

Consultation on Modernising Commissioning

1. New Opportunities

The areas that could be opened up for people with disabilities and disability organisations are ones that would enable a move for people from attending day services or being perpetual students in further education colleges to working and training in Social Enterprise. If local and central government opened up their procurement processes to small and medium sized enterprises by giving them the opportunity to win these contracts, voluntary agencies could move from becoming service providers to social enterprise. Areas we would welcome are catering, providing transport and travel training, meals on wheels, home shopping and handyman services, mailing and distribution work, maintenance services including buildings and grounds to name but a few.

It would also be useful for the civil society sector to be able to join with public service workers to run services. This would strengthen their ability to be in touch with their communities and give a ready made legal and management structure to house these mutuals within. This could be encouraged by encouraging partnership bids as one of the criteria for agreement to setting up these mutuals and giving advice and support to the partners involved. Local authorities could act as honest brokers in this arrangement.

Payment by results needs careful consideration in its measurement in order to get the best for people. Measuring job outcomes is easier than wellbeing which is just as important to people's futures and also decreases their need for health and social services. However less tangible results are more tricky to measure in this way, so there does need to be a balance between outcome and input/output type of payments.

At the moment the barriers we face in bidding for government contracts are:

- Setting minimum financial turnovers that we cannot meet eg 10 million is common.
- Large regional or national bids only accepted, not local ones
- Need for track record- experience of doing something similar is important but we need the opportunity to get on the first rung of

the ladder by testing our ability rather than only whether we have managed something on exactly the same scale as before.

Some of these barriers could be removed by setting aside parts of lots into specified parts for social enterprise and reducing the turnover requirement. An example is 2 local authorities, Islington and Camden, (see Green Paper case study on Page 19), who recently put all their catering out for tender including all their schools in September 2010. There was a 10 million minimum turnover requirement for the previous financial year. We could have bid for 1 or 2 schools meal services and run those successfully, allowing us to employ 20- 30 people with disabilities and reduce their reliance on benefits and save the local authority paying on average £75.00 per day for their day services. Another example was a local authority who would only look at our accounts from the previous year rather than the current year. We had recently won a new contract which would have, if counted, qualified us for the tender. The private sector could also be requested to include civil sector organisation onto their bids or to subcontract in the same way as with Welfare to Work procurement and prime contractors.

Winning public sector contracts would enable the sector to provide services by relying on income earned and thus reduce demands on the public purse. It would need incentives for central, local government and other statutory providers to make this shift, which perhaps needs to be target led at first, as there is a reluctance at the moment to trust that social enterprise can work as well as the private sector.

This is also the case with asset transfer which has made very slow progress since the Crick Report. It would be very helpful to separate commissioning and leases and the right to buy and operate centers on behalf of the community. Short term leases act as a barrier to raising charitable income to refurbish premises as, trusts will not invest their money on work that may only bring temporary public benefit.

2. More Accessible

All the factors that are outlined in the Green Paper would be useful in increasing our ability to bid for work.

- Particularly important would be to get all public sector bodies to buy into a standard PQQ and to be able to lodge policies on annual basis rather than sending huge files each time. Allowing enough time for this work and for tenders to be completed is also important.

- Allowing more open negotiation with regard to the terms and conditions of contracts and being clear at what stage negotiation could happen would be helpful. Often now you are faced with hoping that if you win a contract there will be an opportunity for this negotiation to happen, but it is uncertain.
- Reducing the cost and time taken in the due diligence period. Local authority legal and human resources teams are very slow to respond and this drags out the contract process by huge amounts of time.
- With regard to TUPE, which of course is a good protection for employees, there are several things that would make it easier for organisations such as the Camden Society. If statutory organisations acknowledge the risks that small organisations can and cannot practically take and assist them in this process, rather than the attitude that the organisation needs to take all the risk themselves would be helpful.

Measures such as:

- Pensions risk sharing agreements with a cap and collar approach would mean that the risk is shared and not subject to market variations which small organisations struggle with. It is impossible for small organisations to take the brunt of retiring someone on ill health grounds for example, if they have worked 25 years for a local authority and only 2 years for the voluntary organisation.
- Deal with employee issues and employment relations prior to a transfer rather than letting service run into the ground. All too often we are asked to take on services with a huge sickness rate eg 4x higher than our own, disciplinary and poor performance issues not dealt with and a deflated and disgruntled work force.
- Pay and conditions. High standards for pay and conditions in the public sector are not compatible with government driven efficiencies or the Resource Allocation System used in the personalization of services. Funding and support, in the form of indemnities needs to be available if small organisations are to take on the change management that local authorities should have done themselves. Otherwise small organisations will not be able to bare the costs of redundancies and possible tribunal

cases where ex local authority staff refuse to accept new contracts of employment.

Support and encouragement for small providers to act together would be extremely helpful. The Welfare to Work model is good but still favours national, not local voluntary organisation as sub contractors. DWP Work Choice contracts in London went to two primes- Ingeus and Seetec and they in turn have subcontracted with Mencap National, The Shaw Trust and Leonard Chesire – all large national organisations, leaving small providers out of the loop.

The Work Programme shortlisted primes are saying they do not want to work with consortia as the management costs in assuring performance are too great for them to want to take on. Special purpose Vehicles could be encouraged by the government and private sector organisation need to be encouraged through commissioning to work with small specialist organisations.

3. Value

The most effective tool for voluntary organisations would be to be able to call on research that proves the savings to the public purse for example getting people off benefit and into work, or saving on day service cost, or the reduction in demand for health services due to an increase in a person's well being

4. Citizen and Community Involvement

Treating the sector as partners with ideas on how things should be organized and run would be a welcome change. Allowing organisations to be a voice for their members and to be part of setting priorities in their areas and groups would be an important step. Training people with disabilities to act as advocates and spokes persons, running local parliaments for people with disabilities would ensure their voice is heard.