

**Response by the Social Enterprise Coalition to Children’s Trusts:
Statutory guidance on inter-agency cooperation to improve well-being of
children, young people and their families consultation**

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Introduction

The Social Enterprise Coalition (the Coalition) welcomes the opportunity to respond to the Department for Children, Schools and Families consultation on Children’s Trusts: Statutory guidance on inter-agency cooperation to improve well-being of children, young people and their families.

The Coalition was established in 2002 as the national voice of social enterprise. The Coalition represents a wide range of social enterprises, umbrella bodies and networks, with a combined membership reaching over 10,500 social enterprises. These include co-operatives and mutuals, development trusts, housing associations, leisure and football supporters’ trusts and Social Firms. Social enterprises are businesses with primarily social or environmental objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners. This response was informed by consultation with members of the Coalition practicing in education and children and young people’s services.

We are fully supportive of the government’s aims to improve co-operation between children’s trusts and other organisations involved in the strategic planning, commissioning, funding and provision of children and young people’s services. In particular, we share the government’s position on the need to provide solutions for local communities on issues such as economic development and job creation, securing sufficient childcare places for working parents, and skills, training and community regeneration.

We further believe that by applying innovative and efficient approaches to addressing the complex and diverse needs of children and young people, social enterprises can make a real and sustained contribution to providing children and young people’s services.

Question 3: Does this guidance help engage all ‘relevant partners’ named in the Children Act 2004?

Neither social enterprise nor the wider third sector are named as relevant partners in the Children Act 2004. References to partners are restricted to public bodies, private organisations and voluntary organisations.

Voluntary organisations are just one type of organisation which makes up the third sector. According to the Office of the Third Sector, the sector encompasses ‘voluntary and community groups, social enterprises, charities, cooperatives and mutuals’¹.

Asking whether or not this guidance helps to engage all ‘relevant partners’ named in the Children Act 2004 is therefore an inadequate question, as the Children Act 2004 does not acknowledge the full range of ‘relevant partners’ working to help deliver services for children and young people.

Question 4: Does this guidance help engage other partners not under a duty to cooperate, including those in the private, voluntary and community sector?

The Coalition is pleased that the consultation document recognises the contribution of the third sector in providing high quality services for children and young people. In particular, we support the department’s belief that third sector organisations ‘can often reach vulnerable groups and help identify unmet needs which would otherwise be invisible’².

¹ http://www.cabinetoffice.gov.uk/third_sector/about_us.aspx

² Consultation document point 3.38

Social enterprises, which combine entrepreneurialism with an emphasis on engaging directly with users and local people, are particularly well placed to design and deliver services which are tailored to the needs of users and the local community. Indeed, social enterprises are frequently characterised by a close understanding of and commitment to their users, often including the involvement of these clients in the organisational structure.

Moreover, as the consultation document states, because third sector organisations make such a valuable contribution, it is essential that they are represented ‘at the strategic governance and planning levels as well as at the delivery and front line levels’³.

However, despite the recognition the government gives to third sector organisations, the terminology used in the document indicates that the department has an incomplete understanding of the organisations which make up the third sector. This has serious implications in terms of ensuring that cooperation is improved between children’s trusts and the full range of third sector organisations, including at the strategic and planning levels of service.

Throughout the consultation document, the terms ‘third sector’ and ‘voluntary sector’ are used interchangeably. However, as our response to question 3 states, voluntary organisations are just one type of organisation which makes up the third sector. According to the Office of the Third Sector, the sector encompasses ‘voluntary and community groups, social enterprises, charities, cooperatives and mutuals’⁴.

The effect of this incorrect usage of terminology is twofold. Firstly, it compounds the existing lack of clarity among commissioners about the organisations which make up the third sector. Indeed, social enterprises working in this field have indicated that there is a lack of awareness among commissioners of what social enterprises are, their potential role in delivering young people’s services, and the added social benefits they bring.

Secondly, both because social enterprise is not specifically mentioned in the consultation document and because the term third sector, which includes social enterprise, is frequently replaced by the term voluntary sector, which does not include social enterprise, there is a failure to consistently include social enterprise in the requirements the document sets out for improved co-operation.

Indeed, this question refers to the ‘voluntary and community sector’ rather than the wider third sector, and it therefore fails to ask whether this guidance will aid co-operation between children’s trusts and social enterprises which are running services for children and young people.

The Coalition urges the department to address this inconsistency and ensure that the guidance on co-operations for children’s trusts is fully inclusive of all third sector organisations and in particular social enterprises.

Question 9: Does the guidance assist in supporting further improvement in levels of joint commissioning?

The Coalition believes that DCSF’s aim to develop holistic services which can address the totality of each child’s needs is a positive step.

³ Consultation document point 3.38

⁴ http://www.cabinetoffice.gov.uk/third_sector/about_us.aspx

Many social enterprises look beyond traditional public service delivery mechanisms developing services which address needs in a much more holistic way. For example, social enterprises often provide services such as youth centres which address multiple needs by providing recreational facilities as well as training courses and counselling services. These approaches add value to public spending which is often not recognised.

The Coalition recommends that in order to realise the advantages that more holistic service provision can offer, a focus on outcomes rather than processes should inform commissioning decisions. An outcomes-based approach to commissioning should include the development of more unified commissioning and programme budgets including children and young people's services, social care, housing, healthcare and benefits.

Encouraging commissioners both to meet multiple objectives and join up different types of service for efficiency gains, and to commission preventative solutions to some of the problems faced by young people today, should be integral to this approach.

The Coalition supports the statement made by the department in the consultation document on strategic planning and commissioning arrangements, which stresses that these arrangements should be based on 'a thorough knowledge of the needs of local families, children and young people'⁵.

The Coalition believes that social enterprises are well placed to help inform local authorities about the needs of local families, children and young people, thereby strengthening commissioning practice. Social enterprises are frequently characterised by a close understanding of and commitment to their client groups, often including the involvement of these clients in the organisational structure. As such, the Coalition believes that local authorities could benefit from working with social enterprises to better understand the needs of local communities.

Social Enterprise Coalition
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⁵ Consultation document point 3.20