

## Third sector can be first choice for local services

The unique skills and community benefits of the third sector must not be overlooked by councils looking to improve local public services, Communities Secretary John Denham said today.

Many third sector organisations bid to deliver community based local services but Ministers are concerned that too many lack the technical skills or are too small scale to win contracts for council run projects. Speaking at a meeting of council leaders and key third sector organisations, Mr Denham said: "In the quest for leaner more efficient services we still need to find ways for councils to take advantage of the positive social outcomes the third sector provides." The Government also launched a new community enterprise strategic framework to help more local groups set up successful local social enterprises today. The framework, announced by Barbara Follett at the Funding the Future conference, sets out how Government will help put community enterprises onto a stronger footing with more support, skills training and advice such as how to set up consortiums or franchises to increase their competitive clout when bidding for council contracts. The public sector is facing a period of constrained expenditure and with philanthropic donations slowing it is vital that community enterprises can raise their own finances. The strategic framework reinforces the commitment to explore new innovative ways to independently raise funds. Community shares could allow local people to raise funds to maintain or buy a stake in important community services like the village shop or local pub to ensure its survival. A football supporters club could form a co-operative to take over their team, giving the supporters a chance to purchase community shares and so have a say in its future. As part of Putting the Frontline First the Government proposed piloting Social Impact Bonds as a new way of funding the third sector to provide services. This has the potential to radically change how government funds the third sector, by rewarding social investors for work which reduces future social costs. CLG is actively testing the feasibility of a pilot in Leeds. John Denham said: "We know services are best when they are delivered locally because they really reach into the community and it is often third sector that is closest to that community. I have a real concern that the third sector is not getting the opportunity to play full its part. They must have an equal chance to show what extra they can do differently." Councils and companies are short changing their communities socially if they don't look beyond the price tag to deliver the current services at the lowest possible cost and consider the many additional benefits third sector providers can bring such as jobs for the workless that can save even more money in the long run. "Today's roundtable discussion has shown that councils, who are shifting their focus to the needs of the user - the Total Place approach - know this and are finding their aims for the community could be met in a more joined up way; with the third sector having a real role to play in delivering services, positive social outcome and efficiencies if the barriers can be removed, which is why we have published a new framework." Mr Denham praised councils already using the third sector to deliver services; for example Turning Point in Somerset has helped substance misuse offenders by reducing travel time by being based in four community sites across the county. Nerys Anthony from Turning Point said: "By providing services and solutions that are community based and locally driven, the people who need help the most are able to access it in a way that meets their whole needs. Strong, vibrant, decisive local government and a commitment to personalisation will make this localism agenda a positive reality for individuals and communities alike." Anna Turley from the New Local Government Network added: "We welcome this push from John Denham that recognises the value of a broad range of providers of local services. The third sector can often take a more cross-cutting approach to delivering local services, and can be well integrated with the communities they serve. It is vital that local authorities take a strategic, outcome-focused approach to commissioning which recognizes the role that other local partners play." CLG is also setting up a website with practical information on starting and developing community enterprises, and training advisors who will be available to provide expert advice. Communities and local Government website (10 February 2010): [Click Here](#)