in this context? Does it mean you are signing yourself up for something already without knowing more about the ITT than a couple of sentences can tell you?
7. You click on 'login or register to participate' presuming it must be the way to get at more information
8. It takes you back to the EEDA e-tendering web-page
9. You locate the place to login and login (assuming you've already registered previously, if not, this takes a lot longer and consists of more steps between you and the project spec that you don't even know if you are interested in)
10. When you've signed in you have to know to go to 'ITT's open to all suppliers' to find exactly the same list of opportunities you saw at step 2.
11. You click on the named tender opportunity you are interested in
12. You get through to very little information at all (no more than a couple of lines, usually) about the tender opportunity. You've just repeated steps 2-4 and unfortunately...
13. ... There is nothing anywhere on the page which will allow you to find out more information. What next?
14. You have to know already that you have to click on 'Express interest' (one of three options on the left hand side) to even be able to get any more information. But usually in a procurement or tendering situation an expression of interest is something more substantial. You are normally expressing an intention to take part in at least the early stages of a fuller tendering process – perhaps by submitting a PQQ. But not having been able to see any information yet you don't know whether you want to take part, so you don't know if you want to express an interest.
15. You take the plunge and click 'Express Interest'
16. You receive a pop-up message saying "You will receive all the emails regarding the ITT process. Do you want to continue?"
17. You click 'ok'
18. You receive a pop-up message saying "You have now Expressed Interest and invited yourself to participate in this ITT. This enables you to download any Buyer file Attachments, send and receive Messages with the Buyer, and respond to the ITT.
    Please click "Reply" in order to create and submit your response to the Buyer.
    IMPORTANT: Please ensure that you submit your response to the Buyer before the stated Closing Date & Time."
19. You click 'ok'
20. The screen shows exactly the same information you saw at steps 4 and 12
21. If you click on 'Project Details' (on the left hand side) which is what would be intuitive in the situation as you are looking for more project details you get taken to a page which shows you less information than you were previously viewing
22. You then have to click on the named opportunity again
23. You then have to know to click on 'Buyer attachments' (on the left hand side). As 'Buyer attachments' doesn't mean a lot to most people this is not intuitive.
24. You click on the word document that has been attached
25. You must download it
26. You can finally see a traditional 4 or 5 page word document telling you about the project so you can see if you would like to bid for it. Even if you don't actually want to bid for it once you've read all the information, you've already

signed yourself up to received e-mails and alerts about it and it is listed under 'My ITTs' on your profile.

So, it's taken 26 steps to find a word document which could have been attached to the link at stage 3. If you choose to proceed and start to put together a proposal responding to the ITT you have to:
- negotiate your way back to the initial log-in page to 'Manage your profile' (i.e. put in all the pre-qualifying information required). You cannot manage your own profile in the same 'area' of the website as you respond to ITTs, even though the areas look fairly similar once you are inside them. They do not interconnect.
- negotiate your way back in to the site and know that the 'Qualification Envelope / Technical Envelope' part of the site is where you actually start writing in your bid (most people have to be told this because it is not intuitive)
- Trawl through dense, tiny-fonted notes before you find the actual boxes
- Write in boxes of only 2000 characters which cut you off mid-word (and if you are cutting and pasting exactly 2000 characters from a Word document - you know because you've checked in word count - the boxes do not actually take 2000 characters but actually between 1996-1999 characters so cut off the ends of words which should have fitted in)
- log-in and negotiate your way through the site every time EEDA posts a message relating to the ITT - you get an e-alert, but the e-alert does not contain the contents of the actual message - frustrating when all the message says is 'we still haven't processed your response'.
- know to click 'publish' on the left hand side menu when you actually want to submit your proposal.

I have guided at least 3 or 4 very intelligent, very web-savvy and very experienced bid-writers through the 26 stage process above to find the project spec document for an EEDA tender they were interested in after they have tried for hours on end and gone round in circles because they didn't know their way through the website. And that's only the process to get more information. It takes hours upon hours to put together a logical, well set out and reasoned bid, chop it into tiny pieces, cut and paste it into the correct text boxes in the correct 'envelopes', support it by uploading every single kind of compliance and policy documentation the organisation possesses, check through it having to scroll down the envelopes and then down the boxes within them, then 'publish' it in order to send it to EEDA.

All in all a very frustrating experience.

What needs to be done:

- Make available project specification / ITT documents on your 'View current opportunities' page without the need to login
- Make the language used much simpler and more intuitive (get rid of 'express interest' for 'get information' / 'publish' for 'send your bid' / 'qualification envelope' for 'Your proposed methodology and experience' etc)
- Don't have 'Manage profile' as a web link on the log-in page but the rest of the e-Tendering website accessible through a different link in a different place - make it all accessible from one uniformly formatted front switchboard page. Then make sure that the pages you get to from that switchboard page look suitably different that you know where you are at any given time.
- Make sure that the text of messages from EEDA are included in the e-alerts sent out to user e-mail addresses so that you don't have to login every time a message is sent

- Reduce the number of questions and increase the size of the boxes - give us a chance to write a logical and readable bid
- If you give a character limit for the boxes then make sure this is correct (not 3 or 4 characters less than indicated)
- Remove the screeds of tiny 'notes' from the starts of the envelopes and have them as little 'information bubbles' by the side of the relevant boxes for people to click on if they need help
- Give realistic times for EEDA to respond to the bids and then stick to them.”

p18 – What approach would best support commissioning decisions that consider full social, environmental and economic value?

As an accredited Social Return on Investment (SROI) practitioner, member of the SROI network and SROI assurance sub-committee member I am committed to the ongoing development of SROI analysis for social impact measurement. Although your document does not mention SROI by name, it is clear that the document is acknowledging that SROI can be useful to support commissioning decisions that take a holistic ‘whole system view’ and I would support this.

However, I think that SROI has particular areas of strength and weakness. From my experience as a social researcher, evaluator and SROI practitioner, I have learnt that ‘no one size’ of social impact measurement fits all. It is vitally important that commissioners do not drive social enterprises, voluntary and community organisations down pre-defined routes to the detriment of the outcomes they are trying to achieve. Just as the Government is currently proposing removing bureaucracy and targets in favour of local innovation in public service delivery, the Government should support the flourishing of open and innovative social impact measurement processes that are appropriate for the size, age and experience of the organisations involved.

While it is encouraging to hear the Government speak of outcomes-based commissioning, it should be acknowledged up front, through training and guidance for commissioners, that outcomes-based commissioning is less mechanistic and essentially more about the experience of stakeholders than about the quantitative outputs and the processes examined by previous commissioning processes. For instance, SROI ratios should categorically *not* be used to compare organisation with organisation. The SROI process – itself a reasonably new and developing methodology which still needs refinements – involves rigorous data collection, deep stakeholder involvement and subjective decision-making about what to include and how to show its value. This subjectivity means that the quantitative output of the process has no comparative value. The meaning in the ratio is in forcing people to make informed decisions about how to represent the value of what they are creating, and to do this well they always need to demonstrate that these decisions are based on stakeholder feedback.

While local and national Government should ask for evidence of social, economic and environmental value during any bidding process, the organisations should be allowed to demonstrate the change they create in the way that is most suitable for their size, age and experience. For large organisations with dedicated researchers and bid writers in house, SROI may be suitable and will give the organisation a chance to really engage on a personal level with their stakeholders regularly. For a small organisation, it may be more sensible to ask the organisation for the good practice elements of all outcomes-based evaluation and skip the elements like external data collection and assignment of proxies in SROI that require a particular set of research skills.

These good practice elements are:

- Clarity of purpose – ask the organisation to define the problem they are trying to address, the activities they carry out and the result they expect from those activities – this is called a clear ‘theory of change’ and is the foundation of all good social impact measurement.
- Built in data collection – ask the organisation how they collect data regularly from their stakeholders (rather than on an ad-hoc basis). The most important point here is the opportunity for learning and feedback as integral to the organisation, not the formality or size of feedback mechanisms. Integral systems for working with service users include Outcomes Star and SOUL Record.
- Ask the right questions – only ask the organisations to report on what ‘change’ is being created by their activities. Output data is immaterial if the emphasis is on outcomes.
- Real stakeholder involvement – whatever method is used it should involve talking with the end users, their families, carers or other indirect beneficiaries, the staff, volunteers, funders and other supporters. This need not be onerous, but could take place during each intervention or at a meeting or other gathering where people can give feedback. Social impact measurement without this is likely to be representative only of the writer’s views.

By giving organisations the space to demonstrate that they follow all of these elements in their own way, the commissioner is inviting people to present the same type of information, whichever method or tool the organisation may use to produce it. This will still give the commissioner information needed to compare the value created by organisations, but it will also remove intimidating barriers for smaller organisations and lead to greater innovation.