



FACT SHEET 30

Contracting with a Statutory Body

First steps

Introduction

The aim of the fact sheet is to help you consider some of the pros and cons of managing public service contracts and to provide some useful reference points.

It is based on key drivers you need to be aware of, sources of information, as well as 10 top tips.

National context

In 2002 HM Treasury published 'The Role of the Voluntary and Community Sector (VCS) in Service Delivery: A Cross Cutting Review' (1). This identified ways in which the VCS can add value and some of the barriers we face in securing contracts.

In 2005 the government established the Third Sector Commissioning Task Force (yes we are the 'third sector' now) to address the practical obstacles to 'the third sector fulfilling its potential as a mainstream provider of health and social care services' (2).

Other key government initiatives you need to be aware of are 'Changeup' and 'Future Builders'. These are government initiatives set up to help the third sector develop its capacity to take on contracts (3).

An important agreement to be aware of is 'The Compact' between the Government and third sector. It has a *Code of practice for Funding and Procurement*, launched on 22 March 2005 (4). The code identifies good practice at all stages of the relationship between public sector bodies and voluntary organisations. Crucially, government recognises that full cost recovery is vital (5). The Voluntary and Community Sector in Cumbria and Cumbria County Council have recently signed a local Compact and will be developing Codes of Practice.

If you are serious about moving into the world of public sector contracts, becoming familiar with these websites and sources of information is a must.

In Cumbria a key source of support is your local CVS, www.cacvs.org.uk. Also The Pro-Help scheme administered by Cumbria Community Foundation may be able to assist with finding expertise needed to make initial decisions about getting into contracting (8).

Top Tips

- Define terms – what is a contract. Sandy Adirondacks book “The Voluntary Sector Legal Handbook” is excellent and updated via her website; it costs £50 but is money well spent. www.sandy-a.co.uk
- Full Cost Recovery is a must. Don't consider getting into contracts if you cannot recover your costs (5). Aim for a three year contract or longer if at all possible – see compact guidance (4)
- Check your constitution or articles and memorandum. Are you legally able to do the work? The Charity Commission guidance is a must (6)
- Is the work consistent with your strategic objectives? If so do you have the expertise and infrastructure to successfully deliver the contract?
- Never assume that two people working in the same organisation know each other let alone talk to each other!
- It is vital to ensure you know what information is required. Make sure you develop effective systems for capturing the data. You will be expected to capture input, output and outcome data (7).
- Achieve a quality standard like Investors In People (IIP) or PQASSO. Commissioners/contractors increasingly require this and it will help to ensure that your organisation is sufficiently robust to handle contracts (CACVS will advise)
- Be politically aware! It is important that you engage with all the political parties not just one party.
- Do your homework. You must make sure that you are ticking the commissioner's/contractors boxes if you are to be successful. For example, when the Learning & Skills Council was set up, David Blunkett's remit letter set out exactly what the LSC were there to achieve i.e. this set the agenda
- 'Turn the telescope around'! You want to get to a point where commissioners/contractors are looking to you to apply/tender for funding rather than you having to constantly be seeking opportunities. This is about effective PR and marketing.
- Ask to see relevant procurement procedures. What is the process you are following? Is there a point scoring system as in co-financing applications? If so what scores the highest points?
- Attend briefings - they are invaluable. It is frightening to hear what a mess some people make of applications; such as, not answering the question being asked, not signing the application or missing deadlines!
- Demonstrate user involvement. You need to be able to demonstrate that you are in touch with your service users, for instance through focus groups.

Further Support and Advice is available from Cumbria CVS Locality Offices in:

Barrow: 72-74 Scott Street, Barrow-in-Furness, LA14 1QE. Tel: 01229 823144

Carlisle: 27 Spencer Street, Carlisle, CA1 1BE. Tel: 01228 512513

Eden: 6 Hobson Court, Gillan Way, Penrith, CA11 0DT. Tel: 01768 800350

South Lakeland: Stricklandgate House, 92 Stricklandgate, Kendal, LA9 4PU. Tel: 01539 742627

West Cumbria: Community Resource Centre, 12a Selby Terrace, Maryport, CA15 6NF
Tel: 01900 819191

Visit **Cumbria CVS Website** at: http://www.thirdsectorcumbria.org.uk/support_CumbriaCVS.html

Cumbria CVS Training Course information

Is available on our website: www.thirdsectorcumbria.org.uk/support_cumbriacvs_training.html
Tel: 01900 819191

Other Resources

1. 'The Role of the Voluntary and Community Sector in Service Delivery: A Cross Cutting Review'
www.hm-treasury.gov.uk/spendingreview/spendccr/spendccrvoluntary/ccrvoluntaryreport.cfm
 2. No excuses. Embrace partnership now. Steps towards change; report of the Third Sector Commissioning Task Force. Published on 11 July 2006 by the Department of Health Third sector Partnership Team. Available on www.dh.gov.uk/stakeholders
 3. Changeup is about strengthening the support and assistance available to voluntary and community organisations. It is an excellent website which includes 5 'hubs' covering the following topics, finance, governance, ICT, performance, volunteers and workforce issues. www.changeup.org.uk/index.asp
- Future Builders is a government initiative which enables third sector organisations to borrow money if you are thinking of moving into contracting and do not have the infrastructure then this may be worth considering, with care. www.futurebuilders-england.org.uk/
4. The Compact is the agreement between government and the voluntary and community sector in England to improve their relationship for mutual advantage. **Compact Voice** is the new name for the former Compact Working Group.
www.thecompact.org.uk/
 5. The Association of Chief Executives of Voluntary Organisations (ACEVO) have produced an invaluable guide with associated CD rom on issues to consider in relation to Full Cost Recovery
www.acevo.org.uk/main/index.php
 6. The Charity Commission guidance document CC37 and the associated policy statement on charities and public service delivery are a must: www.charity-commission.gov.uk/supportingcharities/polstat.asp
 7. Cumbria Learning Links for courses and information on developing outcome focussed monitoring; www.cumbrialearninglinks.org.uk/
 8. Pro-Help, it provides experts to help voluntary organisations to address issues:
www.communityfoundations.org.uk/

See also the NCVO collaborative working unit – www.ncvo-vol.org.uk/