

FAIR FUNDING FOR VOLUNTARY SECTOR SERVICES

The Scottish Government has committed itself to improving Scotland's public services by extending the role of the third sector.

The Scottish Trades Union Congress, the Scottish Council for Voluntary Organisations, UNITE/TGWU and UNISON believe that the resolution of the issues below would maximise the benefits of such an extension for service users and staff while also meeting important commitments by the Scottish Government and local authorities to improving service quality and social justice.

- **Commitment by public sector purchasers to fund wages and conditions of employment for front line service workers in third sector providers at the same level as comparable workers in the public sector.**

Despite long-standing commitments by Government in London and Edinburgh to fund public services provided by the third sector at full cost that remains the exception. The most damaging consequences of this failure are the difficulty third sector providers have in providing secure jobs for their frontline workers and continuity for their service users.

- **Minimum five year contracts for Third Sector Providers.**

Five years is the minimum length for contracts if third sector providers are to provide the stability and quality of services that their vulnerable service users require. Many current contracts fall short even of the current officially recommended three years.

- **Agreement between Public Sector Purchasers and Third Sector Providers on the appropriate use of Competitive Tendering.**

During the last six months, under the influence of European Union Procurement directives as interpreted by the Public Contracts (Scotland) Regulations 2006, a growing number of purchasers have introduced or announced an intention to introduce routine competitive re-tendering for service contracts. While purchasers must have a right to re-tender where there are problems with the delivery of a contract, routine re-tendering will destabilise services and provider organisations across the board, cause anxiety among vulnerable service users and their carers, and significantly increase transaction costs.

- **Training of Public Sector Commissioners.**

Too much of the public sector's commissioning of services remains focused on a technically driven procurement process whose outcomes are determined by cost. If the Government's ambitions for high quality personalised services are to be realised public sector commissioners must be familiar with the latest thinking and best practice on commissioning, in particular around the role of users and their advocates in service design and the added value which third sector providers are able to contribute in cooperation with trades unions.

- **Scottish Government Guidance on the Public Contracts (Scotland) Regulations 2006.**

As a contribution towards the above outcomes the Government should issue Guidance on the Public Contracts (Scotland) Regulations 2006 highlighting the discretion available to public sector purchasers in their application of re-entering and setting out the range of alternative methods for identifying the best value service option.

- **Best Value Guidance.**

The Best Value Guidance should also be refreshed to clarify the importance of balancing cost against effectiveness and quality including the personalisation of services and added value embracing the involvement of the carers and relatives of users and of the wider community including trades unions.

- **National Contract Framework.**

The above should be incorporated in a National Framework for Public Service Contracts agreed between the Government, purchasers and providers. The Framework would be a statement of the key principles of commissioning and funding required to secure and sustain a supply of high quality public services utilising the full potential of the third sector.

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The supporters of these proposals would welcome an early opportunity to discuss with the Government and service purchasers the means of delivering these outcomes.

Scottish Trades Union Congress

Scottish Council for Voluntary Organisations

TGWU/UNITE

UNISON

Community Care Providers Scotland