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## **Background**

**Last December the Government gave charities and social enterprises a 'wake up' call** through the publication of "**Partnerships in Public services: An action plan for the third sector**". This document details what the government has already done and sets out what they are going to do to support third sector organisations to deliver public service contracts. (See the section "What the Government says/is up to" on page 4)

**In short, the Government is keen to further include third sector organisations in the design and delivery of public services and are taking further action now. Organisations interested in these business opportunities should read on!**

**The purpose of this guide** is to help introduce the subject of '**Public Service Contracting**' as well as help those considering whether or not to become (further) involved. As this is a major development for the third sector, a section of the CVS website is now devoted to this topic so that as news breaks and 'tool kits' are produced they will be posted here to keep you up to date. You will also find this guide on the CVS website ([www.cvsmidandnorthbeds.org.uk](http://www.cvsmidandnorthbeds.org.uk)) so you can 'click on' the links that follow at your leisure!

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***We would like to extend our thanks** to Chris Lee of Voluntary Action Dacorum and the Hertfordshire Infrastructure Consortium (Change Up Programme) for kindly allowing us to use their original document (March 2007) as a base for this guide.*

## **What do we need to know?**

- ◆ **Public service delivery by voluntary and community organisations: Terms of engagement – what the sector needs to do** 2 A4 pages/ free from [www.ncvo-vol.org.uk/index.asp?id=1429](http://www.ncvo-vol.org.uk/index.asp?id=1429)
- ◆ **Public service delivery by voluntary and community organisations: Terms of engagement – what the Government needs to do** 2 A4 pages/ free from [www.ncvo-vol.org.uk/index.asp?id=1376](http://www.ncvo-vol.org.uk/index.asp?id=1376)

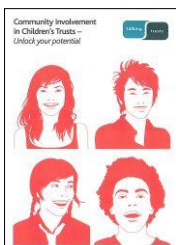


- ◆ **Guide to Procurement and Contracting**, by NCVO and the Institute of Public Finance, July 2006, 40 pages, free in hard copy or download at <http://financehub.org.uk/?Resources> or [www.ncvo-vol.org.uk/uploadedFiles/Sustainable\\_Funding/5\\_-\\_Procurement.pdf](http://www.ncvo-vol.org.uk/uploadedFiles/Sustainable_Funding/5_-_Procurement.pdf)

- ◆ **Before signing on the dotted line: all you need to know about procuring public sector contracts/** NCVO's Sustainable Funding Project and Futurebuilders England/ June 2006/ Free to download at [www.ncvo-vol.org.uk/publications/publication.asp?id=3187](http://www.ncvo-vol.org.uk/publications/publication.asp?id=3187). A guide for small and medium sized organisations including case studies highlighting the key issues to be aware of, practical advice, useful checklists, case studies, and details of where to go for further information.
- ◆ **First Steps in Tendering/** Anne Boyd/ Watford CVS/ Jan 2007/ Available from [Anne.Boyd@watfordcvs.net](mailto:Anne.Boyd@watfordcvs.net). A short but wide-ranging introduction to the theory and practice of tendering for public service contracts.
- ◆ **Does contracting really need to lead to mission drift and loss of independence?** / Professor Ian Bruce, Director, Centre for Charity Effectiveness/ November 2006 Newsletter/ [www.centreforcharityeffectiveness.org/Newsletter\\_Nov06/Nov\\_06Bruce.htm](http://www.centreforcharityeffectiveness.org/Newsletter_Nov06/Nov_06Bruce.htm).
- ◆ **Joint working for public service delivery: a model of collaborative working/** NCVO Collaborative Working Unit/ For free hard copies, 0800 2 798 798, email [publicationsorders@ncvo-vol.org.uk](mailto:publicationsorders@ncvo-vol.org.uk) or download at [www.ncvo-vol.org.uk/collaborativeworkingunit/information/?id=2054](http://www.ncvo-vol.org.uk/collaborativeworkingunit/information/?id=2054). Describes how VCS organisations can collaborate to deliver public services. It focuses on the relationship between voluntary or community organisations and introduces key areas for consideration when jointly contracting with public bodies.
- ◆ **The role of the third sector in public service delivery:** Futurebuilders reflections on recent debate and research about the role of the third sector in delivering public services: Futurebuilders invite third sector organisations who think they are delivering something that should be a public service of the future to contact them for potential funding and support. (April 2007) [www.futurebuilders-england.org.uk/content/News/SectorSpotlightArticles/article\\_36\\_373.aspx](http://www.futurebuilders-england.org.uk/content/News/SectorSpotlightArticles/article_36_373.aspx)

## **What the not-for-profit sector says**

- ◆ **How voluntary and community organisations can help transform public services** by Anne Blackmore, published by NCVO, June 2006, 12 pages, free in hard copy or download at [www.ncvo-vol.org.uk/transformation](http://www.ncvo-vol.org.uk/transformation) (see also **How voluntary and community organisations can help transform the local relationship** by Dhara Vyas also on the NCVO website)
- ◆ **Public service design and delivery by the Third Sector.** A joint statement, January 2007 from ACEVO (the chief executives' body) and NAVCA (the umbrella body for local sector support) Download at [www.navca.org.uk/news/publicservicedelivery.htm](http://www.navca.org.uk/news/publicservicedelivery.htm).
- ◆ **Rhetoric into Reality/** NCVO Sustainable funding Project/ download at [www.ncvo-vol.org.uk/uploadedFiles/Sustainable\\_Funding/Earning/Contracting\\_for\\_Public\\_Service\\_Delivery/Rhetoric%20into%20reality.pdf](http://www.ncvo-vol.org.uk/uploadedFiles/Sustainable_Funding/Earning/Contracting_for_Public_Service_Delivery/Rhetoric%20into%20reality.pdf) discusses how the public sector can engage with the voluntary and community sector to transform public services.
- ◆ **Re-thinking Efficiency and Value/** NCVO Sustainable funding Project/ download at [www.ncvo-vol.org.uk/uploadedFiles/Sustainable\\_Funding/Earning/Contracting\\_for\\_Public\\_Service\\_Delivery/Rethinking%20efficiency%20and%20value.pdf](http://www.ncvo-vol.org.uk/uploadedFiles/Sustainable_Funding/Earning/Contracting_for_Public_Service_Delivery/Rethinking%20efficiency%20and%20value.pdf) Argues that societal expectations of services are changing and 'good value' should mean more than the cheapest service.
- ◆ **Action Points for Public Services/** June 2005/ Seven briefings on: Application Processes; Delivery Through Tiers of Government; Full Cost Recovery; Funding checklist for voluntary and community organisations; Funding Practice: payments, timescales and renewals; Monitoring and Evaluation Processes; Relationships with Local Funders. Available at [www.ncvo-vol.org.uk/index.asp?id=1374#apps](http://www.ncvo-vol.org.uk/index.asp?id=1374#apps)
- ◆ **Shared Aspirations: the Role of the Voluntary and Community Sector in Improving the Funding Relationship with Government/** Mubeen Bhutta/ NCVO/ June 2005/ 45 pages from [www.ncvo-vol.org.uk/index.asp?id=1374#ps2](http://www.ncvo-vol.org.uk/index.asp?id=1374#ps2)
- ◆ **Communities in Control: the New Third Sector Agenda for Public Service Reform/** Nick Aldridge/ July 2005/ Social Market Foundation/ £15/ available through ACEVO go to [www.acevo.org.uk](http://www.acevo.org.uk), click on to 'publications' tab on left hand side and scroll down to above title.
- ◆ **The voluntary sector delivering public services: Transfer or transformation?/** Will Paxton and Nick Pearce, Julia Unwin and Peter Molyneux/ Aug 2005/ Joseph Rowntree Foundation/ 116 pages/ £9.99 pbk (also free online) at [www.jrf.org.uk/bookshop/details.asp?pubID=712](http://www.jrf.org.uk/bookshop/details.asp?pubID=712)



- ◆ **Community Involvement in Children's Trusts- Unlock your potential/** The Community Sector Partnership for Children and Young People, introduce "opportunities for the third sector to act as service providers" in the context of 'Children's Trusts', 'Extended Schools Services and the Local Area Agreement. [www.bassac.org.uk/news.builder/00041.html](http://www.bassac.org.uk/news.builder/00041.html)



- ◆ **False Economy? The costs of contracting and workforce insecurity in the voluntary sector: A report by UNISON (May 2007):** by Dr Ian Cunningham University of Strathclyde and Professor Philip James of Oxford Brookes University/ This report gives "insights into the direct and indirect implications of the insecure funding regime (public service contracting) faced by the social care sector, with a particular focus on those relating to employment and service quality".  
[www.unison.org.uk/acrobat/B3258.pdf](http://www.unison.org.uk/acrobat/B3258.pdf).

## **Social Enterprise and public services ...**

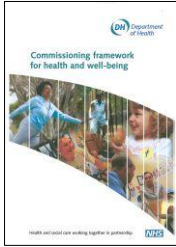
- ◆ **Strength in Unity/** Jonathan Bland/ Nov 2006/ Guardian/ Looks at social enterprise's role in empowering marginalised communities and individuals.  
<http://society.guardian.co.uk/publicmanager/comment/0,,1947616,00.html>
- ◆ **Hopes and fears/** Patrick Butler/ Guardian newspaper/ Sept 2006/ Politicians may trumpet the value of social enterprises, but they can still go wrong.  
<http://society.guardian.co.uk/futureforpublicservices/comment/0,,1866132,00.html>
- ◆ **More for your money: 1. Guide for local authorities to procure from social enterprises. 2. Guide to procuring services from social enterprises for the NHS.** Published by the Social Enterprise Coalition and New Economics Foundation. Both are free to download at  
[www.socialenterprise.org.uk/Page.aspx?SP=1891](http://www.socialenterprise.org.uk/Page.aspx?SP=1891)



- ◆ **Procurement: The social enterprise solution/** Social Enterprise Magazine special supplement/ 2005/ 28 pages/ free at [www.socialenterprisemag.co.uk/upload/documents/document12.pdf](http://www.socialenterprisemag.co.uk/upload/documents/document12.pdf). Includes case study material from both local authority and social enterprise perspectives.

## **What the Government says/is up to!**

- ◆ **Partnership in Public Services: An action plan for third sector involvement/** Office of the Third Sector/ December 2006/ 56 pages/ free at [www.cabinetoffice.gov.uk/third\\_sector/public\\_service\\_delivery/](http://www.cabinetoffice.gov.uk/third_sector/public_service_delivery/) or available in hardcopy. See also NCVO briefing on the Action Plan [www.ncvo-vol.org.uk/policy/index.asp?id=3761](http://www.ncvo-vol.org.uk/policy/index.asp?id=3761). (see also **Social enterprise action plan: Scaling new heights** also from the website of the Office of the Third Sector )
- ◆ **Improving financial relationships with the third sector: Guidance to funders and purchasers/** HM Treasury/ May 2006/ 70 pages/ free at [www.hm-treasury.gov.uk/media/485/B9/guidncefunders1505061v1.pdf](http://www.hm-treasury.gov.uk/media/485/B9/guidncefunders1505061v1.pdf). Includes: stability in relationships/ risk and timing of payments/ full cost recovery/ reducing bureaucracy.



- ◆ **Commissioning framework for health and well-being: (6<sup>th</sup> March 2006).** This is the Government's current consultation document for the commissioning (and design) of public services relating to health and wellbeing by Central/ Local Government and the PCT's. (This is a must read for most groups wanting to get involved in the delivery of public services!) [www.dh.gov.uk/en/publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_072604](http://www.dh.gov.uk/en/publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_072604)

- ◆ **Homeless and Rootless: – Framework for planning and commissioning of services related to health needs of homeless people.** [www.communities.gov.uk/index.asp?id=1505737](http://www.communities.gov.uk/index.asp?id=1505737)
- ◆ **Community Legal Advice Centres and Networks** to be jointly funded/ contracted by local authorities and the Legal Services Commission/ [www.legalservices.gov.uk/civil/innovations/community\\_legal\\_advice\\_centres\\_and\\_networks.asp](http://www.legalservices.gov.uk/civil/innovations/community_legal_advice_centres_and_networks.asp)
- ◆ **National Offender Management Service/ The Commissioning Plans 2007/8 East of England Regional Commissioning Plan (Jan 2007)** This details NOMS emerging thinking on the direction of travel for commissioning adult correctional services in our region/ [http://noms.justice.gov.uk/news-publications-events/publications/strategy/EoE\\_reg\\_commissioning\\_plan\\_0708?view=Standard&pubID=439910](http://noms.justice.gov.uk/news-publications-events/publications/strategy/EoE_reg_commissioning_plan_0708?view=Standard&pubID=439910)

## What the Charity Commission says

- ◆ **Charity Commissioner Dame Suzi Leather's speech on public service delivery/** NCVO AGM February 2007/ at [www.charitycommission.gov.uk/recent\\_changes/speech.asp](http://www.charitycommission.gov.uk/recent_changes/speech.asp)



- ◆ **Stand and deliver: the future for charities delivering public services /** survey results/ [www.charitycommission.gov.uk/Library/publications/pdfs/RS15text.pdf](http://www.charitycommission.gov.uk/Library/publications/pdfs/RS15text.pdf).

- ◆ **Charities and public service delivery/** Charity Commission Guidance CC37/ February 2007/ The legal and good practice issues that charities need to be aware of if they are planning to deliver services under a funding agreement with a public authority. [www.charitycommission.gov.uk/publications/cc37.asp](http://www.charitycommission.gov.uk/publications/cc37.asp)
- ◆ **Charities and Public Service Delivery/** June 2006. A summary report of a conference held by the Charity Commission in March, including copies of plenary speeches and workshop presentations. [www.charitycommission.gov.uk/spr/psdevent.asp](http://www.charitycommission.gov.uk/spr/psdevent.asp).

## **Does it add up?**

### **Third Sector/nfpsynergy survey, summer 2006:**

- ◆ 73% of voluntary sector organisations feel contracts or partnerships with government achieve their goals
- ◆ 60%+ don't feel constrained when campaigning against government policy, despite receiving money from the state.
- ◆ 13% feel like equal partners in their relations with central government
- ◆ 24% feel like equal partners in their relations with local government
- ◆ 53% have to subsidise central government contracts
- ◆ 67% subsidise local government contracts

### **Bassac Survey, December 2005:**

Found contract culture cuts the number of grants received by community groups. 73% of respondents said the changes made them less sustainable. 50% said it reduced their independence.

## **Case studies:**

- ◆ **New servants of the Community or Agents of Government?** BASSAC/ Institute of Voluntary Action Research, June 2006, free to download at [www.bassac.org.uk/pages/publications.html](http://www.bassac.org.uk/pages/publications.html). Explores the experiences of ten English community-based organisations in dealing with the impact of public service delivery – assessing the contribution of such organisations to public service delivery and civic renewal.
- ◆ **More for your money** (see Social Enterprise and Public Services section above) includes case studies of local authorities contracting with social enterprises to provide public services.

## **Toolkits**

- ◆ **Planning for change toolbox/** Tools to explore your organisations readiness for enterprise and procurement. [www.nottinghamcvs-changeteam.co.uk/Toolbox/index.html](http://www.nottinghamcvs-changeteam.co.uk/Toolbox/index.html)
- ◆ **Tender Readiness Toolkit/** Sheffield Community Enterprise Development Unit/ 2006/ Details, including price at [www.scedu.org.uk/products.htm](http://www.scedu.org.uk/products.htm) Includes a flowchart of options/ scenarios; internal evaluation of organisational capacity; assessment of staff skills; checklist of policy and practice requirements for contracting.
- ◆ **VAT for Voluntary Organisations:** A step by step guide: £10 or £7 for members of NCVO available from Central Books tel: 0845 458 9911 or email: [orders@ncvo-vol.org.uk](mailto:orders@ncvo-vol.org.uk)
- ◆ **Full Cost Recovery: A guide and a tool-kit on cost allocation:** ACEVO, New Philanthropy Capital and accountants KPMG worked together to produce this up to date and practical guide and tool-kit to help ensure third sector organisations achieve 'full cost recovery' through the proper calculation of the costs of contract/project delivery. Although this is £60 it is a best seller!!! For more information go to [www.acevo.org.uk/index.cfm/display-page/publications](http://www.acevo.org.uk/index.cfm/display-page/publications) (you may need to click on their publications button on the left hand side of their home page and then find the title on the list.)

- ◆ **Due Diligence Demystified: What it is and how you manage it/** NCVO Collaborative Working Unit. 'Due Diligence' is the term used to describe the steps organisations need to take to assure themselves that a merger is in the best interests of their organisation and their beneficiaries. It also describes the investigation of another voluntary and community organisation or voluntary and community organisations in advance of a merger. This is a must read for all organisations who wish to work collaboratively or merge. Tel: 0800 2798 798 for NCVO Helpdesk or go to [www.ncvo-vol.org.uk/publications/publication.asp?id=3715](http://www.ncvo-vol.org.uk/publications/publication.asp?id=3715). £10.50 for a NCVO Member or £15 for a non-NCVO member. Published: December 2006

## **Other sources of Information:**

- ◆ **Public Service Delivery Network/** A website and events, coordinated by the NCVO Sustainable Funding Project, offering support, information and learning opportunities. A growing range of materials and updates for members (it's free to join) Go to [Public Service Delivery Network website](#).
- ◆ **NAVCA website procurement pages/** These pages include information and support that will enable the third sector agencies to engage with 'the design and delivery of public services. This site, for example, includes a **List of Recommended Consultants** that can support organisations in procurement and competitive tendering. [www.navca.org.uk/stratwork/procurement](http://www.navca.org.uk/stratwork/procurement).

## **On VCS/ local authority partnership ...**

- ◆ **Briefing on the Local Government White Paper 2006; Strong and Prosperous Communities** (see e-mail) NCVO, November 2006, 8 pages, free to download at [www.ncvo-vol.org.uk/LGWPIimplement](http://www.ncvo-vol.org.uk/LGWPIimplement). Looks at partnership working, community engagement, funding and performance.
- ◆ **Making it real/** Improvement and Development Agency & the Aston Centre for Voluntary Action Research/ June 2006. Summary report of the pilot Partnership Improvement Programme, to increase the effectiveness of partnership working between local authorities and the voluntary and community sector. [www.idea-knowledge.gov.uk/idk/core/page.do?pageId=5145516](http://www.idea-knowledge.gov.uk/idk/core/page.do?pageId=5145516).
- ◆ **Service Transformation through Partnership/** June 2006. A large toolkit for local authority chief executives, councillors, project officers and all those with an interest in finding new and efficient ways of delivering local government services. [www.communities.gov.uk/pub/241/ServiceTransformationThroughPartnership\\_id1501241.pdf](http://www.communities.gov.uk/pub/241/ServiceTransformationThroughPartnership_id1501241.pdf), where the 'Rethinking Service Delivery' series is also available: [www.communities.gov.uk/index.asp?id=1136518](http://www.communities.gov.uk/index.asp?id=1136518)
- ◆ **Our Partnership** - this website includes the Partnership Lifecycle and takes you through the process of setting up, running and ending a partnership in five stages, namely Connecting, Contracting, Conflict, Collaborating and Closing. [www.ourpartnership.org.uk](http://www.ourpartnership.org.uk)

## **Around the Counties**

- ◆ **In Bedfordshire ...** regeneration consultant Nigel Boldero has researched awareness about and opportunities for voluntary sector provision of public services. E-mail [chris.dcv@classmail.co.uk](mailto:chris.dcv@classmail.co.uk) for Nigel's 60 page document - Social Enterprise & Public Sector Procurement.
- ◆ Bedfordshire Childrens Services ... The email contact for 'commissioning queries' is [ChildrensServices.Commissioning@bedscc.gov.uk](mailto:ChildrensServices.Commissioning@bedscc.gov.uk)
- ◆ **In Cambridge ...** The Social Enterprise People have launched an advice/ support and brokerage service to pilot support for not-for-profit organizations wanting to play an active role in winning public sector contracts. Contact [info@thesocialenterprisepeople.co.uk](mailto:info@thesocialenterprisepeople.co.uk)
- ◆ **Social Enterprise East Midlands (SEEM)** have a procurement programme at [www.seem.uk.net/Templates/Internal.asp?NodeID=89791](http://www.seem.uk.net/Templates/Internal.asp?NodeID=89791)
- ◆ **Enhancing Procurement Capacity for the Third Sector** is a programme of events, learning, and mapping to enable Essex third sector organisations to contract for providing public services. Details from Linda Riley, Voluntary Sector Training ([Linda@voluntarysectortraining.org.uk](mailto:Linda@voluntarysectortraining.org.uk)) or Andy Brady, Anglia Ruskin University ([andrew.brady@anglia.ac.uk](mailto:andrew.brady@anglia.ac.uk))
- ◆ **Procurement Support Project.** Voluntary Action Sheffield [VAS] and Sheffield Community Enterprise Development Unit [SCEDU] have received money from ChangeUp to help voluntary and community organisations and social enterprises win contracts to deliver public services. Contact Jo Henderson at VAS [j.henderson@vas.org.uk](mailto:j.henderson@vas.org.uk) for more information
- ◆ **The Nottingham CVS Change Team** was established in 2005 to bring the public sector and the voluntary and community sector together to identify and overcome problems and issues around public service delivery. This team also produce an 8 page procurement guide Further information at [www.nottinghamcvs-changeteam.co.uk](http://www.nottinghamcvs-changeteam.co.uk)

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