

# Government response

to The Cabinet Office Advisor on Third Sector

Innovation's recommendations on the role of third sector  
innovation in the personalisation of public services

# MINISTER FOR THE THIRD SECTOR FOREWORD



**On behalf of the Government, I am extremely pleased to welcome the reports by the Cabinet Office Advisor on Third Sector Innovation, Rt. Hon. Anne McGuire MP on the third sector's contribution to the personalisation of public services in health and social care, reducing reoffending, and education and learning.**

The recommendations in this report put forward provide clear suggestions for how the potential of the third sector to work with the Government to improve public services can be maximised. This builds on the Government's wider commitment to creating opportunities for the third sector to play an active and central role in the design and delivery of public services.

Through initiatives such as the National Programme for Third Sector Commissioning, the Futurebuilders Fund, the Department of Health's £100 million Social Enterprise Investment Fund and the new Cabinet Committee for the Third Sector's Involvement in Public Services, we have made significant progress in levelling the playing

field and enabling the third sector to maximise its contribution. However, I acknowledge that there remains work to be done and, as we work towards a world class system of more personalised, citizen-focused public services, the third sector will be an even more significant partner.

In her work as Cabinet Office Advisor, Anne McGuire, has provided the Government with a robust analysis of the opportunities and challenges for third sector involvement in personalised public service delivery. This response to Anne's work reflects the Government's commitment to taking forward her recommendations and embedding them in our existing work and activities. Part of the strength of these recommendations is that they have been developed in dialogue with the third sector and have helped to stimulate a more focused discussion between Government and the third sector about personalisation. I look forward to continuing this discussion and developing our ideas further.

On behalf of the Government, I would like to thank Anne for her commitment, diligence and vision in producing the recommendations to which we respond.

A handwritten signature in black ink that reads "Angela Smith". The signature is written in a cursive, flowing style.

**Angela Smith MP**  
**Minister for the Third Sector**

# CONTENTS

Introduction	4
Government response to Cabinet Office Advisor on Third Sector Innovation's recommendations on The Role of the Third Sector:	
Personalisation of Health and Social Care and Services to Reduce Reoffending	6
Personalisation of Education and Learning	21

# INTRODUCTION

The Cabinet Office Advisor on Third Sector<sup>1</sup> Innovation (the 'Advisor'), the Rt. Hon. Anne McGuire MP, was appointed in November 2008 to advise the Prime Minister and Cabinet Office Ministers on the third sector's potential contribution to the personalisation of public services.

The Advisor made a series of recommendations focused on translating the potential of the third sector to personalise services into a reality. These recommendations relate to three public service areas:

- Health and social care
- Services to reduce reoffending
- Education and learning

Recommendations for health and social care and services to reduce reoffending were made jointly. The report made recommendations against three key themes:

- **Stage 1:** Working Towards Real Choice: providing support to people who often have particular complex needs to enable them to work towards a point where real choice and empowerment is possible;
- **Stage 2:** Exercising Real Choice: making choice genuine, where the available options reflect individuals' needs and ensures that they

are able to access and continue to make their own choices; and

- **Section 3:** How can the Third Sector and Government Discuss Personalisation: the need for a two-way dialogue about personalisation and its opportunities and challenges for the sector.

The Advisor's second report on education and learning highlighted two main roles for third sector organisations:

- As a deliverer of personalised learning opportunities, either in their own right, or in partnership with schools and colleges; and
- As a driver of personalisation, through informing, supporting, shaping and stimulating service improvement and redesign.

Recommendations focused on how the Government can support third sector organisations to demonstrate the value of their work; how Government initiatives could be brought together to make the most of what the third sector has to offer, and how innovation in the third sector can be supported and its full potential realised.

Both the Advisor's reports are available to download from [www.cabinetoffice.gov.uk/third\\_sector/innovation/innovation\\_advisor.aspx](http://www.cabinetoffice.gov.uk/third_sector/innovation/innovation_advisor.aspx)

<sup>1</sup> The Government defines the third sector as non-governmental organisations that are value-driven and which principally reinvest their surplus to further social, environmental or cultural objectives.

This Government response sets out which recommendations the Government will take forward and how it will do so.

## Wales

Although these reports focused on England only, the implementation of some recommendations will apply across England and Wales (such as matters of criminal justice), while others will apply to England only (such as matters of health and education.)

For those areas for which it have devolved responsibility, the Welsh Assembly Government will each consider the most appropriate arrangements by which to address the issues raised in ways that meet their own circumstances and needs. Where necessary, the Government will work closely with the Welsh Assembly Government to address the third sector's role in public services.

# Government response to Cabinet Office Advisor on Third Sector Innovation's recommendations on The Role of the Third Sector: Personalisation of Health and Social Care and Services to Reduce Reoffending

## 1. Working Towards Personalisation

### 1.1. Introduce working towards personalisation for people with multiple or complex needs

#### **Recommendation 1.1 (a): The Government and the third sector should evidence the value of approaches that enable people with multiple and complex needs to work towards real choice.**

- The Government recognises the importance of developing responsive personalised services for people with multiple and complex needs and the significant role that the third sector can play in meeting these needs.
- *Valuing People Now*<sup>2</sup> is the Government's strategy for people with learning disabilities and it recognises the importance of enabling people with complex needs to have choice over the support they need.
- The Department of Health will shortly be publishing a document, describing what good outcomes look like for people with profound and multiple disabilities.
- The Ministry of Justice recognises the invaluable role of the third sector in working

with some of society's most socially excluded and vulnerable individuals. Many of these people are offenders, have previously offended, are at risk of offending, are the families of offenders, and/or are the victims of crime.

- Public Service Agreement 16 (PSA16) focuses on improving the opportunities of vulnerable adults by supporting them into a home and a job. PSA16 has flagged that one important way that excluded people can be supported to access a home and a job is through the work of a 'lead professional' who will identify need, and manage and direct services to the at-risk individual. Third sector organisations are often important partners in working with lead professionals to ensure that a vulnerable person's needs are fully assessed and met. Through the social exclusion agenda the Government will continue to work with partners to identify and develop the most effective means of joint working between different professionals to meet the needs of people with multiple and complex needs.
- The Ministry of Justice recognises that an important element of the third sector's work is building individuals' motivation, knowledge, skills and sense of responsibility so that they can make informed choices including about the services they need and receive. We support the aim of better demonstrating the value of these approaches.

<sup>2</sup> HM Government (2009) *Valuing People Now*

- As acknowledged within the report, there are specific issues that need to be considered in relation to choice and control for individuals in custody and under supervision from the Probation Service or Youth Offending Teams. This is primarily because offenders may not necessarily want to cooperate with their sentence and interventions to support rehabilitation but are required to do so by the courts and society.
- There is an opportunity for local areas to focus on socially excluded offenders or reoffenders more widely as part of the Local Area Agreement (LAA) process, and there are a range of local partnership arrangements in place to tackle adult and youth reoffending by people with multiple and complex needs. These include community interventions for women who are not a danger to the public, and the strengthening of arrangements to improve outcomes for socially excluded groups by focusing on those areas which are underperforming on offender accommodation and employment outcomes. Supporting the motivation and skills of individuals to access and use services is an important part of these arrangements and there is scope to evidence the value of the approaches taken.

## 2. Exercising Real Choice

### 2.1. Enabling the Third Sector to Support 'Co-Production'

**Recommendation 2.1 (a): The Government should create more opportunities for third sector organisations to enable service users to shape the public services they receive by (i) identifying needs; (ii) participating in the purchasing process; and (iii) evaluating the effectiveness of existing provision.**

- The Government recognises that it is the responsibility of all funders, commissioners and providers to enable public service users to shape the services they receive in order to increase the responsiveness and effectiveness of those services.
- Local Involvement Networks (LINKs) are the Government's primary mechanism for the involvement of citizens and the third sector in the co-production of social care services. LINKs were established in April 2008 in every local authority with a responsibility for social services. LINKs are independent networks made up of individuals and community groups who work together to improve local health and social care services. They aim to give service users and citizens a stronger voice to shape public services. Run by local individuals and third sector groups and independently supported – the role of LINKs is to find out what people want, monitor local services and use their powers to hold them to account. LINKs have the power to:

- » Enter and view specific types of premises

where services and care is provided;

- » Ask for information and expect an response within a specific timescale;
  - » Make recommendations and expect a response within a specific timescale; and
  - » Refer matters to the local overview and scrutiny committee and expect a response.
- LINKs are able to participate in all stages of the commissioning process including contribution to Joint Strategic Needs Assessments, development of service specifications and feedback about existing provision. Approximately, 30,000 individuals and third sector organisations are members of LINKs.
  - The Government's new *Right to Control for Disabled People*<sup>3</sup> is a strong example of the third sector involvement in the design and development of personalised services. The third sector is represented on the Department for Work and Pension's *Right to Control Advisory Group*, a group that meets regularly to help develop the policy and implementation of the Right to Control. One of the minimum criteria for selecting the *Right to Control Trailblazers*<sup>4</sup> was a requirement to work in partnership with disabled people and their organisations to design and deliver the Right to Control in each local authority area. Field support and good practice materials will be provided to assist the Trailblazers to co-

produce their design and delivery of the Right to Control.

- The Advisor's report provides examples of how the Ministry of Justice is engaging offenders, ex-offenders and their families in researching, evaluating and improving the outcomes of rehabilitative services. Within the Ministry the National Offender Management Service (NOMS) recognises that staff and service users are separated by role, power and perspective but that the two groups each have vital but separate contributions to make towards the development of activities that reduce reoffending.
- NOMS will shortly commence a thematic programme of work drawing together the various strands of service user engagement taking place across prisons and Probation Trusts. The aim is to consider learning to date and determine the benefit to be had from an increased level of user feedback in both policy development and operational practice.
- In response to Article 11 of the European Convention on Human Rights (*the freedom of peaceful assembly and association with others*) introduced into English law by the Human Rights Act 1998, prison Governors were invited to establish Prison Councils (Prison Service Order 4480 (July 2002)). The Ministry of Justice recognises that an effective and inclusive Prison Council system has the potential to provide a broad range of benefits. Improving levels of inclusion through a Prison Council can be achieved if the basis of the Council is democratic in nature with the opportunity for prisoners

<sup>3</sup> The Right to Control will give disabled adults greater choice and control over certain state support they receive to go about their daily lives.

<sup>4</sup> 8 areas in England have been selected to become Trailblazers. From late 2010 the Trailblazers will test the best way to deliver the Right to Control.

and staff to participate in the process equally. NOMS is currently working with third sector organisations to introduce a model for Prison Councils with a more inclusive approach to prisoner engagement through elected prisoner representation. The new brand of Councils will have a composition that is determined by periodic elections depending on the prisoner turnover, in which the whole prison community – both staff and prisoners – vote for issue based groups that best represent the key issues faced by the population of each prison.

- The Ministry of Justice recognises that user involvement can be a particular strength of third sector organisations and that many of these organisations enable diverse and socially excluded individuals and communities to engage. The way this happens with offenders must take into account the fact that prison and probation services are not the same as the National Health Service, for example. This is because offenders may not necessarily want to cooperate with their sentence and interventions to support rehabilitation but are required to do so by the courts and society.
- The Ministry is also funding and/or enabling umbrella organisations (such as Clinks and Action for Prisoners Families), advisory groups (such as the Reducing Reoffending Third Sector Advisory Group) and alliances that provide a third sector voice in reducing reoffending. This voice is informed by the views and experiences of service users, their families and victims of crime. The Ministry of Justice agrees that there is scope to learn from and build on these initiatives and to

strengthen the involvement of victims of crime and wider communities in shaping the Criminal Justice System. This includes making even better use of our partnerships with third sector organisations many of whom have user forums and feedback mechanisms.

- The Ministry of Justice shares the Advisor's disappointment concerning the lack of involvement of victim's organisations in her work. The requirement to develop more personalised services for victims of crime was identified by the Victims' Champion, Ms Sara Payne. Ms Payne met with hundreds of victims and witnesses to understand how they experienced the Criminal Justice System. Her key recommendation<sup>5</sup> is that victims need to be considered in terms of the total impact of the crime committed against them and their individual needs arising from this impact. This work led to the Government launching the National Victims Service to be delivered by Victim Support working in partnership with other third sector agencies. The underpinning principle of the service is that all victims will receive a needs assessment and be provided with services tailored to their specific needs.
- Giving the wider community more and better opportunities to be involved in the Criminal Justice System was the objective of the 2009 Green Paper, *Engaging Communities in Criminal Justice*, presented by the Justice Secretary, Home Secretary and Attorney General. The proposals in the Green Paper are being taken forward in a number of ways, enabling the public increasingly to feed in their

<sup>5</sup> Redefining Justice, Addressing the individual needs of victims and witnesses, HM Government (2009)

views on, for instance, crimes of particular local concern, projects they would like completed by offenders through Community Payback, and how recovered criminal assets should be spent. The criminal justice services for their part are giving the public more information on how the system is performing in addressing their priorities.

**Recommendation 2.1 (b): The future spending and strategic priorities of the Cabinet Office, Department of Health and Ministry of Justice’s capacity building programmes should explicitly consider how to ensure that user-led organisations can more easily access the support they need in order to drive forward personalisation. Consideration should be given to what support could be provided locally and regionally via Primary Care Trusts, Strategic Health Authorities and Directors of Offender Management.**

- Local and central Government invests in provision of support and advice services to ensure that all organisations can access the support they need to achieve their aims. This includes those working with disadvantaged people, equalities groups, and health and social care. Many support services are funded locally, and decisions on priorities for this support are made locally.
- The Futurebuilders Fund has provided over £154 million of investment specifically in order to enable third sector organisations to build their capacity to bid for contracts for public service delivery. Although the Cabinet Office

does not collect data about investments in user-led or preventative services, nearly 40 per cent of all Futurebuilders investments have been made in organisations delivering health and social care. From April 2008 to September 2009, Futurebuilders’ investees won new contracts from local NHS and Primary Care Trust bodies amounting to nearly £9 million. The Futurebuilders programme is now fully committed and closed to new applications. The programme is being independently evaluated and the learning from the Fund will be used to inform future thinking on social investment and public service delivery in the third sector.

- Through Capacitybuilders, Government helps third sector organisations access the support they need to achieve their aims, including by strengthening local statutory partnerships and accessing new income sources. Capacitybuilders has specific investments to ensure that local support provision is accessible to equalities groups, such as user-led organisations of disabled people. The recommendation on future spending will be taken into consideration.
- Through its commitment to the transformation of adult social care, the Government will continue to promote the importance of user-led organisations (ULO). The milestones for measuring progress in delivering effective partnerships with people using services, carers and other local citizens include that every council area has at least one user-led organisation who are contributing to the transformation to personal budgets by December 2010.

- The Department of Health is continuing to encourage local authorities to support ULOs at a local level and is supporting the capacity building of ULOs at a regional level. For example, the Department of Health and the Office for Disability Issues (ODI) have provided over £2.16 million between 2008-10 for capacity building work in the regions. This funding aimed to encourage local authorities to develop the capacity and capability of ULOs at a local level.
- The Department of Health has also worked with ULOs to develop relationships with local authorities and to help them secure on-going funding. Key activities have included:
  - » In March 2009, publishing *Working together with user-led organisations*<sup>6</sup>, which set out the benefits to local authorities of working with ULOs and provides examples of good practice;
  - » Supporting the Association of Directors of Adult Social Services (ADASS) to work with the National Centre for Independent Living (NCIL) and the Local Government Association (LGA) to revise a joint protocol to support the development of ULOs and user led support services<sup>7</sup>. This document encourages local authorities to work together with ULOs in the tendering process; and
  - » Social Care Institute for Excellence (SCIE) is also producing good practice guidance for commissioners on working with ULOs.
- There are a range of agencies funding and working with socially excluded individuals, including ex-offenders and those at risk of offending, that contribute to reducing reoffending. These will include service areas where user-led organisations have a role and the Ministry of Justice will work with its partners to consider how the support needs of these organisations can be met. The Ministry and NOMS are also working with organisations led by ex-offenders and will consider the support needs of these organisations as part of the wider third sector contributing to reducing reoffending.
- Although not addressed by the Advisor, there is scope to build the capacity of user-led victims' organisations, including local self-help groups. The Ministry of Justice will work with partners to consider how this can be achieved as part of developing the National Victims Service.

**Recommendation 2.1 (c): There is much to learn from the work of the Department of Health's User Led Organisations (ULO) project and consideration should be given to its transferability to other public service areas, including other areas of areas of health and social care and services to reduce reoffending.**

- A key element of the User Led Organisation (ULO) project has been promoting user engagement and involvement. The project has been a different way of working for

<sup>6</sup> [www.dh.gov.uk/en/Publicationsandstatistics/Publications/Publication-PolicyAndGuidance/DH\\_096859](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/Publication-PolicyAndGuidance/DH_096859)

<sup>7</sup> [www.adass.org.uk/images/stories/Learning\\_Disability/ADASS%20-%20NCIL%20protocol%202009%2014%201%2009.doc](http://www.adass.org.uk/images/stories/Learning_Disability/ADASS%20-%20NCIL%20protocol%202009%2014%201%2009.doc)

Government and there are lessons to be learned from the project and the process.

- Good practice products from the Wave 1 Action and Learning Sites are now published on the National Centres for Independent Living (NCIL) website<sup>8</sup> as a resource for others. The Department of Health is also planning to publish a short summary of the Wave 1 products, *Sharing the Learning*, in March 2010.
- The ULO project's Action Learning Sites are sharing experiences, advocacy and support and developing networks of support for each other. Further products will be delivered by the second Wave of sites.
- The Ministry of Justice believes that the transferability of the Department of Health ULO project is limited in relation to offender management because prison and probation services are not led by the demands of offenders and this type of activity is not possible for those offenders who are in custody. As outlined in response to recommendation 2.1(a) NOMS is actively looking at increasing user feedback by other means. There is however scope to learn from the project's broader lessons on user engagement and to explore transferability in relation to services to support victims of crime and the range of rehabilitative and other services that contribute to reducing reoffending by supporting individuals with complex needs.

**Recommendation 2.1 (d): The Department of Health should provide a clear and ambitious programme of actions to further third sector involvement in Joint Strategic Needs Assessments. The third sector should actively engage in this process and specifically consider how local representation on generic issues is dealt with.**

- The Department of Health recognises the valuable role and contribution third sector organisations have to offer. The Department of Health has engaged with a range of third sector organisations to scope and assess the approach that should be taken to ensure this contribution is maximised.
- The Department of Health's Joint Strategic Needs Assessment (JSNA) Programme is currently in the commissioning stage for a work stream of activity to better engage the third sector in JSNA processes in spring and summer 2010. The Department of Health anticipates a range of activities will be developed, in partnership with the sector, including:
  - » Work with leading third sector organisations in health and well-being (particularly those with national and local infrastructure) to develop their understanding of the role of the JSNA process in strategic commissioning and service redesign and their capacity to contribute. For example, this may include guidance, tools and/or case studies to help third sector organisations collect and feed in high quality data on the needs of seldom heard or client-based groups into local JSNA processes;

8 [www.ncil.org.uk/ulos.asp](http://www.ncil.org.uk/ulos.asp)

- » Work to develop the potential of existing patient and service user engagement bodies (for example Local Involvement Networks) to play a more consistent role in delivering more substantive qualitative information into the JSNA process, in particular patient/service user satisfaction with services and wider individual and community aspirations around health and well-being; and
- » Work with local infrastructure organisations (such as Councils of Voluntary Services) to help other infrastructure organisations to act as local leaders around third sector engagement in JSNA processes. For example, this might include the development of resources to help local infrastructure organisations to make the case for engagement and providing advice and support to third sector colleagues where helpful.
- The products of the JSNA Programme will be disseminated to the statutory sector through existing arrangements that include:
  - » Ongoing engagement with World Class Commissioning Leads;
  - » Dialogue with regulators - Audit Commission and Care Quality Commission (CQC); and
  - » The Improvement and Development Agency (IDeA) community of practice portal<sup>9</sup>
- As a minimum, the national JSNA programme will be producing a coherent good practice

toolkit for JSNAs by the end of 2010/11 that will place a greater emphasis on enhancing the contribution of the third sector in JSNAs.

## 2.2. Quantifying the Value of User Involvement

**Recommendation 2.2 (a): In order to support greater service user involvement in the design and delivery of personalised services, the third sector should develop the tools and skills to evidence the value of strong user involvement and commissioners should recognise this contribution towards the personalisation of public services.**

- The Office of the Third Sector (OTS) Measuring Social Value project aims to increase the capability of third sector organisations to understand, measure, prove and articulate the social and environmental impact they have, and the value that creates. It also aims to support social investors and commissioners of public services to understand this social value and thereby make more intelligent investment and purchasing decisions. The project builds on existing work on impact measurement and focuses on increasing the accessibility and affordability of using Social Return on Investment.
- The *Putting People First*<sup>10</sup> agenda for transforming adult social care is changing the local commissioning environment for some of the services that third sector have

<sup>9</sup> [www.communities.idea.gov.uk/welcome.do](http://www.communities.idea.gov.uk/welcome.do)

<sup>10</sup> Department of Health (2007) *Putting People First: a shared vision and commitment to the transformation of adult social care* [www.communities.idea.gov.uk/welcome.do](http://www.communities.idea.gov.uk/welcome.do)

traditionally provided. These changes are beginning to shift the commissioning role from the public sector to the individual. This has a number of potential implications for volunteering. It may be that some individual budget holders choose to pay for forms of support that have previously been provided on a voluntary basis. Conversely, there is greater scope here for third sector organisations, particularly user-led organisations, to enhance volunteer involvement in advocacy and peer support roles for those in receipt of personal budgets. Either way, those in local strategic commissioning roles will need to assess the implications of these changes and look at how social capital, as well as choice, is built into local provision.

- The Department of Health promotes and supports user involvement, for example, through the development of LINKs, the JSNA process and in the development of personal health budgets. Furthermore, the value of patient, carer and service user involvement is embedded in the World Class Commissioning Competencies.
- The Department of Health's Third Sector Programme and Third Sector Strategic Partner Programme explicitly recognise the need to ensure that third sector organisations develop the tools and skills to evidence the value of their approach, including user involvement. Through Department of Health funding, programmes and capacity building activity, the Department will work in partnership with the sector to support this development.

- The Ministry of Justice is committed to continuing to support its commissioners to recognise and understand the value of engaging users and communities in shaping and delivering services which better meet needs and deliver agreed outcomes. To achieve this, the Ministry of Justice will work in partnership across Government and sectors to share learning. This would undoubtedly be supported by a stronger evidence base. The Ministry's funding to third sector infrastructure supports capacity building third sector service providers including in relation to measuring and demonstrating outcomes.
- The Ministry of Justice will actively explore how Social Return on Investment (SROI) can be used by commissioners to engage service users and local communities and add value through the achievement of additional social, economic and/or environmental outcomes. The Ministry is at the outset of contributing to National Audit Office (NAO) commissioned research into what extent SROI could be useful in central Government commissioning and will learn from the experience of other departments.

### **2.3. Funding Preventative Personalised Services**

**Recommendation 2.3 (a): The Government should explore models of sustainable funding for the third sector to provide personalised preventative services, including the further development of Social Impact Bonds.**

- The Government is committed to supporting the development of a strong and sustainable social investment market in the UK.
- On 18 March 2010, the Justice Secretary launched a Social Impact Bond (SIB pilot) aimed at reducing reoffending rates for short term prisoners. Reducing reoffending is one of the Government's highest priorities. Between 2000 and 2007, the frequency of adult reoffending fell by 20.3 per cent. But we are always looking at new ways of further reducing reoffending that provides value to the taxpayer. The six year SIB pilot is a new and innovative way of funding services that will be of benefit to society from outside Government. The pilot scheme run by Social Finance will begin in the summer of 2010 and will see around 3,000 short term prisoners serving sentences of less than 12 months receive intensive support from third sector organisations both in prison and in the community following release from Peterborough prison. Funding from investors outside Government will be used to pay for the interventions, which will be delivered by third sector providers with a proven track record of working with offenders. If reoffending is reduced by 10 per cent, the investors will receive funds from Government which will ultimately result in a long term saving for the tax payer, by creating less demand for prison places and so reducing the cost of imprisonment to society.
- The Ministry is undertaking a programme of work to strengthen the role of social enterprises including in relation to reducing reoffending. The Ministry held a cross-sector round table in January 2010 followed by a national conference in March 2010 to promote the role of social enterprise and to inform the development of future priorities and activity. Through Cabinet Office funding NOMS has commissioned the mapping of social enterprises working with prisons and probation (a report was published in November 2009) and is undertaking a programme of action research focussed on developing work with the social enterprise sector. A number of pilot projects have been identified and more will follow the research programme being carried out by the Social Enterprise Coalition.
- The Department of Health's £100million Social Enterprise Investment Fund (SEIF) is stimulating the start-up and increasing the sustainability of social enterprises through business support and investment in transformative services. The SEIF has invested in over 200 existing and start-up social enterprises since 2007. Examples of investments range from revenue grants of up to £20,000 for new projects, to investment packages (including loans) of up to £1million. SEIF is also supporting the *Right to Request*, which enables clinicians in primary and community care to request to provide their services through a social enterprise, if this will improve patient care.
- At the Pre-Budget Report 2009, the Government announced its intention to commit up to £75 million of the funds expected to be released through the Dormant Accounts Scheme in England, subject to the final volume of funds and alongside funding other priorities. Operating at a wholesale level

and through specialist retail intermediaries, the Social Investment Wholesale Bank would aim to increase the access to appropriate finance for organisations delivering social impact. It would seek to leverage in new flows of private investment in this space. The Office of the Third Sector is currently developing a model for this institution.

## 2.4. Enabling a Diversity of Supply

**Recommendation 2.4 (a): To inform the development of diverse markets, the Government should assess the cost benefit of the existing programmes to support smaller third sector providers and their transferability to the criminal justice system.**

- The Ministry of Justice welcomes this recommendation. The Ministry is committed to commissioning high quality services from a diverse market of providers that deliver real outcomes and public value.
- The Ministry of Justice and NOMS third sector strategies<sup>11</sup> recognise the unique role of small, local, third sector providers as part of a diverse market to deliver the range of needs and support required. The development of Probation Trusts, Youth Offending Teams and devolved commissioning through other local partnerships such as Community Safety Partnerships, Children's Trusts, Local Strategic Partnerships and Total Place initiatives should

provide a range of opportunities for smaller organisations to deliver services to offenders and their families within local communities.

- However, the Ministry of Justice recognises that there are a range of smaller providers, including those meeting specialist needs and working at neighbourhood level, whose vulnerability is increased within a commissioning environment. The Ministry of Justice is already engaged in work taking place across Government to look at how mixed local public service markets can be maintained and developed through the use of sub-contracting and consortia arrangements. While the direction of travel is to move from grant funding to commissioning offender services, it is recognised that grants can be particularly effective in supporting smaller providers and specialist services. The Advisor's report refers to the £11 million the Ministry has invested through third sector grants to support projects that provide extra and enhanced community support to women offenders who are not a danger to the public and women at risk of offending. The Ministry of Justice and NOMS will continue to use grant funding alongside commissioning where this better meets outcomes and are developing guidelines on the appropriate use of grants.
- The Department of Health continues to support NAAPS<sup>12</sup> in its work of supporting and developing micro providers of community services including, where possible, any analysis NAAPS might wish to undertake of recent projects.

<sup>11</sup> Ministry of Justice (2008) *Improving policies and securing better public services through effective partnerships* [www.justice.gov.uk/publications/third-sector-strategy.htm](http://www.justice.gov.uk/publications/third-sector-strategy.htm)

Ministry of Justice (2008) *Working with the third sector to reduce reoffending* [www.justice.gov.uk/publications/third-sector-reoffending.htm](http://www.justice.gov.uk/publications/third-sector-reoffending.htm)

<sup>12</sup> The National Association of Adult Placement Services – A UK charity representing micro social care enterprises

## 2.5. Capacity Building the Sector to Deliver Personalisation

**Recommendation 2.5 (a): In order to maximise the third sector's potential contribution, Government should ensure that its capacity building and business support for the sector enables it to respond to the introduction of personalisation.**

- The National Support Service on Income Generation (delivered by the Association of Chief Executives of Voluntary Organisations, and funded through Capacitybuilders) includes a specific programme element on supporting the change to personal budgets. This helps support providers to understand personal budgets and tailor their services to support those who are moving into this area. Furthermore, the Office for Disability Issues is working with Capacitybuilders to develop the Improving Support website<sup>13</sup> to provide access to support organisations for Disabled People's Organisations and user-led organisations.
- The Department of Health will continue to work with their Third Sector Strategic Partners and other leading stakeholders to ensure that the development of policy in relation to personalisation is informed by third sector experience and expertise and that the development of capacity building and business support is responsive to sector needs and achieving the policy intent.
- The Government has provided funding to English regions to develop a stronger user-led organisation infrastructure and to help councils transform the way in which social care is provided. A key element of the Department of Health's User-Led Organisation project is capacity building work in the regions and the Department of Health and Office for Disability Issues (ODI) have provided over £1.8million in 2009/10 for this work.
- One of the main strands of the Government's National Programme for Third Sector Commissioning is providing training and support to the third sector to improve its capacity to engage with commissioners around adapting to individual budgets and the personalisation agenda and improve overall bidding practice. Recent courses have been fully subscribed suggesting there is a high degree of interest in the topic.
- As devolved personal budgets are not appropriate for offenders, it is the Advisor's broader definition of personalisation - as the provision of responsive, needs-led, joined up services with a focus on prevention rather than cure – that will inform any investment made by the Ministry of Justice to help develop a diverse market and to build the capacity of third sector providers. The Ministry of Justice is committed to strengthening these types of approaches to reduce offending and reoffending by adults and young people. With partners it is supporting and exploring multi-agency initiatives that include an increased focus on integrated provision and resettlement support, wrap around support tailored to the needs of individuals, prevention and diversion.

<sup>13</sup> [www.improvingsupport.org.uk](http://www.improvingsupport.org.uk)

**Recommendation 2.5 (b): The Government and third sector information, advice, advocacy and brokerage providers should explore further the capacity building and business support needs of these organisations to ensure that this part of the sector is equipped to support people to exercise real choice.**

- The Government recognises the importance of effective advice, advocacy and brokerage services. For example, plans for the provision of such services were one of the criteria against which applications to become *Right to Control* for disabled people Trailblazers have been assessed and the Office for Disability Issues will be issuing Statutory Guidance to clarify how authorities can meet the requirement to assist a disabled person to access independent advice and guidance with their support plans and with exercising their Right to Control. Non-statutory good practice guidance on the Right to Control customer journey will also cover guidance and good practice examples on the provision of information, advice, advocacy and brokerage services.
- It is the responsibility of local commissioners in PCTs and Local Authorities to consider the capacity building and business support needs of the local third sector providers of information, advice, advocacy and brokerage services. However, as part of the Department of Health's work to transform adult social care services<sup>14</sup>, the Government is committed to delivering the following:
  - » By April 2010, every council will have a strategy in place to create universal information and advice services;
  - » By October 2010, every council will put in place arrangements for universal access to information and advice; and
  - » By April 2011, the public will be informed about where they can go to get the best information and advice about their care and support needs.
- The Advisor refers to the information, advice and advocacy service supported by the Ministry of Justice through community support to women offenders who are not a danger to the public and women at risk of offending. This programme should provide the Ministry of Justice with some further learning on meeting the support needs of these organisations and supporting sustainability.

**Recommendation 2.5 (c): Lessons should be drawn from the Department of Health's User-Led Organisation Project about the capacity building needs of information, advice, advocacy and brokerage services and should inform future initiatives, such as the ODI's Trailblazers for the *Right to Control for Disabled People*.**

- The *Right to Control* Trailblazers will build on the lessons learned from the Individual Budget pilots with the removal of legislative obstacles to choice and control by amending primary legislation.

- Draft regulations to provide local authorities with a more detailed framework of how they will need to deliver the *Right to Control* during the Trailblazers have been developed in consultation with disabled people and their organisations as well as providers and local authorities. These were published for consultation on 25 February 2010.
- The legislative framework is deliberately flexible to allow a range of solutions to emerge. If the pilots show that further legislation or administrative flexibilities are needed to deliver the right outcomes for people, the Office for Disability Issues will examine the options available.

**Recommendation 2.5 (d): In partnership with key volunteering organisations, the Department of Health and the Cabinet Office should consider the impact of personal and individual budgets on the support offered by and to volunteers.**

- The Department of Health published a strategic vision for volunteering in health and social care on 16 March 2010. This vision acknowledges the impact that the introduction of individual budgets potentially has on volunteering both in terms of challenges and opportunities. As such, the Department of Health will take forward this recommendation through the implementation of its strategic vision for volunteering.
- The approach the Department of Health is taking to promote and support volunteering in health and social care is very much a collaborative one. There has been strong stakeholder engagement in consultation and with a cross-sector Working Group in developing the strategic vision. There are plans in place to continue working with key volunteering organisations in a Stakeholder Reference Group that will inform operational delivery of the Department's Health and Social Care Volunteering Fund and support the Department's role in promoting the strategic vision.
- Through the vision, the Department of Health will be promoting a broader understanding of the potential of volunteering, particularly in peer support roles, which can add particular value for those with individual budgets, and greater levels of local partnership working between agencies to provide volunteers with the support that they need.
- The Department of Health's already operational Innovation, Excellence and Service Delivery Fund has been designed to recognise the need to invest in innovation that has the potential to contribute to service redesign in response to the transformation agenda.
- The Department of Health also plans to work with the Office of the Third Sector and other Government departments (Communities and Local Government, the Department for Work and Pensions, the Ministry of Justice and the Department of Children Schools and Families) at national level to strengthen partnership approaches to the promotion and support of volunteering more generally.

**Recommendation 3 (a): The Cabinet Office, the Department of Health, the Ministry of Justice, the Department for Work and Pensions and their key third sector partners should work together to develop mechanisms to share information between with and between third sector organisations, Government departments and other public sector bodies about the future of personalisation.**

- The Office of the Third Sector has forty third sector strategic partners, the objectives of which all include:
  - » To disseminate information and advice about Government policy to their members, constituents and partner organisations; and
  - » To act as advocates for their membership, partner voluntary organisations, delivery partners or constituents, representing their 'voice' into government.
- As part of its strategic partnership agreement with the Office of the Third Sector, the Association of Chief Executives for Voluntary Organisations (ACEVO) has taken a leading role in the debate about the personalisation of public services and the introduction of personal budgets in a variety of areas of public service provision, including social care and healthcare. ACEVO is working with third sector leaders to understand how the introduction of personal budgets will impact on their business models.
- Work is already underway with the Department of Health's strategic partners

programme to build on existing mechanisms in the third sector to share information, expertise and experience between all partners to inform policy development and build third sector capability.

- Given the complexities involved, and the specific issues in relation to offender management, the Ministry of Justice agrees that it is important to have a shared understanding of what personalisation means. The Ministry welcomes initiatives that will support the sharing of information and learning as an integral part of wider cross-Government, cross-sector work on public service reform.

# Government response to Cabinet Office Advisor on Third Sector Innovation's recommendations on The Role of the Third Sector: Personalisation of Education and Learning

## 1. The role of the third sector as a provider of personalised education and learning

### 1.1. Recognising the value added by third sector providers

#### 1.1.1. Measuring success

**Recommendation 1:** Discussions with the third sector should be included in the Department for Children Schools and Families' (DCSF) consultation on a separate indicator for partnership working in the School Report Card.

- DCSF knows that there are already a wide range of partnership arrangements and wants to consult on what schools think works best at a local level, in different circumstances, and understand better what is effective about the most effective partnerships.
- DCSF very much welcomes discussions with the third sector having received a number of responses from third sector organisations to the original School Report Card Consultation.
- However, DCSF recognises that while all sorts of partnerships are an increasingly vital aspect of how schools need to operate the Department needs also to recognise that it is not reasonable to hold schools to account for outcomes over which they can

have only limited influence, but they should be accountable for their impact on the partnerships in which they engage.

**Recommendation 2:** Local authorities should meet DCSF's expectation to help local third sector organisations to use the development of Foundation Learning<sup>15</sup> to accredit the work they do with young people

- DCSF welcomes the recommendation. The third sector has an important role to play in offering opportunities for young people in Foundation Learning programmes, including through accreditation of some of the informal opportunities they currently offer. Local authorities are responsible for the delivery of foundation learning in their local areas and in this role they should ensure that the third sector is fully engaged.

**Recommendation 3:** Third sector organisations should take a proactive role in the roll out of Foundation Learning.

- DCSF welcomes this recommendation. The third sector has an important part to play and DCSF would welcome them working closely with local authorities and 14-19 Partnerships to develop the offer for young people in local areas.

<sup>15</sup> Explain foundation learning and where expectation is

**Recommendation 4: Both the third sector and commissioners should explore further the use of methods such as Social Return on Investment (SROI) to demonstrate the full value of services.**

- The Office of the Third Sector (OTS) Measuring Social Value project aims to increase the capability of third sector organisations to understand, measure, prove and articulate the social and environmental impact they have and the value this creates. It also aims to support social investors and commissioners of public services to understand this social value and thereby make more intelligent investment or purchasing decisions. The project builds on existing work on impact measurement and focuses on making SROI cheaper and more accessible.
- DCSF welcomes the drive for the third sector to use analytical methods such as SROI to demonstrate the full value of their services and to add to the evidence base for interventions to improve social, emotional and personal outcomes.

**Recommendation 5: The DCSF Commissioning Programme should raise awareness of the potential value of SROI as a measurement tool for Children's Trusts.**

- The DCSF Commissioning Support Programme will consider what it can do to raise awareness of SROI including through the dissemination of useful information and outputs produced by partners such as the OTS and the Improvement and Development Agency (IdEA).

- The OTS Measuring Social Value project aims to support commissioners of public services in understanding and measuring the social value that is created through the commissioning of services. One of the project outputs is a new set of guides on SROI, including 'Social Return on Investment - and commissioning', which explains how SROI can be used by commissioners and helps commissioners to use SROI to achieve more social value when commissioning services. SROI is also being embedded within the National Programme for Third Sector Commissioning.

**1.1.2. Commissioning**

**Recommendation 6: DCSF should assess the effectiveness of the Commissioning Support Programme's work on commissioning from the third sector**

- The DCSF has commissioned PricewaterhouseCoopers to conduct an independent evaluation of the Commissioning Support Programme which will cover all aspects of its work and help to inform the future development of the Department's commissioning policy.
- The Compact helps provide a framework for successful partnerships between government and third sector organisations. Any commissioning processes should be linked to and comply with the undertakings in the refreshed Compact which was published in December 2009.

**Recommendation 7: DCSF's Commissioning Support Programme and the National Programme for Third Sector Commissioning (NPTSC) should continue to work together and strengthen their relationship**

- The DCSF Commissioning Support Programme will continue to work closely with the NPTSC and explore how appropriate synergies can be realised. This will be supported by the Department's representation on the Steering Group for the NPTSC.
- The Cabinet Office is committed to building a strong relationship with the DCSF Commissioning Support Programme and capitalising in any opportunities for joint work.
- Building on recommendation 5, one area for joint work may be to share information from the NPTSC on SROI.

**Recommendation 8: DCSF's Commissioning Support Programme should continue careful consideration as to how third sector commissioning can be supported once the programme ends on 31 March 2011, and consider building this into the role of existing Commissioning Champions.**

- The DCSF Commissioning Support Programme (CSP) will be looking at this, among other issues, as part of its work to ensure it leaves a sustainable legacy. The role of the Commissioning Champion, which is currently specific to a Children's Trust's interaction with the CSP, will also, be considered in conjunction, where necessary, with the

Association of Directors of Children's Services and other relevant partners.

**Recommendation 9: Total Place activities that aim to improve education and learning outcomes should involve the third sector more.**

- DCSF will explore the issue of third sector involvement in Total Place with relevant policy officials in Communities and Local Government (CLG) and HM Treasury.

**Recommendation 10: DCSF and CLG should explore how learning could be shared between the Children's Trust and Total Place teams locally and nationally.**

- In light of ongoing developments on Total Place, and the new DCSF guidance on Children's Trusts, DCSF will explore with CLG and sector improvement bodies how, as part of a more unified approach to public sector improvement, learning could be shared between Children's Trusts and those engaged with Total Place activity locally.

**1.2. Third Sector as a partner in a learning 'package'**

**Recommendation 11: Local infrastructure organisations should play an important role in improving third sector organisations' links with schools**

- DCSF would welcome local third sector infrastructure organisations taking a more proactive role to bring about greater networking and exchange of information between local third sector organisations, local authorities and schools, through local Children’s Trust arrangements. Greater sharing of information which improves efficiency and results in improved outcomes for children, young people and families is welcomed.

**Recommendation 12: National infrastructure organisations should support third sector organisations to market themselves more effectively to schools as learning providers.**

- DCSF already works closely with a range of national third sector infrastructure organisations, many of whom are represented on the Department’s Third Sector Group.
- The Department’s Third Sector Group was established in late 2008. Its purpose is to:
  - » help strengthen the influence of the third sector within DCSF, thus enabling it to play an increasingly active part in contributing to the Department’s agenda; and
  - » hold the Department to account and enable it to understand more fully the implications of its policies for and on the third sector
- DCSF is aware of the many activities currently undertaken by these organisations to help build the capacity of their members at a local level. DCSF would welcome any additional work which would provide local third sector

organisations with the information and skills to enable them to market themselves and the services they provide more effectively.

- The OTS also works closely with a number of national third sector infrastructure organisations, notably through its strategic partners programme, which provides long-term unrestricted funding to third sector infrastructure organisations that operate at a national and regional level. The OTS has forty strategic partners which include a number of organisations focusing on young people such as National Council for Voluntary Youth Services (NCVYS). The strategic partners programme enables the views of the sector to be heard and allows the sector to help shape the development of Government policy. This type of funding offers financial stability to our strategic partners.

**Recommendation 13: In considering its capacity building and investment programmes, the Government should specifically consider how to develop the capacity of providers of ‘packages’ of learning.**

- DCSF currently provides capacity building support to third sector organisations through its Children, Young People and Families Grant Programme, introduced in April 2006. Through the programme, DCSF provides strategic and innovation grant funding direct to third sector organisations for activities and projects which support the Department’s Children’s Plan and the Every Child Matters agenda. In 2009-10, the DCSF provided

funding of around £39m to third sector organisations through this programme. The Department conducted a consultation on the effectiveness of the grant programme in 2009. In considering the future shape and direction of the grant programme from April 2011, DCSF will consider how infrastructure and capacity building support can best be provided to third sector organisations including those providing packages of learning.

### 1.3. Innovative uses of new technologies

#### **Recommendation 14: The Government should continue to support innovation in technology across all providers including the third sector**

- The Government is exploring a range of approaches to develop and grow some of the third sector's best and most innovative ideas.
- DCSF and Becta, the Government's agency for taking forward technology in education, recognise the importance of innovation in this sector and the links to schools. DCSF and Becta are keen to encourage partnerships between those involved in educational technology and the third sector. Funding provided to Futurelab for innovative ideas over the past three years is just one way in which this is being supported in practice.
- The OTS established and is the primary funder of the Innovation Exchange, which offers coaching and expert consultancy to develop ideas and practice, as well as to help innovators to connect with service users, funders and other partners to ensure long-term success. Through its Next Practice Programme of 15 projects, the Innovation Exchange is supporting a number of third sector innovations in technology. One such project is CyberMentor, a unique and pioneering programme, run by Beatbullying, which aims to tackle cyber bullying and help keep safe millions of children and young people as they use the internet and explore new technology. The project works with young people, training them to become peer mentors in their schools, and at the same time equipping them to operate online – supporting their peers as they use social networking sites, mobile and text messaging services.
- The OTS will use and share the learning from the Innovation Exchange to inform future considerations across Government about how to support third sector innovations in technology.

## 2. Role of the third sector as a driver for personalisation

### 2.1. The third sector's role in engaging parents and the wider community

**Recommendation 15: The Cabinet Office, CLG and DCSF should work together to explore how their work on community assets and extended services in schools could feed in to one another.**

- The OTS (part of the Cabinet Office) works across government to enable third sector organisations to play a full role in the support and regeneration of neighbourhoods, including a range of initiatives that invest in community ownership of assets, typically buildings. The organisations that manage these assets are driven by a desire to make life better for the people in their area and often work closely with statutory partners including local authorities. Partnership is a vital element in the independent determination and delivery of activities by these organisations as they respond to local needs, without central direction but with a local focus. The extended services agenda is one of many important ways that these 'community anchors' can help to raise aspirations and levels of achievement and many will take the opportunity to use this and other ways of engaging with the community and young people in particular.
- Over 20,000 (95%) of schools are now providing access to the core offer of extended services based on the needs of their local community. Effective partnership working plays a very important role and extended

services can be delivered between schools in clusters, or other groupings, and schools also work in partnership with the local authority, and with private, and third sector organisations to provide access to services. DCSF has contracted with the Training and Development Agency for Schools (TDA), who is working in partnership with third sector organisations Continyou and 4Children, to provide support to schools and local authorities in developing extended services. During 2010, DCSF will work together with the Cabinet Office and Communities and Local Government to explore how effective links can be made between extended services and work around community asset transfer. We will also work to identify the lessons that can be transferred to schools from the Government's investment of £272m through myplace about the role of the third sector in delivering facilities for positive activities.

- CLG is committed to taking a rounded view of communities' needs and breaking down silo working, for example through total place style working. CLG is happy to explore with Cabinet Office and DCSF how to work together to maximise the impact of their work on community assets and how it links with the delivery of extended services in schools.

### 2.2. The co-operative Trust school model

**Recommendation 16: DCSF should deliver on its commitment to carry out and publish the evaluation of the first co-operative Trust schools.**

- ‘Live’ co-operative model Trust schools are relatively new and small in number, which has meant that effective evaluation has not yet been undertaken.
- DCSF intends to carry out a 3 year evaluation of the whole Trust schools programme – which will commence in late 2010 – and will be examining the impact of the different trust models that are being implemented – including co-operative trusts. DCSF is particularly interested in how the different models impact on standards and governance and how successful they are in engaging the wider community.

**Recommendation 17: Learning from the evaluation should be used to raise awareness and understanding of the co-operative Trust model amongst schools, parents, and communities.**

- The decision to acquire a Trust, which Trust partners to work with, and which model to adopt is a matter for the governing body of the school concerned, and DCSF recognises that co-operative Trust arrangements will not be the most suitable in all cases. However, the Department has already produced a guide to co-operative Trust schools and announced funding for a network of co-operative Trust schools, and we are committed to learning from the experience of the existing co-operative Trust schools to support the extension of good practice in community engagement following evaluation in due course.

- In addition, a number of schools are currently having particular models of governance imposed as part of a structural solution to ongoing poor performance, with a Trust led by a strong education provider with a good track record appointing a majority of governors to that school.

**2.3. Third sector as a catalyst for professional development**

**Recommendation 18: DCSF should explore how stronger links can be established between third sector organisations developing approaches to professional development and existing provision.**

- DCSF welcomes the emphasis within the report on effective personalised continuous professional development for the school workforce and the important place of diverse organisations, including third sector organisations, as sources of specialist expertise and innovation.
- DCSF has given the Training and Development Agency for Schools (TDA) the lead role as the sector body with responsibility for professional development for the whole school workforce. The TDA discharges this role in close consultation with other national, local and regional partners such as local authorities, Government Offices and the National College. The TDA is involved with these partners in a number of developments which chime with the main messages in the report. For example:

» The TDA is working with the DCSF and

social partners to help to define the new CPD entitlement for teachers and ensure it is made available to all. Personalising the professional development (PD) undertaken and ensuring its quality and relevance are important issues to be addressed. Personalisation for pupils and in terms of workforce PD is also at the heart of our plans for the new Masters in Teaching and Learning.

- » The TDA encourages schools to evaluate the impact and value for money of their CPD activity. Organisations that provide high quality and free CPD resources would therefore be welcomed within the PD system.
- » The TDA and partners also encourage collaborative approaches to CPD including school CPD clusters and links with higher education institutions. Third sector organisations already working in this way are modelling effective practice that others can draw upon.
- » The TDA also emphasises the need to balance work-based learning with use of external expertise in effective PD. Third sector organisations can be an important source of such expertise.
- » The TDA's National CPD Database lists a diverse range of training providers that have registered and agreed to follow the code of practice for providers. Currently, there are over 30 organisations that are defined as charitable, such as Centre for Alternative Technology; Africa Initiatives and Scope.

The TDA would welcome more third sector organisations to register their CPD provision, given their agreement to the code of practice. There may also be scope through the database for third sector organisations to identify other suitable partners with which they might be able to link up.

- » Beyond the database, the TDA has already worked with third sector organisations within both its Initial Teacher Training work and CPD developments, and will continue to do so going forward. This includes, for example, Teach First (mentioned in the report), subject associations, Royal Shakespeare Company and organisations in the sustainable development field.