

The Adsetts Partnership

Response to the Green Paper 'Modernising Commissioning: Increasing the role of charities, social enterprises, mutuals and cooperatives in public service delivery.'

"The Adsetts Partnership is about third sector organisations working together in a much more effective, joined up way to provide new types of services to meet changing social needs. We welcome collaboration with the private and public sectors to ensure we can achieve the best possible outcomes for vulnerable groups. Our vision is that we are stronger together."

**Sir Norman Adsetts O.B.E.
Chairman
The Adsetts Partnership Ltd**

The Adsetts Partnership is a not for profit organisation that brings third sector agencies together with others to ensure a more holistic offering for the groups we support. It also markets directly to commissioners on behalf of these organisations to deliver benefits via larger contracts whilst ensuring that economy of scale, financial clout, geographical spread and diversity of provision still apply.

The Adsetts Partnership offers collaboration opportunities with like-minded third sector agencies on a wide range of initiatives, from major government contracts through to local projects which will provide a 'one-stop-shop' range of services.

The Adsetts Partnership offers cost efficiencies through the provision of optional centralised services, leaving each member to concentrate on what they do best – delivering front-line services. Available centralised services include:

- Bid writing
- Monitoring and evaluation
- Finance services
- HR services
- Marketing
- Fundraising

"The Adsetts Partnership members work with the group holding company on the framework and content of large contract bids across the health and social care, education and employment sectors while working closely with bme communities and social enterprises. Cost efficiencies are generated through the centralisation of corporate services but individual voluntary sector organisations still benefit from a high degree of independence and the opportunity to share best practice."

**Philip Bartey,
Group Chief Executive
The Adsetts Partnership**

Our aim is to improve the quality and efficiency of service delivery and ensure that services are more targeted and responsive. We believe that our model offers the best outcomes for all beneficiaries of our services.

It is recognised that beneficiaries access many different services. Through multi-agency contracting The Adsetts Partnership can provide more one-stop-shop solutions. A recent survey recognised that small and medium sized agencies are closer to the front line communities they serve and are more trusted. This model enables these agencies to continue with this unique relationship whilst cutting out duplication of effort.

We have seen the public service delivery market becoming dominated by larger civil society organisations (CSO's) and private sector organisations. Even the most philanthropic private sector organisation is bound to seek profits and is answerable to its shareholders. We believe that CSO's should be enabled to deliver a much greater proportion of services currently put out to contract.

Our response to the detailed questions raised within the Green Paper are below, under the headings and questions asked within each section. Specific examples are included in italics.

New opportunities

Objective: To drive efficiency, effectiveness and innovation in public services by opening more public service areas to civil society organisations.

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

Payment by results is welcomed by The Adsetts Partnership as we believe that this will focus the activities of CSO's, provided of course that the outcomes are agreed upon. However there are cash flow implications, particularly for SME's who do not have the resources to bankroll their activities until payment which might be over 12 months down the line.

Possible solutions could include up front starter loan provision or alternatively the introduction of Social Impact Bonds (or a combination of both).

This shift of the financial risk onto the deliverer is a real concern unless measures are put in place to protect organisations which deliver excellent services but might be excluded from contracting due to their financial vulnerability. Flexible payment models providing front-loaded funding for these more vulnerable CSO's in the early stages of their contracts will prevent the loss of the skills these groups can offer.

We welcome the shift within the Work Programme towards greater funding for working with the more challenging groups, who previously have taken up a disproportionate level of resources compared to the funding available.

Example

Jobsteps Employment Services Ltd, a member of The Adsetts Partnership, will sub-contract with various Prime Contractors under the DWP's Work Programme. Some Prime Contractors, for example G4S, have adopted a flexible pricing model whereby at

the start of the contract payments are weighted towards the signing up of individuals. As the programme progresses, payments are weighted more towards outcomes. This flexibility is vital in enabling Jobsteps to continue to deliver its excellent range of employment services to those facing barriers to employment.

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?

Employment services

This is an area in which the transfer of services would have a beneficial impact. The delivery of some employment services is often taken on by local authorities, funded by the DWP but also often topped up Local Authority resources. The quality of service delivery and outcomes generated are, in our experience, lower than from other providers and the pressures on the staff are fewer because of the buffer of the Local Authority resources. We recommend that all these employment services are opened up to civil society providers.

Some of the work currently carried out by JobCentrePlus could also be transferred to CSO's such as basic job search assistance for new claimants. The extensive skills the CSO's have in this area could reduce the 6 month lag in some unemployed people moving into work.

Health and Social Care

There is still a wealth of provision retained in-house by local authorities and health trusts often run with much higher levels of overhead. Health and social care budgets should have a dual thrust as is the case with DWP employment contracts in that resources should be targeted directly to the front line providers cutting out the local authorities and health trusts thereby achieving greater efficiencies. In this way both large scale commissioning opportunities can be achieved in personalised ways. Local authorities should be stripped of their status as commissioners and providers which places them in conflict with the market resulting in rising costs. No local authority should retain health and social care services in house and the middle tier level of bureaucracy should be removed as it is now unaffordable.

Education

Michael Gove has already announced the re-direction of the education budget to schools on the front line, bypassing local authorities. This is a move we welcome that will derive the same benefit as the above example.

Sub- Question: 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?

We are promoting a Third Sector – Business Forum to create opportunities for closer collaboration between the Third Sector and the business community across the north of England (with The Adsetts Partnership as the lead body) to ensure that we can respond effectively to generate our local economies and create wealth and jobs. Therefore this is a key area where we can come together to explore the opportunity to deliver more cost effective outcome driven services run currently by the public sector. The RGF approach constitutes the first opportunity to test our cross sector collaborative approaches. Discussions are under way

with a number of northern local authorities to examine how social care budgets can be reduced by transforming services such as day care into social enterprises with minimum support from the state and built in exit strategies.

We strongly support the right to challenge to other state-run services.

We believe that under the personalisation agenda the assessment of individual cases could be contracted out. Although individual choice and control is the underpinning value of personalisation of social care budgets, social workers remain the gate keepers. Even with the best of intentions, this means that it is care management by another name as, with a few exceptions, social workers are sending individuals to the same services as before and are not exploring the more radical, and personalised, options open to each individual.

In some contracts the lack of recognition of, or trust in, the ability and experience of the delivery agents can hamper the development of a truly flexible and responsive service. We believe that in some circumstances the relaxation of control by central government or local authorities will facilitate a more effective and streamlined service.

Example

In Sheffield The Adsetts Partnership member Autism Plus, working with two other agencies, was contracted under Aiming High to deliver two projects providing short respite breaks for disabled children. This was a short-term initiative with only 15 months to deliver the outcomes once the contracts had been awarded. Autism Plus included in their bid a small amount to cover the marketing of the project as they had a wide network of contacts within the city which gave them confidence that they could fill the places on the programmes. Sheffield City Council informed them that the marketing of the project would not be part of the contract as they would do it themselves.

When the projects began there were considerable difficulties in filling the places on the programme. This was because the Sheffield Council team did not market the projects adequately or widely enough and, if any potential beneficiaries did come forward, the paperwork they were required to complete took so long or simply dissuaded beneficiaries from taking part. As a result one project closed and the other nearly closed before the system was simplified.

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

The Adsetts Partnership draws together and empowers the creativity and flexibility of CSO's. Where central and local funding agencies are too prescriptive and try to control the services CSO's deliver, the ultimate beneficiaries will lose out. We believe that government support for The Adsetts Partnership model of contracting would have a significant impact on CSO delivery and outcomes.

We welcome the Sheffield Provider Innovation Fund which is offering grants to support new developments in more personalised support. The emphasis in the fund is on co-production and independence and choice as well as efficiency and is a good example of demonstrating trust in CSO's that with their close relationship to the beneficiaries, can creatively develop the right services. Our only concern is the small amount of funding that has been allocated to the Sheffield pilot.

More accessible

Objective: To address practical, regulatory, legislative and cultural barriers to market entry in existing markets, with a particular focus on barriers that affect civil society organisations.

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

In many areas of awarding large government contracts the trend has been towards an increasing number of private agencies winning the contracts. This has been particularly evident in employment services. The Adsetts Partnership is concerned that managing the supply chain and experience of managing large financial contracts is given greater weight in contracting decision making than is the experience and ability to deliver the required outcomes. It has been acknowledged that SME's are often closer to and more responsive to the needs of the ultimate beneficiaries. However the model of prime contractors cascading down the work to smaller agencies has two disadvantages. Firstly the SME CSO's have to adjust their service to the dictates of the prime contractor and secondly there is no mechanism for drawing in and enabling the smaller organisations to develop the skills to deliver these contracts.

We are also concerned that if the prime contractors are both contract managers and delivery agents, these agencies are able to cherry pick from the contract and therefore the CSO's that sub-contract are not working on a level playing field.

The Adsetts Partnership model of a group of CSO's working together on a level playing field addresses these concerns. There is one contractor but each partner delivers in its area of excellence and less experienced partners are able to take on small areas of contract delivery within an open, supportive environment.

We seek increased transparency in decision making on contracts as demonstrated by The Adsetts Partnership model.

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

We welcome the government's intention to award 25% of government contracts to SME's and we believe that The Adsetts Partnership is a model that facilitates this by providing an umbrella body which ensures consistency, standards and good contract management whilst retaining the autonomy of each individual service delivery partner and building their capacity.

We welcome the other aspirations of government to facilitate the greater involvement of SME's including streamlining the procurement process, more transparency, 30 day payments and simplified PQQ submissions.

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

We fully support the aim to reduce the bureaucratic burden of commissioning. Whilst recognising the responsibilities for accountability for spending from the public purse, in our experience the amount of paperwork involved in both tendering and then contracting is often disproportionate to the contract size and displays a lack of trust. SME's are often lean organisations with the person responsible for tenders and contract scrutiny often also responsible for service delivery. To deal with such a large amount of paperwork will take the individual away from key activities. SME's new to contracting will be uncertain of the obligations placed on them and will therefore employ lawyers to review contracts. A contract of 60 pages will take 6 times as long to review as one of 10 pages and lawyers charge by the hour – money that SME's cannot easily afford.

Example

When tendering for the Aiming High contracts Autism Plus had to submit a stack of paperwork some 5 cm high. The contracts, when they finally arrived, were of a similar size. For a small lean organisation simply wading through that much paperwork takes time that we can ill afford.

Contracts for Big Lottery and other grants, often for similar levels of funding, are comprehensive but clear and much less detailed. We believe that government contracting could learn from them.

Example

Autism Plus was awarded a Big Lottery grant. The grant offer papers were very clear and guidance notes took us through each step that we needed to take to accept the grant, start spending it and what and when we needed to report back. The grant offer pack was less than 1cm thick but it covered everything. Our grants officer was really helpful in talking us through what we had to do and providing advice throughout the period of the project and a lot of our questions were quickly answered by email. Payment was made within a week of each claim.

In the employment services area the delivery CSO's have to allocate a disproportionate amount of time tracking clients once they have started work. JobCentrePlus has access to this information through records of benefits claimants. There is therefore a duplication of effort and resources expended on tracking rather than on service delivery when some joined up working would make the service more efficient.

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

We recognise the risks in working with SME's who may not have the financial track record or the administrative capacity to tender for or manage large contracts. The Adsetts Partnership provides a central co-ordinating and contract management role for all contracting opportunities. Each partner is then freed to concentrate on the service delivery which is monitored internally by The Adsetts Partnership. This means that contractors have one point of contact for the contract, the confidence that it is managed to a consistent high standard with the confidence that service delivery is being carried out by the most appropriate CSO for each aspect and in a way that best reflects the needs of the beneficiaries. However, much more will be achieved in

sharing the risk between providers via The Adsetts Partnership model and enhanced with a balanced injection of third, private and public sector resources.

Sub-Question: 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?

It is a huge and daunting task for both assessors and assessees to undertake the assessment of numerous SME CSO's. The model of The Adsetts Partnership provides a middle way as The Adsetts Partnership works closely with each prospective partner to assess their suitability for membership and their specialisms and capacity to deliver. The Adsetts Partnership also takes on the role of contract management to ensure qualitative standards are maintained and best value achieved.

We are absolutely focussed on achieving high qualitative standards coupled with a deep holistic understanding of the mix between achieving both hard and soft outcomes in personalised ways.

We welcome funding dependant on outcome achievement.

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

Consortia of CSO's, whilst appearing beneficial on paper, have intrinsic flaws. There is always likely to be competition for funds, differences of expectation and approach and ultimately, dominance by one partner. In a climate of diminishing funds the competition and fight to survive will take precedence over any aspirations to work for the best outcomes for the beneficiaries.

Classical mergers between CSO's are inevitably a case of a big fish swallowing the smaller one with a consequent loss of identity, vision and independence.

The Adsetts Partnership is a new model of collaborative working; by offering a formal legal relationship yet retaining the autonomy and ability to deliver their own independent services of each member, it avoids pitfalls that other more or less structured models can face. The Adsetts Partnership model takes a middle path, ensuring sufficient structure to avoid in-fighting and creating a platform for positive collaborations. By taking on the contract management each partner is freed to concentrate on excellence of service delivery.

The Adsetts Partnership has achieved a way of engaging with an effective range of partners working together in collaboration whilst achieving a high degree of independence and autonomy. Trust has been fostered by The Adsetts Partnership acting as the management agent rather than a delivery agent thereby removing any potential for conflict. For third sector organisations the above models allow for organisations to work as one without compromising their objects or risking entering into mission drift. Grouping or aligning ourselves in this way makes us a much more attractive proposition to engage with commissioners and the private sector by way of collaboration.

Value

Objective: To enable commissioners to make strategic commissioning decisions on the basis of a full understanding of the social, environmental and economic impact.

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

The Adsetts Partnership model of drawing together a range of service delivery CSO's under one, level playing field umbrella organisation offers excellent social and economic value.

Each partner organisation is able to deliver services within their area of expertise. There is a range of opportunities for collaborative approaches to delivery, such as one-stop-shop provision, which reduce the duplication of effort and reduce the number of different professionals that an individual may have to relate to, each having their own administrative systems.

Further social benefits accrue from the breaking down of the silo working mentality of some CSO's. Under The Adsetts Partnership model, people with different disabilities or social needs are able to access the support they require irrespective of their lead diagnosis. Individuals with autism often struggle with communication and social relationships but they have the same aspirations as anyone else for normal relationships. By offering them a service which brings them alongside others with a range of conditions and abilities, they are more likely to find their aspirations for relationships met than if they are kept within a group of other individuals who also struggle with social interaction.

Example

In North Yorkshire The Adsetts Partnership is setting up a project offering employment within a range of social enterprises. The CSO's working together within The Adsetts Partnership to deliver this project include Autism Plus, The Wilf Ward Family Trust and Jobsteps Employment Services. As it progresses other partners will join the project. The project has the support of North Yorkshire County Council.

Through using The Adsetts Partnership as the contract manager providing certain central functions, such as financial management, bid and report writing and monitoring, there are greater efficiencies and economies of scale.

The Adsetts Partnership is also developing a partnership with a northern based private sector company to set up social enterprises doing recycling which contribute effectively to the environment in reducing the carbon footprint, generating employment opportunities and weaning claimants off dependency on benefits and other forms of high cost social support such as day centres.

Citizen and community involvement

Objective: To enable civil society organisations to support and facilitate the increased involvement of citizens and communities in commissioning.

Sub- Question: 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?

The aim to increase the number of personalised budgets is fully supported by The Adsetts Partnership which operates from a fully person-centred, choice led value base. In 2011 a new brokerage service will be created which will be a partner within The Adsetts Partnership. It will be fully independent and will signpost to services both within and beyond The Adsetts Partnership. The unique approach this brokerage will bring is cross-silo working. Other brokerage agencies are being established but they are generally under the auspices of single agencies and will therefore risk having a narrower focus and could miss the opportunities of cross-sector experience and good practice.

We believe that there is considerable scope for greater devolving of services associated with personalised budgets to CSO's. Unfortunately whilst the intention to offer choice exists, personalisation is frequently care management by another name since social workers will continue to refer individuals to the services they have always used. CSO's often have a more creative approach as they are used to finding original solutions with scarce resources.

Example

An individual with a personalised budget used to love going to see his favourite football team play but it was costly as he needed to be accompanied by a support worker. His neighbour supported the same team. His personal budget was used to buy season tickets for both him and his neighbour which meant there were cost savings through no longer needing a paid support worker and social benefits through the friendship and more 'normal' social interaction.

We have concerns over the challenges that increased personalisation raises which have not yet been addressed.

Financial concerns

We are concerned that it will become cost cutting by the back door.

We are concerned that, to achieve the best outcomes, brokerage will be essential for many but it has not been identified where the brokerage funding will come from. If it comes from the individual's budget this reduces the net value of their budget as the financial management was previously covered by the local authority.

We are concerned that the move from actual costs assessment to a resource allocation system which awards points for particular activities, with an average cost linked to the points level, reduces the flexibility in the system and particularly affects those with a hidden impairment such as autism. This again appears to be a cost cutting initiative and goes against the spirit of personalisation.

Legal framework

We do not believe that there is clarity over who the contract lies with when a brokerage agency is providing a service for an individual – is the contract with the individual or with the local authority? If the contract is with the individual this is passing an increased risk to the brokerage agency as they could incur costs which are then not met if the individual spends their budget elsewhere.

We would welcome strong guidance and example contracts being made available to clarify this area.

Choice

We are concerned that there is not sufficient choice in the care market to deliver truly personalised services and we recommend measures should be taken to facilitate capacity building in this area.

We believe that assessment of individuals' needs is an area that would be ideal for CSO's to undertake.

Conclusion

The Adsetts Partnership welcomes the move towards the Big Society and is optimistic that the greater devolving of services to those closest on the ground to beneficiaries and the proposed reduction in the bureaucratic burden will free CSO's up to have a greater impact.

We have some concerns about the detail and about the potential for genuine devolving of services without unduly increasing the level of risk for CSO's. We also have concerns about unrealistic expectations of the level of cost savings available through CSO's taking on wider roles.

We believe that the model of delivery created by The Adsetts Partnership is the best option for many areas of potentially devolved services. We also believe that this model is fully in line with the spirit of this Green Paper allowing CSO's to take an increased role and delivering improved outcomes for all beneficiaries.