**Catch22 response to House of Lords Select Committee call for evidence on Public Services: Lessons from coronavirus**

**SUMMARY**

**Introduction to Catch22**

[**Catch22**](http://www.catch-22.org.uk) is a large social business and charity, delivering public services right across the social welfare cycle, from children’s social care through to alternative provision education, apprenticeships and prison rehabilitation programmes, working with some of the most vulnerable people in society. Last year our 1700 colleagues supported 65,000 people across 123 different services in England and Wales.

Catch22 has been at the forefront of public service reform for more than 200 years and our commitment to doing things differently in order to have greater impact has remained a constant. In 2016, the Catch22 reform ‘end game’ was formally adopted. We are intent on delivering our frontline services well – then capturing the experience and learning from our service delivery. This enables us to argue from a position of strength how public services can be better designed and delivered, achieving better outcomes for those who use them.

Reform underpins all of Catch22’s activity; we’re constantly looking for ways to improve how public services are delivered such as:  building new governance structures to build the capacity of smaller organisations; designing and delivering innovative services that produce better outcomes; collaborating with commissioners and service users to design new ways of working; providing a platform for smaller charities that share our social mission and vision for public service reform; and, partnering in new ways with businesses to deliver social outcomes. Ultimately, this activity allows us to build an evidence base we need to drive our end of game: government adoption of better public services. This puts us in a very strong position to contribute evidence as part of this inquiry.

**Summary of response**

Our staff have faced huge challenges of working under lockdown conditions – whether that be in a prison setting without the technology needed in the absence of face to face support, in schools working hard to stay open for the most vulnerable families, or when delivering mental health and wellbeing support services for young people who don’t have access to a phone or computer. But we have adapted and looked to creative solutions despite the circumstances. It’s been vulnerable groups who, as in any national crisis, have been hit the hardest by the pandemic.

**In our justice services** - our victim services teams are adapting by providing support remotely, in prisons our staff are compiling in-cell packs and are working on a rota basis and ensuring social distancing rules are followed.

**In our education settings** - our alternative provision schools have remained open for children of keyworkers and vulnerable children. These pupils have often been receiving one to one tuition which has resulted in their attainment markedly improve. We’ve been delivering online lesson and sending home work-packs. But perhaps most importantly, all pupils receive daily welfare calls. We’re seeing a strengthening of relationships across the board; between teacher and parent, the Department for Education and schools and local authorities. 84% of parents we surveyed feel them and their children are being well supported by their school.

**In our colleges** – we have converted entirely to digital delivery, as have our apprenticeship programmes. Apprentices are benefiting from more face time with tutors. We’re also tailoring modules to fit the current climate; including covering topics such as handling difficult customers and managing expectations. Our employability services have been working hard to make sure those in need of a job are linked up to relevant employers. The changes in the labour market are even more pronounced, and our employability and training services will adapt to that. And issues such as digital exclusion and youth unemployment have become starker.

**Our young people and families services** -including those for exploited and missing children, continue to support children through online chats, video calls and phone calls to make sure they have people to talk to when they need it most. And we’re finding new ways to reach out to vulnerable groups; whether that’s through posters in supermarkets or through TikTok videos.

Despite being a large organisation, we pride ourselves on delivering services which are appropriate for the specific communities we service. At times we’re restricted in our ability to do so as effectively as we’d like due to over-bureaucratic contracts and rigid KPIs. We pride ourselves on ‘doing things differently’, but the scope for innovation is often limited. Covid-19 has shown from a service delivery perspective that what many deemed to be impossible, is in fact possible. There are countless examples of where organisations were told something could not happen before, but since the pandemic struck, these very things have happened and at pace; be it relaxation of contractual terms or GPs working remotely. Commissioners and funders alike also have a renewed appetite for change, allowing those delivering public services, such as Catch22, to get on with it and do what they do best. And it’s working. Our commissioners have been brilliant in giving us the flexibility to deliver for the people who need our services.

In a post-Covid19 world, this should continue. The innovation that we’ve seen should be a feature of future public service delivery. And those in power must recognise social value above a purely market-led approach; because it’s not just in times crisis that people need effective public services that are focused on their specific needs.

**Core Recommendations:**

The current crisis has demonstrated the ability of third sector organisations and social enterprises to be highly effective in public service delivery. So much so that there is now a clear opportunity to reimagine how public services are delivered. We would argue for a commissioner-provider relationship which:

* **Puts civil society at the heart:** with the State as an enabler rather than the sole provider
* **Rebalances contractual relationships:** There must be a shift in focus from targets that promote increased activity and output, to ones that increase impact. Current models tend to serve profit over purpose – whereas we really should be putting the needs of people first and foremost. That means an approach to commissioning based on reciprocity, mutuality and trust; contracts that bring organisations together to realise a common purpose
* **Defines social value:** which is in effect the ‘added’ value’ that VCSE being to service delivery. This is centered around purpose, care and community
* **Is based on trust:** With the current guidance from government for local authorities on managing their contracts with VCSEs, we’ve seen an adaptability and a recognition of what is fair – such as the shifting of payment of schedules. There is consideration of what the actual cost of delivering a service, with social value firmly at the heart, and trust that the delivery partner will do what’s best to get the desired outcome.
* **Is centered on meaningful collaboration:**We must collaborate effectively as sectors; private, voluntary and public – this is a time to pull together to achieve fundamental change. This is not about self-protection and narrow interests.

**Please read on for case studies and specific examples in answer to your questions.**

1. **What have been the main areas of public service success and failure during the Covid-19 outbreak?**

Addressed in answers to following questions.

1. **How have public attitudes to public services changed as a result of the Covid-19 outbreak?**

There is still a lack of public awareness about the essential work that many third sector public service professionals undertake to keep people and our communities safe. The work of our NHS colleagues and care home staff has rightly been highlighted along with other ‘keyworkers’, however the Government has failed to adequately acknowledge much of the essential public service work that is undertaken by the third sector. For example, across the Criminal Justice system a huge amount of essential work is being undertaken within prisons by third sector organisations, in place of prison staff, but with little recognition.

We know that charities provide some of the best programmes of support for some of the most vulnerable people in our society, but we must ensure that charity does not exist for ‘charity’s sake’. Charities should not be seen as middlemen as this fails to highlight the integral work the sector does.

**Resource, efficiency and workforce**

1. **Did resource problems or capacity issues limit the ability of public services to respond to the crisis? Are there lessons to be learnt from the pandemic on how resources can be better allocated and public service resilience improved?**

Where our staff are no longer needing to spend time travelling across the country to meetings, capacity has improved and they have been able to spend more time working directly with our service users. Our primary challenges have focused on digital poverty/inclusion and having to pick-up capacity where smaller charities have been forced to close.

One example of this is apparent across our prisons, where we have had to pick-up additional pressure where local small charities, which offer very important and bespoke levels of service - i.e. ‘Through The Gate’ referrals for prison leavers – have had to close or been unable to continue to work during the pandemic. This is particularly noticeable in our prisons in the South West where services are delivered in very rural areas.

In some of our colleges we have also struggled where we didn’t have sufficient resource to achieve an online delivery model before Covid due to a tight staffing model based on extremely low funding. This made it hard to release the capacity to develop the new digital models we needed. It has only been the home-working which has enabled us to keep up.

We discuss digital inclusion at question 11.

1. **Did workforce pressures preceding the crisis, such as difficulties in the recruitment or retention of workers, limit the ability of public services to meet people’s needs during the lockdown? How effectively, if at all, have these issues been addressed during the Covid-19 outbreak? Do public services require a new approach to staff wellbeing?**

We have found there to be a common assumption that those working in public services and with vulnerable people and dealing with conflict, trauma and crisis do so with an innate ability to cope, process and manage their own wellbeing. This is not always the case and this needs to be taken into account. This has been particularly apparent in our prison settings where our staff have still been required to go into the prison setting and deliver where other prison staff haven’t been available.

We have however recorded a decrease in staff sickness levels across our young people and family focused services which are operating virtually; this is apparent where cases had previously been recorded against stress. Productivity has also increased. We are looking to understand why this is the case and what approach can be carried forward beyond the end of the crisis.

1. **Why have some public services been able to achieve goals within a much shorter timeframe than typically would have been expected before the Covid-19 outbreak – for example, the increase in NHS capacity? What lessons can be learnt?**

The relaxation of contractual arrangements, changes to overly bureaucratic models of delivery and development of relationships between commissioners and public service delivery organisations – particularly in the third sector – has enabled many public delivery organisations to deliver more effectively. **We discuss this in more depth at question 20**.

Having strong business continuity plans in place has also allowed us to mitigate the more negative impacts of the crisis on our work. We have a strong focus on delivering ‘brilliant basics’ i.e. making sure the structures of service delivery are of a high quality, and kept up to date, to allow us to do what we do best – help people . This meant that when the crisis hit, we could continue fairly seamlessly with most of our delivery. Commissioners and local authority partners have been surprised and impressed by how effectively we have continued to operate.

**Case Study:**

**In Merton, London, our youth workers have been supporting the local authority ‘dispersal team’ during lockdown - to disperse groups of young people gathering when they should have been at home. During one of the sessions our team discovered an unresponsive male. As our team already had a plan in place for this, they were able to quickly administer first aid whilst mitigating the risks of virus transmission, all whilst waiting for the emergency services. These actions protected everyone involved and meant that the teams weren’t having to guess what they could and couldn’t do.**

**Technology, data and innovation**

1. **Has the delivery of public services changed as a result of coronavirus? For example, have any services adopted new methods of meeting people’s needs in response to the outbreak? What lessons can be learnt from innovation during coronavirus?**

It is no surprise that much of our delivery has had to be carried out online or virtually – whether via video calls or WhatsApp. We have adapted to find the right platforms which suit our service users best, for example across our victims services, WhatsApp video calls have been preferential for our younger service users over other forms of communication.

For example, as part of our **‘Suffolk Positive Futures’ service** - a youth crime prevention and reduction service based on the power of sport - as we weren’t able to engage young people in-person during lockdown, our teams posted out footballs and developed a keep-uppy challenge, encouraging video engagement.

Across our schools we have developed creative approaches to the delivery of our on-site and home learning to meet the individual needs of pupils. Some school staff and parents have ‘teamed up’ using evidence-based programmes to target activities and support the emotional needs of their child. Feedback from pupils and parents is overwhelmingly positive and the personalised communications are ensuring effective sightlines on the safety and welfare of pupils and families.

This has transformed the need to prioritise therapeutic as well as academic education in support of achieving meaningful qualifications, sustained positive destinations and better social outcomes.   We have been conducting an online survey with both parents/carers and our young people during lockdown to understand more about their thoughts and feelings on the support they are receiving. As part of this survey we asked them about how supportive they felt the school contact had been, as well as other services they might be accessing outside of the school. The survey is still open with results updating daily, but currently 84% of parents/carers said that contact from the schools had been supportive during this period, but 62% said that their child had not been supported by other services during this time, and 61% said that support from other agencies had not been useful. We know that strong relationships are crucial in supporting vulnerable young people and their families, something we have continued to focus on providing as much as possible during this time. The ability to have our schools open for vulnerable young people at this time has clearly continued to have a positive impact.  The transformation in education due to Covid-19 does seem to be having some real positives – legacy changes that we want to retain when things return to some degree of normality.

In our prison settings, the difference between digital technology in private sector vs. public sector prisons has been stark and the disparity brought to light in a greater way than before. Only three out of the thirteen prisons we work in have in-cell telephony. Firewalls have also meant that our staff aren’t able to access simple digital platforms to enable them to do their jobs most effectively and therefore help our service users. When prisoners have been required to have even less contact with staff, this has had a huge impact on wellbeing and rehabilitation - many prisoners for example are unable to access the offending behaviour interventions they need. We need third sector organisations such as Catch22 to provide evidence and recommendations to the Ministry of Justice on how IT security can be adequately addressed and how we can circumnavigate risk-averse approaches to technology.

1. **How effectively have different public services shared data during the outbreak?**

It has been a mixed picture for us: It has been difficult across our apprenticeships and employability delivery as many providers have folded or furloughed all their staff. It has also been worse with some social workers as they are proving much harder to contact but on the other hand we have found it to be very effective across other programmes of support for young people -  information based on changes to vulnerability as a result of the crisis have been updated by us and shared with statutory and other partners, which have then informed partner agency support plans and priority needs with vulnerable people.

National forums which have been developed as a result of the crisis have significantly aided the sharing of information – a form of collaboration which we have long advocated for. For example The National Policing Vulnerability Forum is held fortnightly, all services have contributed, and information is successfully being passed back down the chain.

1. **Did public services have the digital skills and technology necessary to respond to the crisis? Can you provide examples of services that were able to innovate with digital technology during lockdown? How can these changes be integrated in the future?**

This question needs to be looked at from the perspective of both service delivery and service user access to digital:

* Our staff have mostly had the technology required and been able to up-skill to carry out most online delivery that has been needed.
* However, issues have arisen where service users do not have access to phones or laptops, or where broadband access has not been adequate

**See the answer to question 11 for further information.**

**Inequalities**

1. **Have public services been effective in identifying and meeting the needs of vulnerable groups during the Covid-19 outbreak? For example, were services able to identify vulnerable children during lockdown to ensure that they were attending school or receiving support from statutory services? How have adults with complex needs been supported?**

The scale of this is still to be realised. Across our services we are sure that there are many hidden victims. The national statistics provide an idea of the scale of harm which is likely to be happening without support services being aware - Refuge has for example reported a 950% increase in visits to its website and a 66% rise in calls to the UK's national domestic abuse helpline.

**Challenges:**

* Across our Wolverhampton gang intervention services we have had problems engaging with young people when we can’t meet with them face to face and we know county lines have been continuing with fewer guardians able to notice problems, flag concerns and intervene. At first young people engaged with county lines activity were easier to identify for police but now lockdown is easing it’s returning to how it was before.
* Across our Bristol Reparation Service (rehabilitative support to young people subject to court orders) we have seen a reluctance from young people to engage via video calls.
* We have been seeing groups of children going missing for longer and going further away across our Missing from Home, CSE and CCE services – i.e. young people from Merseyside have been located in Devon, Cornwall and Aberdeenshire.

**Positives:**

* Across our colleges and schools daily welfare calls have ensured that even where our young people are not attending, we are able to monitor their health and wellbeing as much as possible.
* Across our young people and family focused services we have been consistently reviewing how the crisis is impacting vulnerable people by regularly updating existing RAG rated vulnerability and risk-based tools, to identify what resources and support is still available to individuals and who to prioritise what support to.
1. **Were groups with protected characteristics (for example BAME groups and the Gypsy, Roma and Traveller community), or people living in areas of deprivation, less able to access the services that they needed during lockdown? Have inequalities worsened as a result of the lockdown? If so, what new pressures will this place on public services?**

In short – yes. In general across our services we are seeing a big impact on the poorest families - the cost of keeping your children at home, keeping bills going, food – is hugely impactful and none of the national financial packages have supported those families. We have subsequently added food parcels and packages of things such as crayons and paper, to the offer we would give, using savings made where colleagues aren’t spending budget travelling.

In Stoke and Staffordshire we have a group of community champions who focus on community engagement particularly with groups with protected characteristics. These champions work primarily with Pakistani communities, care-experienced young people, people with disabilities and Romanian and Albanian communities. The evidence they have provided paints a broad picture:

* Whilst girls of Pakistani heritage are often very protected, boys are given more freedom. There are some worrying signs of **increased gang activity** amongst certain communities in Stoke-on-Trent.
* Much of the information from government about COVID-19 and social distancing guidance is **not available in minority languages**. People who do not speak English well are confused about government guidelines.
* Online safety information needs to be provided in minority languages. (Catch22 have now provided information to the Pakistani Community Champion in Urdu, Hindi, Punjabi and Bengali for her to share as appropriate.)
* **Visually impaired people can’t participate in some of the online solutions** offered at the current time e.g. video calls; teaching powerpoints etc.
* The crisis amplifies any pre-existing problems: self-harm, substance misuse, mental health issues etc.
* Young people in **semi-independent accommodation / care leavers** are struggling with isolation, loneliness and boredom. They often have a very small living space and very few options available to fill their time or help them relax.
* **Fewer support services on the ground for young people in semi-independent** accommodation / care leavers. They have to manage their time, budget, shopping, preparing food etc with little support. Even with calls from a support worker, it is harder to remember or follow through when you don’t see them in person.
* **Lack of contact with family is difficult**. Some young people in care have been in the role of supporting their parents or siblings. They are unable to do so currently but continue to be anxious about them.
* **Lockdown gives time to overthink the past.** There is the temptation to get back in touch with ex-abusers, predators, ex-partners or abusive family members or revert to former unhelpful coping mechanisms such as self-harm, eating disorders etc.
* **It is hard to socially distance in semi-independent accommodation.** It is especially stressful if other people are breaking the rules, inviting other people in, taking drugs etc. Every issue is amplified in lockdown when there’s no escape, so conflict can flare up quickly.
* **Young people whose English is better than their parents carry a lot of responsibility for completing their own schoolwork without support** and also translating for parents to ensure they understand the guidance. Some of the information and forms that need completing are in very formal English which can be difficult for a young person to understand even if their level of spoken English is good.
* **Families that came to the UK from Eastern Europe often took low-paid, more precarious jobs in the building and hospitality industries.** They now have no work and aren’t all eligible for the various financial support schemes and benefits. This leads to great stress and financial hardship, compounded by the fact that they are isolated from wider family and concerned for their welfare.
1. ***Are there lessons to be learnt for reducing inequalities from the new approaches adopted by services during the Covid-19 outbreak?***

Digital poverty is a huge problem and needs to be immediately addressed. The crisis has highlighted that those with existing vulnerabilities who have less access/ability to use digital equipment and broadband/mobile data, have been more difficult to communicate with and provide support to. A focus on accessible design and supporting people to become more digitally capable is a key challenge for civil society – but it also requires a commitment from Government to ensure all communities have access to basic technology.

Across our employability services for example, we immediately provided all students with Office 365 accounts, but many didn’t have laptops/tablets at home, and over half didn’t have wifi in the home. Many families were working off individual phone data packages. We experienced a massive digital poverty gap for our students.

**Integration of services**

1. ***A criticism often levelled at service delivery is that public services operate in silos – collaboration is said to be disincentivised by narrow targets from central Government departments, distinct funding and commissioning systems, and service-specific regulatory intervention. Would you agree, and if so, did such a framework limit the ability of public services to respond to people’s needs during the Covid-19 outbreak?***

This was very much the case before the crisis, but the easing of many restrictions and introduction of the Cabinet Office’s guidance (PPN/01 and 02) has been transformative. **We discuss this in more depth at question 20.**

Commissioners have been overwhelmingly supportive. In some places we had good contracts which allowed us the flexibility to operate effectively already in place – this is especially the case across many of our victims services in Leicestershire, Nottinghamshire and Hertfordshire, as well as our Child Sexual Exploitation(CSE)/Child Criminal Exploitation (CCE) service in Merseyside. This service was originally commissioned as a CSE service but became the first integrated CSE/CCE service in the country covering the five local authority areas of Sefton, Liverpool, Knowsley, St Helens and Wirral. It was Catch22's evidence gathering of child criminal exploitation (CCE) and the strength of the relationship with the commissioner which led to the service being expanded further by the region's police and crime commissioner (PCC). During this crisis we have seen this contract extended by a year outside of the normal procurement processes, based on the strength of the relationship and proof of what can be achieved without overly bureaucratic restraints.

In other places, where we have previously faced some challenges with the commissioner relationship, we have seen a big change and as a result the ability to carry out more effective work. We have been able to work with commissioners to look at providing new solutions for helping people. For example; in Merton we have been awarded an additional £10,000 of funding without a procurement process to continue counselling young people over the school holidays. This was given on the basis of the strength of our delivery work already taking place and need to keep helping young people at a time of crisis.

However, in some prison settings, whilst targets have been removed for prisons since COVID, that has not necessarily been passed on to sub-contracting services. For example, all prisoners should have a Basic Custody Screening Tool 1 when they come in and our target is to do a second review within 30 days. This initial target has been removed from the prison, but remains for Catch22 as a sub-contractor, meaning in order to fulfil it, we have to go and see every prisoner and start from scratch.

1. ***Were some local areas, where services were well integrated before the crisis, better able to respond to the outbreak than areas where integration was less developed? Can you provide examples?***

Although pre-crisis resources and capacity were not an issue, vulnerable people required different resources during the crisis.  For example, where homelessness prevention was the key aim, statutory services (housing, benefits offices, NHS and GP surgeries), estate agents and landlords were not operating as usual, with many long standing and ongoing issues being put “on hold”.  We therefore worked with local partners, commissioners and accessed local Covid19 emergency funds to source and provide resources to vulnerable people to keep them physically, mentally and emotionally active and engaged at home (i.e. sports equipment, IT and digital hardware, family activity resources). Through our existing partnerships and networks we were able to source additional resources for service users over a 2-3 week timescale.

Furthermore, through partnership work with the Youth Justice Service, staff duties were realigned to support the wider YJS priority needs around managing high risk and high vulnerability individuals, either remotely and through social distancing measures (i.e. door step checks, increased wellbeing checks, providing resources etc).  This work is not part of the typical tendered service and was able to be established and agreed quickly through good existing partner relationships

1. **Are there any examples of services collaborating in new and effective ways as a result of Covid-19? Are there lessons to be learnt for central Government and national regulators in supporting the integration of services?**

This has been answered throughout the rest of this submission.

1. **What does the experience of public services during the outbreak tell us about services’ ability to collaborate to provide “person-centred care”?**

In terms of recruitment into our prison services, there is an obviously interdependence on things like MoJ vetting (which the State controls) and which often takes a long time. Despite these gatekeeping processes often hindering our ability to move fast, third sector organisations are penalised for being slow in recruitment.

Where prison staff haven’t been able to come into work, we’ve found that we’ve been doing more for the prison; some have relied on us to carry out assessments for example.

In our Victims Services, we have built on our relationship with police domestic abuse safeguarding teams to look at new ways to support victims of domestric abuse – and without doubt the COVD-19 pandemic has been a catalyst for making this happen more quickly.

In terms of the recommissioning for services and contract extensions, the extraordinary guidance for extending contracts which were ending with tender process has has a significant, positive impact. We have been able to access emergency funding without having to submit 60-page bid and instead have benefited from a really light touch application process. It will be interesting to see whether the light touch reporting requirements will also be honoured.

We hope that the current experience will lead to a reconsideration of the length of contracts. Yearly contracts make it difficult to demonstrate impact in such a short time frame and make it hard to build traction. They often also don’t offer the best value for money for the commissioner.

**The relationship between central Government and local government, and national and local services**

1. **How well did central and local government, and national and local services, work together to coordinate public services during the outbreak? For example, how effectively have national and local agencies shared data?**

Examples of this have been provided earlier in the submission.

1. **How effectively were public services coordinated across the borders of the devolved administrations? Did people living close to the border experience difficulties in accessing services?**

n/a

1. **Can you provide any examples of how public services worked effectively with a local community to meet the unique needs of the people in the area (i.e. taking a “place-based approach” to delivering services) during the Covid-19 outbreak?**

Examples of this have been provided throughout.

1. **Would local communities benefit from public services focusing on prevention, as opposed to prioritising harm mitigation? Were some local areas able to reduce harm during coronavirus by having prevention-focused public health strategies in place, for example on obesity, substance abuse or mental health?**

Our approach to helping people should always focus on prevention as this is proven to have the greatest impact. Our services are always focused on building the resilience and aspiration of vulnerable people to ensure lasting positive impact on their lives. As we have demonstrated earlier in this submission, this has had an overwhelmingly positive impact in ensuring our services are able to continue responding to need and supporting people through the crisis.

For example - internal communications with local area operational teams had switched to 50% digital 1.1s 18 months prior to the crisis (i.e. use of WorkPlace video chat), resulting in a quick transition to video conferencing and other digital platforms during the crisis. Services where increased physical activity (tackling inactivity) was an existing aspect of the support offer, placed increased emphasis on this during the crisis to maintain good physical, emotional and mental health for vulnerable individuals and families at home. Services that were due to develop digital delivery models, were able to bring this development forward (agreed with partners at early stages of crisis), with a view to developing and testing deliverable models during the crisis, as well as testing the effectiveness of digital and real time delivery methods working in tandem as the crisis becomes more manageable and measures ease.

**Role of the private sector, charities, volunteers and community groups**

1. **What lessons might be learnt about the role of charities, volunteers and the community sector from the crisis? Can you provide examples of public services collaborating in new ways with the voluntary sector during lockdown? How could the sectors be better integrated into local systems going forward?**

**Please note: our answer to this question has been written in collaboration with the E3M network and Julian Blake, Partner in the charity and social enterprise team at Stone King LLP. Both have also submitted separately as part of this inquiry.**

We urge the Committee to acknowledge that a key group missing from the question above is social enterprises, who, along with charities and other voluntary and community organisations, have played a vital role in delivering public services during the COVID-19 crisis.

We believe there is a need for a much more sophisticated approach to understanding the different types of social enterprises involved in public services, large ones, such as E3M members, and smaller ones that may stay small or have the potential to grow, and of how these businesses can work together, and how they can work with traditional philanthropic organisations based on volunteering and charitable donations. All have an important role and should be valued and encouraged, but their roles are often conflated and confused, and should be understood as a complex eco-system where different kinds of policy interventions are appropriate. National policy makers should draw on the experience of Catch22, E3M social enterprises and those like them to better understand the issues and possibilities.

**Social enterprises delivering public services**

In the UK there is a notable cohort of mature social enterprises, with turnovers between £10 and £300 million, operating on a purpose-driven, non-profit distributing, collaborative, commercially sustainable basis. This cohort has succeeded despite the general lack of recognition in the public policy environment.

The mature social enterprises that are members of E3M have a number of legal structures: trading charities, community interest companies, community benefit societies and co-operatives. They are all public benefit organisations that use enterprise to achieve social impact, reinvesting any profits they make into their social mission.  Most of them are in contracting relationships with public authorities, but they also trade directly with the public.

Social enterprises delivering public services have the following characteristics:

* aligned social purpose with public authorities and local communities, which offers opportunities for unique partnership approaches to meet needs
* inherent social value – they exist for public benefit and act to achieve social impact rather to build shareholder value/private wealth
* the business efficiency and agility that is attributed to the private sector;
* entrepreneurism applied directly to the collective good
* productivity of employee commitment, engagement, participation
* they put quality first, above financial gain
* They act in ways that bring community benefit beyond the limits of contractual relationships and have alignment with other imperatives, including: social inclusion; equality of opportunity; environmental responsibility.

***The fundamental point is that an operational business model serves purpose, collaboration, stakeholder participation and Public/Social Value; rather than profit, competition, corporate direction and private shareholder value”****.*

 **Experience under Covid-19**

The speed at which the COVID-19 hit, and the lockdown response which followed, meant there was little time for bureaucracy or cumbersome decision-making processes. Such was the impact on people’s daily lives that public services were forced to adapt their delivery quickly, or risk being of little use to the people who need them.

During this period of crisis E3M has organised a series of virtual meetings with social enterprise leaders and bold commissioners to provide mutual support and capture some of things that have been happening. The evidence gathered shows that social enterprises and voluntary and community sector organisations involved in delivering public services were able to adapt to the new demands quickly and effectively – far more quickly in fact than some statutory services. Many already use technology as part of a blended approach to service delivery, so expanding this was relatively simple. We heard of positive examples of new online services for domestic abuse, young parent support and other services for vulnerable people. Many had staff who already worked remotely and so shifting entirely to this way of working cause minimal disruption.

Crucially, social enterprises and voluntary and community organisations are driven by their intrinsic social value – and to achieve their social mission by whatever means possible. Some social larger enterprises such as P3 used money from their reserves to support small partners who were struggling, to help people on the ground with emotional support, finance and food and to provide additional welfare support to staff. In many cases, they worked with public authorities to switch contracts for certain services to provide community support, running foodbanks etc. Others developed rapidly new step-down care services or adapted to provide additional care interventions such as Bryson in Northern Ireland. The London Early Years Foundation, restructured to keep a core of its nurseries open for key workers and launched a crowd funding initiative to support on learning.

The ‘bold commissioners’ group commented on the way social enterprises and voluntary community organisations have stepped-up in the crisis. Often this means being creative and flexible; something which standard contracts in normal times rarely allow.

In many places a flexible approach has been taken focus on meeting immediate needs rapidly and playing a crucial role in local community hubs, such as in Birmingham where ten local support centres for children’s services are all being led by social enterprises, charities and voluntary organisations.  Partnership working has increased rapidly and sometimes it is the providers holding commissioners to account. As one Assistant Director of Adult Social Care put it “The commissioner provider split is gone. Partnerships are the only effective way of progressing resolution to issues”

We have seen impressive examples of collaboration between sectors and a new way of contracts working; a shift from contractual relationships to ones built on trust.  This has been driven by the need to act quickly and therefore remove the usual contractual barriers.

The government’s guidance to local service commissioners to relax contractual and payment terms is something that will not only be beneficial during this period, but also beyond. Too often those organisations delivering alternative public services are restricted by burdensome KPIs which doesn’t allow for innovation. Or indeed, procurement regulations that prevent capacity being properly unlocked.  As the examples above show, when these restrictions are loosened, services can be delivered effectively and at speed. We want to see this extend beyond the end of the crisis.

**Recommendations**

The current crisis has demonstrated the ability of third sector organisations and social enterprises to be highly effective in public service delivery. So much so that there is now a clear opportunity to reimagine how public services are delivered. We would argue for a commissioner-provider relationship which:

* **Puts civil society at the heart:** with the State as an enabler rather than the sole provider
* **Rebalances contractual relationships:** There must be a shift in focus from targets that promote increased activity and output, to ones that increase impact. Current models tend to serve profit over purpose – whereas we really should be putting the needs of people first and foremost. That means an approach to commissioning based on reciprocity, mutuality and trust; contracts that bring organisations together to realise a common purpose
* **Defines social value:** which is in effect the ‘added’ value’ that VCSE being to service delivery. This is centered around purpose, care and community
* **Is based on trust:** With the current guidance from government for local authorities on managing their contracts with VCSEs, we’ve seen an adaptability and a recognition of what is fair – such as the shifting of payment of schedules. There is consideration of what the actual cost of delivering a service, with social value firmly at the heart, and trust that the delivery partner will do what’s best to get the desired outcome.
* **Is centered on meaningful collaboration:**We must collaborate effectively as sectors; private, voluntary and public – this is a time to pull together to achieve fundamental change. This is not about self-protection and narrow interests.