



Partnership in Public Services: the public services action plan One year on



'The third sector's strength is its ability to do things differently and put an individual's needs at the heart of things. We want to ensure that what the sector has to offer is an integral part of our aim to transform public service delivery.'

Phil Hope MP, Minister for the Third Sector

From drugs counselling to giving employment advice, from providing housing to childcare – public service delivery covers a huge range of areas. In all these areas and many more, the third sector is working in partnership with the public sector.

The public sector spends around £10 billion a year on funding the third sector to deliver these kinds of services. We know that the third sector, at its best, can reach out to people who government cannot reach. It can bring new ways of approaching old problems and a flexible approach that works. We also know that more can be done to help provide an environment in which third sector organisations, working in partnership with the public sector, can thrive.

This was the driver behind the cross-government public services action plan, *Partnership in Public Services*, published by the Office of the Third Sector (OTS) in December 2006. Many other areas of work led by OTS also aim to increase public service delivery by the third sector. The action plan set out 18 key actions in four different areas of the Government's engagement with the sector:

1. commissioning
2. procurement
3. building the sector's capacity
4. innovation.

All of the actions are now under way. One year on, it's time to look at what has been achieved – and where we go from here.



Improving commissioning

Commissioning from the third sector is a growth area. As opportunities are developing, both the public sector and the third sector need to find ways of working effectively together. A better understanding of working together will mean that both third sector organisations and commissioners get the best result for people using public services.

National Programme for Third Sector Commissioning

Many commissioners want to have strong working relationships with the third sector but need to develop their skills, expertise and understanding of the sector. Our National Programme for Third Sector Commissioning, run by the Improvement and Development Agency, aims to do just that.

The Programme has three workstreams, and is focusing initially on the first workstream:

1. identifying the commissioners to be trained and matching them to the appropriate training
2. winning the hearts and minds of commissioners across public services on the value of using the third sector throughout the whole of the commissioning cycle
3. improving the bidding capacity of the third sector.

The first group of commissioners is in the process of being identified and discussions with the majority of training providers are on course for completion by the end of 2007. Pilot training courses have also been run for both elected members in local councils and commissioning officers. These have been helpful in shaping the key messages to be included in the wider training opportunities being developed by providers. Work has also started on the second workstream by raising awareness of the Programme's messages through articles in the media, presentations at a range of relevant events and new quarterly e-bulletins.

An advisory group has also been formed. Chaired by Baroness Thornton, former chair of the Social Enterprise Coalition, it draws from the experience of third sector

organisations and those in the public sector to help shape and develop the Programme. The group has given advice on how to choose and prioritise the commissioners the National Programme should target and what the key messages of the Programme should be. It will continue to help shape the Programme in the coming months.

The Programme will also be launching a web-based 'community of practice' to bring together commissioning professionals from both the public and third sectors to help share knowledge and best practice.

For more information visit www.idea.gov.uk

Third sector organisations, working with local authorities, can develop new services that work



BREAK, a Norfolk-based charity, provides a range of care services including:

residential homes for looked-after children, holidays and respite care for children and adults with special needs, residential family assessment, and residential, respite and day services for women with mental health problems.

BREAK is working in partnership with its local authority to develop key services for the delivery needs of the authority as well as helping to fulfil local community needs in that area. By working with BREAK, the local authority is meeting its statutory strategic objectives while gaining an investment partner that has the knowledge and ability, service quality and commitment, and the right philosophy to deliver to meet the needs identified as well as being cost-effective.

As part of this work, BREAK is:

- building the residential homes of a newly redeveloped special needs school
- opening a residential family assessment centre
- developing a replacement specialist residential home for four teenagers with profound special needs as they move into adulthood.

Evaluating impact

Third sector organisations that want to deliver public services need to be able to show that their approach works. The Social Exclusion Task Force is therefore working with Barnardo's and Research In Practice, an organisation that helps link work on children and families with research evidence, to develop guidance on the effective use of evidence to inform the selection of programmes to help socially excluded groups. The guidance is designed to strengthen the capacity of commissioners and providers of services to evaluate what works. The aim is for higher-quality service evaluations to inform evidence-based commissioning for socially excluded people. It will be available from spring 2008.

More information is available at www.cabinetoffice.gov.uk/social_exclusion_task_force

Improving procurement

Social clauses

Social clauses can be one way for commissioners to promote added social value in public service delivery contracts. For providers, including third sector organisations, they can be a way of recognising the wider social benefits they bring within a procurement exercise.

There are benefits and barriers to using social clauses

Public sector respondents to the social clauses survey described them as:

'an essential tool'

'when successful can have a significant impact on many key policy areas such as regeneration, worklessness and education'

'important methods in which to drive forward our objectives'

'[they] can directly benefit our most hard-to-reach groups'

Some of the barriers identified were:

'local supplier expectations'

'maintaining updated legal position'

'organisations are very afraid to use them'

'complexity'

'Gershon efficiency savings driving public service procurement'

They have already been used in some contracts. But we know that there are some barriers, and a lot of myths, surrounding their use. The North East Centre of Excellence is working with OTS on the social clauses project: looking into what the value of social clauses might be, and how they might be better used. We ran a survey to gather evidence about their use and the survey findings are available at www.cabinetoffice.gov.uk/thirdsector

Following this, several local authorities, including Medway, Braintree, Leeds and Bury, will be using social clauses in live procurement exercises for waste and recycling services, with additional support from the social clauses project. We will use the learning from these sites to inform our next steps, including looking at guidance on the use of social clauses and best practice examples of their successful use.

Many third sector organisations are trusted by the people they help and involve them in their work



St Giles Trust, which works in prisons and the community to reduce crime and social exclusion, brings an innovative approach by employing offenders and working with them to develop services. Their SOS Project, initiated and delivered by

an ex-prisoner who was recruited while a serving prisoner, provides a motivational 'through the gate' support service to offenders imprisoned for gang-related crimes. The service addresses multiple factors around offending behaviour and helps people move away from gangs.

The Prison Peer Advice Project trains serving prisoners to provide advice to other prisoners who are homeless or have resettlement problems while they are in prison. The Peer Advisers help others find housing to ensure that they are not homeless on release. In return Advisers gain a nationally recognised qualification that will help them into work at the end of their sentence. Once released, many Advisers are employed by the Trust to give support to offenders in the community.

Template contracts

Government is working to reduce the burden of the contracting process on both public bodies and providers, including those from the third sector. Using template contracts can be one way to do this.

Individual departments have been developing these for individual service areas:

- The Department for Children, Schools and Families (DCSF) has created new template contracts for independent and non-maintained special schools, and for children's residential care. A template contract for independent fostering agencies is under development, with consultation then publication due in 2008.
- The NHS Contract is being developed in stages. It was first introduced in April 2007 for acute services. Building on this work, contracts will be developed for mental health and community services for implementation during 2008/09.

By joining together, third sector organisations can achieve more



When 12 smaller charities providing housing support for vulnerable people in Lancashire joined forces with a larger northern regional

charity, they were able to win major new Supporting People contracts from Lancashire County Council. The community-based partnership bid was led by DISC (Developing Initiatives Supporting Communities), which operates in North East England, Yorkshire and Lancashire. The two contracts started in October 2007 and will run for three years. The new service brings together many different types of support into one equitable and accessible service which caters for people who face housing problems, regardless of their age, where they live or what issues they face.

Valerie Wise, Preston Women's Refuge Director, said 'This partnership has got to be good for the people of Lancashire as it brings together the strengths of a large voluntary sector organisation with the expertise of the specialist smaller agencies.'

Administrative burdens

One of the barriers to the third sector working more effectively with the public sector is the bureaucracy created by the contracting process itself which is costly and time-consuming for both procurer and provider. As well as funding processes, other regulation can also have a negative impact on the sector.

OTS is keen to ensure that the legal and regulatory framework within which the third sector operates does not stifle organisations with unnecessary or disproportionate regulation. This must be balanced with the need to make sure that public confidence in the sector is kept high by having minimum standards and protections that people expect.

Central government departments have been identifying and reducing the burdens they place on third sector organisations. The Charities Act 2006, for example, has a number of deregulatory measures which will particularly help small charities, such as the new threshold for charity registration, up from £1,000 income a year to £5,000. Another example is that OTS is also working with the Home Office to produce guidance on Criminal Records Bureau checks to address some of the confusion that surrounds them and the process.

Building the sector's capacity

Futurebuilders

Futurebuilders, a government-funded investment programme, provides a range of support to third sector organisations that deliver, or want to deliver, public services. This includes loans, grants and capacity-building support. To date, it has focused on five specific service areas and has invested over £111 million. From April 2008, this support will now be open to all third sector organisations, meaning that a greater range can get involved in delivering services with the support of the Government.

You can find out more at www.futurebuilders-england.org.uk

Community Assets Fund

Many local authorities have buildings that would provide excellent bases for community-led third sector organisations, but these are sometimes in need of refurbishment. The £30 million Community Assets Fund aims to

strengthen the third sector and benefit communities, by offering refurbishment grants to encourage the transfer of local authority assets to the third sector.

Following a consultation on how the fund will operate, OTS has asked the Big Lottery Fund to take a flexible approach to managing the fund, including a wide range of grants from £150,000 to £1 million. The application window has now closed, and successful applicants will be announced in spring 2008. These organisations will then start work on refurbishments.

Updates and more information are available at www.biglotteryfund.org.uk/communityassets

Proactive third sector organisations and commissioners work together to improve services



The MS Society is working in partnership with the Motor Neurone Disease Association and the Parkinson's

Disease Society to provide a commissioning support service to enhance the commissioning process.

The service will comprise a range of 'hands-on' management services to commissioners, working alongside them to identify key areas where specialist input can make a difference and bring clarity about expected outcomes for service users. The service will be delivered by a range of staff from across partner organisations, drawing on external expertise and input as required. It will be piloted in selected sites across England and will be provided at no financial cost to commissioners. However, there will be formal agreements established to set out the gains that people with long-term neurological conditions can expect as a result of this service. People using the services should be involved with the processes of monitoring and review within the ongoing commissioning cycle.

Community anchors

Community Assets is part of a spectrum of government support aimed at empowering communities, including recommendations

from Barry Quirk's review of community management and ownership of public buildings, and support for community anchors – independent, community-led organisations. OTS has committed £10 million from April 2008 to support community anchors, and the Department for Communities and Local Government (CLG) is currently considering the approach this may take.

Innovation

Innovation Exchange

The third sector, at its best, often pushes forward social change through its innovative approaches. However, we know that there are problems in scaling up and making innovation sustainable. The OTS-funded Innovation Exchange, a new approach to connecting third sector innovators and providers of investment, contracts and research, is being run by a consortium headed by the Innovation Unit, working with Acevo and Headshift. The National Endowment for Science, Technology and the Arts has also contributed an additional £200,000 to help support this work.

The Innovation Exchange is focusing initially on supporting independent living and excluded young people. It is now in the process of recruiting collaborative networks of commissioners and social investors and is seeking additional sponsors for the work. From these networks, a number of social innovators will be selected to participate in a programme designed to give them intensive support to incubate, develop and implement their ideas on a broader basis.

For more information, go to www.innovation-exchange.org

Third sector service delivery – beyond the public services action plan

The Government's overarching drive to transform public services means that, as well as delivering on the action plan, government departments have also been developing additional ways for the third sector to work in partnership with them – at national, regional and local level. Many central government departments also already have in place or are developing third sector-specific strategies.

Embedding the third sector across government

We have also ensured that the third sector is included at the highest strategic level in our targets and indicators. For example, HM Treasury recently agreed with government departments their top-level priorities for 2008–11, through the Comprehensive Spending Review process. The third sector is a crucial part of the Government's priority 'to build more cohesive, empowered and active communities'. The indicators that will show whether we are meeting this target specifically look at third sector involvement. Many of the delivery agreements, outlining how improvements will be achieved, recognise the contribution of the third sector. At local level, the way in which local authorities work with third sector partners is also an important part of the new performance framework for local government.

Office of the Third Sector

Scaling new heights, the **social enterprise action plan**, published in November 2006, aims to create the conditions for thousands more social enterprises to thrive, including helping social enterprises to work with government. As well as reiterating our commitment to delivering the public services action plan and improving our understanding of social clauses, the plan also outlines social enterprise commitments across government. In addition, we have engaged our seven new social enterprise strategic partners to help represent the sector to government, influencing wider policy and removing barriers to the growth of social enterprise. A leaflet setting out progress on the social enterprise action plan is available at www.cabinetoffice.gov.uk/thirdsector

Another government-backed programme, **Capacitybuilders**, sponsors the Improvement and Development Agency's Partnership Improvement Programme, which works with mixed groups from local authorities and the third sector to build their capacity to work more effectively in partnership, and to model a new way of developing sustainable cross-sector relationships. It is being rolled out to 50 top-tier local authorities over the next three years.

Futurebuilders will also continue to be an important way in which we build the capacity of the third sector to respond to new and existing opportunities for contracting with the public sector.

We are ensuring that the **Compact**, a framework agreement between the Government and the third sector for better partnership working, remains relevant within the context of public service reform and greater emphasis on commissioning. The Compact Commission will be evaluating the Compact Code of Practice on funding and procurement in particular.

Finally, the Government's new, independent **Volunteering Champion**, Baroness Neuberger, will be focusing on the role of volunteers in public services. Thousands of people already volunteer to support public services, from befrienders helping people with mental health issues to reading assistants in schools. The initial focus will be on the role of volunteers in health and social care.

National Offender Management Service

The Ministry of Justice, of which the National Offender Management Service (NOMS) is a part, has set up a third sector network and will soon consult on a third sector strategy for 2008–11. A NOMS draft third sector action plan was launched for consultation in November and a separate NOMS/Youth Justice Board consultation on promoting the contribution faith-based organisations can make to reducing adult and youth reoffending is under way.

NOMS has recently invested £2.2 million for three years from April 2008 for a National Infrastructure grants programme, to fund capacity-building activity, voice of the sector into government, volunteering and mentoring development, and a local demonstration project to provide learning on cross-sector and cross-agency working to plan, contest and deliver an offender service.

A new Academy for Criminal Justice Commissioning has also been created; a centre of excellence that will embrace the needs and expectations of the full range of providers and partners. It will identify and share good practice; promote skills and development; provide peer support, encouragement and learning; and sponsor and promote relevant research.

More information is available at www.noms.justice.gov.uk

Department of Health

Department of Health (DH) has established an integrated, cross-cutting third sector and social enterprise programme, led by a formal Programme Delivery Board chaired by Care Services Minister Ivan Lewis. This enables the third sector to really have an impact on its governance framework.

The Delivery Board's role is to provide corporate ownership of the cross-cutting third sector agenda and its dependencies with other programmes within DH. It drives demonstrable improvements in effective partnership working between DH and the third sector at national level, and NHS and local government with the third sector at regional and local level. It also creates increased opportunities for third sector organisations to inform and influence NHS and local authority commissioning and to participate in the provision of NHS and social care services.

More information is available at www.dh.gov.uk

Department for Communities and Local Government

CLG is introducing a new local performance framework for local government which focuses on improving people's quality of life and creating better public services. It requires a new way of working, where public sector organisations work together to achieve better, more responsive services for local people, and where the public, private and third sectors strive together for improved prosperity with plenty of ambition for the future.

The framework lays out how central and local government can agree priorities for an area and work together to deliver them, involving local people in decisions about services and how they are delivered. Further information about the performance framework and the third sector is available at www.communities.gov.uk

Department for Work and Pensions

In July 2007, the Department for Work and Pensions (DWP) published the Green Paper *In work, better off: next steps to full employment*, setting out proposals to help more people into work. After extensive consultation, emerging findings were published in November. The findings propose that providers will have increased discretion to deliver a more personalised and flexible service to customers. DWP will have an active stewardship role and is keen to protect and develop the smaller, specialist, niche providers who add real value, while encouraging new entrants that can bring something fresh. The challenge to providers, including those from the third sector, is to deliver consistent, high-performing services at best value.

A further period of consultation is now under way, with third sector organisations actively contributing to discussions that will lead to the publication of a final strategy towards the end of February 2008.

More information is available at www.dwp.gov.uk

Department for Children, Schools and Families and the Learning and Skills Council

DCSF and the Learning and Skills Council (LSC) have been working over the last year to make things easier for the third sector to work with them. Some examples of the progress made include:

- This year, all regional commissioning plans will specify where the third sector may be able to contribute to LSC's priorities.
- The LSC has supported the Quality Improvement Agency, the body that works to improve the learning and skills sector, in offering one-to-one support on the tendering process to 70 third sector organisations. In early 2008 the LSC will launch a peer mentoring system where third sector organisations are matched with support from within the third sector to help them develop the systems required to deliver LSC contracts.
- DCSF is piloting regional commissioning support in eight regions, looking at improving commissioning and placement choice for children. Ultimately, this aims to improve the range of service providers available to commissioners, including those from the third sector.

More information is available at www.dcsf.gov.uk or www.lsc.gov.uk

Measuring progress

A steering group, comprised of central government and third sector representatives, oversees the implementation of the action plan and monitors and drives progress.

It is also important that we get quick feedback on whether commissioning and procurement is improving on the ground. We are looking at this as part of work on developing OTS' wider tools for understanding and monitoring the sector. This includes considering the role of the State of the Sector Panel, and of the proposed

new local survey of third sector organisations, which is being designed to monitor how local areas support a thriving third sector.

Next steps

The Third Sector Review, *The Future Role of the Third Sector in Economic and Social Regeneration*, published in July 2007 by HM Treasury and the Cabinet Office, set out the Government's third sector priorities for 2008–11, building on the public services action plan.

It confirmed that:

- training for public service commissioners will continue until 2011
- we will continue working on social clauses, in partnership with commissioners and drawing together leading practice
- we will look into the potential role of third sector organisations delivering employment services
- we will do more work to understand the relationship between demand-led funding, such as individual budgets for healthcare, and what impact this has on funding for third sector organisations
- we will provide £65 million towards the Futurebuilders fund.

In addition to this work, from April 2008 we will continue to implement the public services action plan, in particular:

- work to look into how the Government can best support the sector in identifying and promoting its impacts. In early 2008, we will announce further details on what steps we will take
- work on looking in detail at sub-contracting arrangements and models for consortia, and the implications of regional and sub-regional commissioning on third sector organisations
- work on streamlining assurance processes across government, which has already begun but will be further developed.