

**Response by the Social Enterprise Coalition to Delivering the Children's  
Plan - Strengthening Children's Trusts: legislative options consultation**

**Contact:** Olof Jonsdottir

**Telephone:** 020 7793 2321

**Email:** [olof.jonsdottir@socialenterprise.org.uk](mailto:olof.jonsdottir@socialenterprise.org.uk)

## Introduction

The Social Enterprise Coalition (the Coalition) welcomes the opportunity to respond to the Department for Children, Schools and Families' consultation on Delivering the Children's Plan - Strengthening Children's Trusts: legislative options.

The Coalition was established in 2002 as the national voice of social enterprise. We represent 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. This response was informed by consultation with members of the Coalition.

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. We 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.

We therefore welcome this opportunity for further consultation on Children's Trusts. In particular, we appreciate the government's ongoing commitment to improving co-operation between Children's Trusts and third sector organisations.

**Question 8: Please list any specific barriers to effective partnership working in the current legislative framework (e.g. limitations to the power to delegate functions between all 'relevant partners', restrictions on the power to pool resources beyond the 'relevant partners', effective working between Children's Trusts and the voluntary and third sectors).**

1. The Coalition is pleased that the department recognises the contribution of the third sector in providing high quality services for children and young people.
2. 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.
3. The Coalition believes that DCSF's aim to address the fragmentation of responsibilities for children's services and develop holistic services which can address the totality of each child's needs through Children's Trusts is a positive step.
4. 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 simultaneously providing social support through recreational facilities and counselling services, educational support through training courses, and health support such as sexual health information services.
5. However, these approaches add value to public spending which is often not recognised.
6. The power given to local authorities and their relevant partners to pool budgets in Section 10 of the Children Act 2004 was intended to "facilitate a whole-system response, driving innovation and making

more effective use of resources”<sup>1</sup>. In theory, the policy represents a shift which gives commissioners the opportunity to recognise and commission from service providers who deliver cross-departmental or cross-agency benefits and savings. However, holistic and high quality service provision remains undervalued in the commissioning process.

7. There are two key factors hindering the commissioning of such services.
8. The first barrier is the continued pressure felt by commissioners to procure services from the lowest cost providers. Despite the government's statement that public sector procurement should achieve value for money, meaning “the optimum combination of whole-life cost and quality (or fitness for purpose) to meet the user requirement”<sup>2</sup>, in practise ‘value for money’ means the cheapest service.
9. Secondly, 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 and healthcare.
10. 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.
11. The Coalition welcomes the department's plan to develop a Commissioning Support Programme between 2008-2011 to improve commissioning capabilities. We would further like to offer our support in feeding in to this programme to address the issues outlined above.
12. In addition, social enterprises are well placed to help inform local authorities about the needs of local families, children and young people, thereby supporting and strengthening commissioning practice. Social enterprises have a close understanding of and commitment to their client groups, and are often characterised by the involvement of these clients in the organisational structure.
13. As such, the Coalition believes that the social enterprise movement is well placed to feed into the Commissioning Support Programme.

Social Enterprise Coalition  
Policy Team  
September 2008

---

<sup>1</sup> <http://www.everychildmatters.gov.uk/aims/childrenstrusts/faq/>

<sup>2</sup> [http://www.ogc.gov.uk/delivery\\_lifecycle\\_briefings\\_procurement.asp](http://www.ogc.gov.uk/delivery_lifecycle_briefings_procurement.asp)