

The Road Ahead: *A journey through public service reform for civil society organisations*

Responding to the green paper

The green paper on *Modernising Commissioning: Increasing the role of charities, social enterprise, mutuals and cooperatives in public service delivery* sought views from civil society organisations¹, commissioners and other interested parties on how to change the way the state commissions and procures services in order to fulfil the Government commitment.

The response was overwhelming with over 400 responses received from civil society organisations, public sector organisations and private sector enterprises. In your responses to our questions, you told us that:

- Commissioners needed support to: engage with civil society organisations; tackle persistent barriers to commissioning for better outcomes; and to develop markets
- Procurement processes were complex, protracted and overly bureaucratic²
- Greater transparency around issues such as TUPE and pensions was needed
- Incentivising outcomes and consideration of social value were important aspects of reform

These responses, and those from other consultations, have directly informed our vision for opening public services. This vision is set out in the Open Public Services White Paper which was published on 11th July 2011³.

The Open Public Services listening exercise

This publication marks the beginning of a journey and we are now taking this to the next level of dialogue by opening up an active listening exercise throughout the summer that reaches all sectors, including civil society organisations. This exercise will include looking at issues such as accessing open markets, reducing barriers and improving commissioning. Details on how to contribute to this exercise will be published on the cabinet office website and through the Office for Civil Society Strategic Partners. A full government response will be published in the autumn.

The cultural change required to enable a level playing field for all sectors and organisations will not happen overnight. We are committed to making this happen and will work with organisations and individuals as we move towards the vision of open public services. It is important that civil society organisations take an active part in contributing to the listening exercise, representing their views and those of their users.

¹ For the purpose of this paper, civil society organisations include charities, social enterprises, mutuals and co-operatives.

² A further announcement has been made today on progress to streamline and reduce bureaucracy in procurement. Further information can be found on www.cabinetoffice.gov.uk

³ The White paper can be found at www.openpublicservices.cabinetoffice.gov.uk

We do not underestimate the scale of challenge; therefore we know that we need to support communities and civil society organisations to maximise the opportunity to do things in different, better ways.

New support for civil society organisations

Last week, we launched the £30 million Transforming Local Infrastructure programme that will provide better support for frontline civil society organisations through helping their infrastructure organisations to modernise, become more efficient and improve their services. The funding should enable infrastructure organisations to improve their offer in respect of contracting support, resulting in better information and more effective tools for civil society organisations to engage with local commissioners.⁴

But more needs to be done.

Today I am announcing £10m for *Investment and Contract Readiness*, a programme to help frontline civil society organisations grasp the new opportunities arising from:

- New markets in public service delivery, as set out in last week's white paper
- New types of social finance – including loans and equity stakes – facilitated through the Big Society Bank

We want to help organisations to develop the right skills, the right systems and the right attitude so that they are ready for investment, and in a stronger position to win public sector contracts. We see a strong network of support providers and investors as critical in making that happen, and want to create a space where civil society organisations, social investors and support providers can meet.

As a result of the Programme we expect to see more civil society organisations attracting investment and winning public sector contracts, and a growth in the range and quality of intermediary organisations supporting the social economy.

The £10 million programme will operate over 3 years from April 2012. Over the summer, we will be testing our proposals with interested stakeholders and a delivery partner will be in place by April 2012. We are particularly keen to talk to other funders with an interest in this area about developing a shared platform.

New plans and support for commissioning and procurement:

Last week we began a pilot with three Departments for a new online service that will make it easier for suppliers to do business with Government – the Government e-Marketplace. It will help enable the opening of opportunities for SMEs, including civil society organisations meeting this definition, and other suppliers not currently on frameworks to register their organisations details and to receive Request for Quotations from Departments for low value contract opportunities, (below the EU

⁴ More information is available on www.big-fund.org.uk/tli

threshold of £100k)⁵. This will not only remove the PQQ stage, but it also helps address issues raised by civil society organisations on the lack of flexibility in framework agreements. In addition, the Local Government Group has confirmed their intention to encourage the use of the **standardised PQQ at a local level** and central government is seeking to **eliminate PQQs for all central government procurements under £100,000** (the EU threshold).

We know that commissioners need support to understand markets and commission a wide range of different types of providers. Today I am committing to developing proposals on how to improve commissioning and incubate the most innovative commissioners to draw together knowledge of what works into one place. These proposals will take account of knowledge from earlier programmes as well new initiatives underway, such as community budgets.

The journey does not finish here. Responses to the *Modernising Commissioning* Green Paper will continue to influence the development of policy and there will be additional opportunities for further engagement over the coming months as the Open Public Services listening exercise begins.

I look forward to hearing your views through the Open Public Services website⁶, through our strategic partners, and through the roundtables and visits that I will be conducting over the summer.

Nick Hurd

Minister for Civil Society

⁵ Further details of SME announcements can be found at www.cabinetoffice.gov.uk

⁶ www.openpublicservices.cabinetoffice.gov.uk