

WHAT DOES IT SAY TO SOCIAL ENTERPRISES?

The White Paper published on 11th July 2011 clarifies government's thinking on the delivery of public services. As with many other pronouncements from the Coalition there is a distressing absence of evidence of what has gone before although many of us, completely independent of the previous regime, have been working on this issues for many years. Nevertheless, we need to understand the new thinking underlying the development of public services, and where our opportunities can be found.

The aim of the paper is, naturally, to improve the quality of public services – by making them “more responsive to individual and community needs”.

The five underlying principles are:

- Choice
- Decentralisation – to the lowest possible level
- Diversity – services should be provided by a range of providers
- Fairness – access to all
- Accountability – to users and taxpayers

The White Paper identifies three types of service and the delivery mechanisms for each of these types of service:

- Individual services – “that are used by people on an individual basis.” These will be accessed through more individualised purchasing of services such as Personalised Budgets for social care, voucher systems, student loans and exercising parental choice in education through free schools and academies, etc
- Neighbourhood services – where local services are part of community life, such as parks, libraries, leisure facilities and community safety. These are the services over which local people will be expected to exert influence for commissioning and delivery
- Commissioned services – where central and local government need to maintain control, such as tax collection, welfare to work and prisons. In these cases the delivery should be opened up to a wider range of providers with government retaining a commissioning and scrutiny role and creating opportunities for the general public to have more information about services in order “to hold providers to account”

The benefits of this approach are identified for individuals, communities, local government, public service staff (different) and independent providers. Interestingly, the benefits are clearly outlined for individuals (more choice and control over individualised budgets), local government (freedom to innovate),

public service staff (opportunities to innovate and improve services) and independent providers (new opportunities to deliver). However, the description of the benefits for communities doesn't identify any benefits – it merely describes the processes that will take place.

ENABLING ALL THIS TO HAPPEN

As identified above, the enabling process is one that includes individualised budgets, individuals and groups taking over services and people having access to more information to hold service providers to account. Other approaches include:

- The general power of competence (in the Localism Bill) that will empower local authorities to undertake any action that will improve public services
- Removing ring fencing from local authority budgets enabling them to spend their central government grants how they choose
- Improving scrutiny through ombudsmen and local elected members – significantly there is NO mention of user-led voluntary and community organisations or social enterprises in this role.

Linked to the Localism Bill is the approach that community ownership will increase through:

- The Community Right to Buy - public and private land and assets
- Community Right to Build (not clear what) without conventional planning permission
- Community Right to Challenge – to be able to run local authority services

As part of this approach there are many mentions of Neighbourhood Councils. This includes Parish, Town and Community Councils that will take on these roles, the latter being the move to create parish level councils in urban areas. This is suggested as a way forward in the White Paper but not yet proposed as a course of action.

PUBLIC SERVICE MUTUALS

Public Service Mutuals are seen as a key ingredient in the improvement of public services and will be supported by:

- The Right to Provide – public sector staff having the right to form new ventures to deliver services – which MIGHT be mutuals, co-operatives or social enterprises
- Mutual Pathfinders – the supported ventures that were launched in 2010 and early 2011 to lead on and demonstrate this model

There are other initiatives to support this approach including the Mutuals Task Force, already set up to advise government, and a proposed Mutuals Support

Programme, scheduled to be launched in autumn 2011. There is also an 'Enterprise Incubator Unit' within the Cabinet Office, a process considering mutualisation of the Post Office and a mutual to run civil service pensions.

PROPOSED ACTIONS

Government is still considering, and seeking views on, how best to break down the barriers to potential new providers wanting to take on the delivery of public services – referring to the Modernising Commissioning Green Paper shortly to be published. There are a number of steps proposed to make bidding for contracts easier, including simplification of procurement pre-qualification criteria and processes, targets for SMEs delivering public contracts and a national training programme for commissioners.

The White Paper has a section on what happens when organisations fail to deliver services that meet the 'rising minimal standards' but there is a clear intention not to set up a large (and costly) scrutiny apparatus and a statement that "accountability for providing quality services and good financial management should remain firmly with the provider". We know from the past that this approach is at risk when information is seen to be commercially confidential and not available for the commissioning organisation, or the general public, to scrutinise.

VCSE

Having dismissed the term Third Sector, as an umbrella term for voluntary and community organisations and social enterprises, it is worth noting that the White Paper repeatedly uses the initials VCSE – Voluntary and Community and Social Enterprise as a collective description. However one may disagree with the grouping it is handy to have a term that is being used to describe it – we need to see whether it is being used by other areas of government too.

Happily, the White Paper ends by calling on the VCSE to come up with creative new solutions to long standing problems. Because without that call that would never happen would it?

CONSULTATION

There is a consultation period taking place from July to September 2011 and each section of the White Paper poses a series of questions that seek a response.

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