



Modernising Commissioning:

Increasing the role of charities, social enterprises, mutuals and cooperatives in public service delivery.

A response by Victim Support

Victim Support is the national charity for people affected by crime. Staff and volunteers offer free and confidential information and support for victims of any crime, whether or not it has been reported and regardless of when it happened. Victim Support works to increase awareness of the effects of crime and to achieve greater recognition of victims' and witnesses' rights. The organisation also operates the Witness Service and the Victim Supportline (0845 30 30 900).

Modernising Commissioning consultation

Victim Support welcomes the opportunity to respond to the Cabinet Office consultation on modernising commissioning. Victim Support is the primary civil society provider of services to victims and witnesses of crime, and a very significant local and central government delivery partner in this area. As a national provider of practical and emotional support services to victims and witnesses across England and Wales we have an interest in all aspects of commissioning and how the system can be made to work better for civil society.

Victim Support's response to selected questions from the consultation is set out below.

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

Victim Support believes that commissioners need to be mindful of the challenges associated with paying for public services by results. Particular issues may arise in terms of measuring the results of services provided by civil society organisations.

Careful consideration will need to be given to how results might be measured in a way which accurately reflects the value of such services, and civil society organisations should be involved in setting these measures. It is particularly important that the cost of measurement should not be disproportionate to the service provided. Where outcomes are easily specified in relatively simple, linear ways – such as reconviction for an offence within a set time period – then payment by results may be an appropriate commissioning mechanism. This is particularly true of services where desired outcomes are known but the best methods of achieving these outcomes are not, such as reduced reoffending.

Where outcomes are multi-dimensional – such as 'recovery' from a crime – expensive to measure or where no agreed standard of measurement exists – such as emotional well being – then payment by results commissioning is likely to lead to very skewed incentives and wasted public money.

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

Civil society organisations can face significant barriers to involvement in public services. In particular, they often lack the in-house expertise and resources to win large and complex tenders. This may not be because they do not have the expertise or ability to deliver the service, but rather because they have less experience of the tendering process and lack the commercial expertise necessary to win the contracts.

Civil society organisations may offer a more holistic service delivery than many commercial organisations in the same service areas. This means that narrow performance measures or targets for tenders may disadvantage civil society providers.

Commissioning processes which recognise the 'added value' of services being delivered by a volunteer or voluntary organisation should also be introduced. For many recipients

of services, the employment status of those delivering the service is a contributing factor to their take-up and use of the service.

Further, some civil society organisations are at present unable to provide some public services due to difficulties obtaining adequate public liability insurance. In short, the potential consequences for small organisations of being sued are prohibitive and make it more difficult for some civil society organisations to provide some public services.

Funding settlements that incentivise single year service delivery are particularly difficult for civil society organisations; moving to three year funding cycles would make it easier for civil society organisations to participate in delivering public services.

Government also needs to be clear about the nature of the commissioning relationship with civil society organisations. It can be tempting for government to determine both processes to be followed and results to be achieved, which restricts civil society's ability to innovate and experiment.

It is often difficult for civil society organisations to identify potential revenue streams. By making it clearer how much any particular service costs to deliver currently, and the scope and outcomes of that delivery, civil society would be better able to identify revenue streams and innovation opportunities.

It is also right to stress that many public services should not be run by civil society organisations, particularly where these are of critical national importance or pose unacceptable risks to the public.

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?

Current TUPE regulations can create significant problems for civil society organisations wishing to take on existing public services. Pension liabilities are a significant issue, particularly where staff being transferred under TUPE are entitled to defined benefit pension schemes. Such schemes are not only costly, but also make financial forecasting particularly difficult, and can expose organisations to significant and long term financial risk.

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

The Green Paper rightly acknowledges that commissioners must have a full understanding of the value of the potential results. It is indeed vital that commissioners understand the intricacies of both the services being provided and the potential range of outcomes in order for them to commission services which best meet the needs of the community.

Having a full understanding of the value of services is particularly important in areas such as victims and witnesses' services, where the value of the service can have wide reaching impacts and the true extent of the benefits might not be immediately or straightforwardly cashable. For example, Victim Support assists victims to move on from their experiences. As well as being directly beneficial to the victim in terms of their wellbeing, this can result in cost savings to the health service and to employers, but is expensive to precisely quantify for individual cases.

Victim Support agrees with the assertion put forward in the Green Paper that the commissioning of services should be driven by the priorities of the community. However, determining the needs of local communities needs to be done in a sensitive and inclusive way, particularly in the assessment of demand for services to marginalised or minority groups who are less likely to participate in formal democratic processes. Victim Support believes that it is vital that certain services, such as support and provision for victims of crime, are provided nationally, with local areas being encouraged to shape or commission additional services where there is a particularly high level of need.

While it is right that services should be tailored to the needs of local communities, commissioning at a very local level can make it harder for organisations to plan effectively and realise economies of scale in purchasing and management overheads. This means that a balance needs to be struck between realising economies of scale and local commissioning; in many cases effective local tailoring of services can be provided through national commissioning processes with local fora for service users and local people to shape service design and delivery locally.

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

In order for relationships between statutory partners and civil society organisations to be productive it is important that both partners approach the relationship on an equal footing. In particular, civil society organisations need to have the leverage (either through contracts, SLAs or other means) to get the information which they need from statutory bodies. Statutory bodies need to trust third sector organisations as competent service providers and treat them accordingly.