



Catch22 response to Transforming Public Procurement – Green Paper Consultation Questions

Introduction to Catch22

[Catch22](#) 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 120,000 people across 120 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.

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.

As charities have increasingly taken on the delivery of more public services, they have had to shift their own models to behave like, and compete, with other businesses – social businesses. We are delivering in a highly competitive marketplace with tiny margins, but often without the backing or trust that is so often placed in the corporate sector. As Julian Blake and Frank Villeneuve-Smith set-out in *The Art of the Possible in Public Procurement*, the current market driven approach to people-centric service delivery has reached its end and a step change towards a healthier model is required. We need to look at doing things another way. This is why we very much welcome many of the themes set out in the Green Paper and the opportunity to respond to this consultation.

E3M Leaders group response

As a social business and charity, Catch22 is a core member of the [E3M](#) leaders group, and we have contributed to their detailed submission, written by Julian Blake. Julian’s response is thorough and detailed and, from the perspective of a charity delivering public services we wanted to highlight the following principles set out in that response:

Fundamental characteristics of a transformed commissioning regime should be:

- **PURPOSE PARAMOUNT** – a paramount focus on the purpose of realising best value Public Services, correcting the way procurement has become process driven.

- **PROCUREMENT ONLY PART OF COMMISSIONING** – Commissioning should be the application of the full range of Public Sector powers (including: grant subsidy; loans; investment and leveraging investment; community mobilisation; engagement, and asset transfer), correcting the limited focus on the procurement of contracts.
- **PUBLIC/SOCIAL VALUE IMPERATIVE** – Inherent Public Value/Social Value/Best Value should be the paramount, central aspect of analysis, correcting the way “Social Value” is seen as additional to a principal service.
- **PUBLIC BENEFIT SECTOR IMPERATIVE** – the public value of purpose-aligned, purpose-driven organisations (social enterprises; charities; community and voluntary organisations; co-operatives; local socially-focussed businesses) should be an imperative consideration in Commissioning judgements.
- **PARTNERSHIP** – Commissioning requires the application of “Collaboration Theory”, correcting the exclusive application of “Competition Theory” in procurement.

This response is principally focussed on the procurement of Public Services. We believe it is of fundamental importance to make a distinction between goods and Public Services, especially social and community focussed Public Services, and that the procurement of Public Services should be seen as part of a wider commissioning process. We think there is a need for the introduction of measures in the regulations to promote collaborative principles in addition to market theory and the inclusion of new instruments that can support collaboration in the provision of Public Services. We note that the Government’s Health White Paper is encouraging such collaboration for health services and we believe there is a clear need for “collaboration theory” in relation to Public Services. We welcome the opportunity this change to procurement law brings to promote cultural change in how public procurement is carried out.

- *Distinct principles are needed for Public Services, especially based on: collaboration; partnership; co-design, co-investment; co-delivery; cross-public sector integration; multi-sector, multi-stakeholder collaboration; community partnerships; long-term development projects; preventative planning and action; and Innovation Partnerships.*
- *The Innovation Partnership procedure is extremely important and should be built upon, not lost. It uniquely addresses the need for procedure to establish developmental partnership, rather than service contract, relationships. Uniquely it provides for design and delivery in the same contract. Many Public Authorities were interested in them for Public Services. Two of the few there are have been award-winning for innovation (Leicestershire Children’s Services and Oldham Social Prescribing). There are few because of the risk averse procurement culture – “we can’t do it, because no one else has done it”.*

Further information, and full details can be found in the E3M response, submitted separately.

Catch22 Case Studies

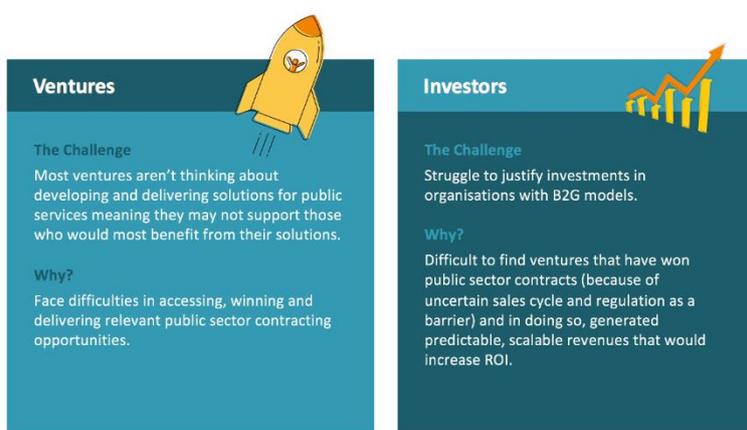
The fundamental point is that we need a procurement system which delivers purpose, collaboration, stakeholder participation and public/social value; rather than profit, competition, and private shareholder value.

1. Social Value

The Government should look to drive the creation of partnerships/platforms where innovators from different parts of society can collaborate to create social value in public procurement.

There are too few platforms where public services can work together with entrepreneurs, technologists and investors to tackle problems like youth employment at scale.

This contributes to a situation where urgent social challenges remain unsolved, despite the existence of impactful solutions and will amongst different stakeholders to collaborate.



| Ventures | Investors |
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| <p>The Challenge Most ventures aren't thinking about developing and delivering solutions for public services meaning they may not support those who would most benefit from their solutions.</p> <p>Why? Face difficulties in accessing, winning and delivering relevant public sector contracting opportunities.</p> | <p>The Challenge Struggle to justify investments in organisations with B2G models.</p> <p>Why? Difficult to find ventures that have won public sector contracts (because of uncertain sales cycle and regulation as a barrier) and in doing so, generated predictable, scalable revenues that would increase ROI.</p> |

Catch22 has practical experience of creating social value through public procurement. Examples include:

- [Offploy](#), a recruitment agency for people with convictions.
- [Recrewt](#), a recruitment agency for people with learning disabilities.
- [Unlocked Graduates](#), a charity that aims to reduce reoffending.

We have supported each of these organisations to access, win and deliver public sector contracting opportunities. And they are soon to be joined by [Lighthouse](#), a charity that aims to transform the lives of children in care.

Each of these organisations have founders with lived experience of the problem that they are trying to solve, which means they have a very strong understanding of the communities that they are trying to support – it is in their DNA. Their solutions and the support they offer are bespoke - tailored to the sub-groups they are trying to support - and scalable. These are the kinds of solutions and practice we should be looking to scale through public procurement as real social value is being created. Too often public procurement optimises for scalability / risk-management at the expense of innovation.

2. Partnerships

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.

This was often very much the case before the Covid-19 crisis, but the easing of many restrictions and introduction of the Cabinet Office's guidance (PPN/01 and 02) has been transformative.

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.

Success down to:

- ✓ Catch22's **expertise** and deep understanding of the social issues needing to be addressed, and communities involved, formed the basis for a trusting relationship
- ✓ Catch22's **ability to adapt and be flexible** provided commissioners with the tools they needed to adapt the services
- ✓ **A positive working relationship** enabled us to deliver **the first ever integrated child exploitation service in the country**. This is allowing us to help the most amount of young people.
- ✓ An effective and successful service delivered as a **collaboration** between the PCC, 5 local authority areas and a social enterprise – delivered through **one relational contract** rather than 5 separate contracts. This enabled the most effective use of our expertise, time and data sharing.

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.

We have numerous examples demonstrating the success of purpose driven, social value based, collaborative, partnership driven procurement processes, resulting in public services which truly meet the needs of those they exist to serve. Some of which are shown in Appendix A below. We would be happy to speak more about these in more depth should that be of interest.

For further information, please contact Cathryn Moses-Stone, Catch22 Head of Policy & Public Affairs, cathryn.moses-stone@catch-22.org.uk

Appendix A

| Name of service | What is the service? | How a better service was created as a result of a relational approach and Catch22's agility as a social enterprise | Key elements demonstrated |
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| <p>Stoke and Staffordshire Missing from Home/Child Sexual Exploitation Service</p> | <p>The service runs across the local authorities of Staffordshire and Stoke; each service comprises of a Missing from Home Service in addition to a Child Sexual Exploitation (CSE) direct work service. Both services run under a dual service model, commissioned by the Police and Crime Commission in addition to the local authorities of Stoke and Staffordshire.</p> <p>Both services now also feature a Child Criminal Exploitation (CCE) service, which is currently being run as pilot scheme.</p> <p>There may have been several influencing factors affecting this decision made by the commissioners but Catch22's national expertise and</p> | <p>The evolution of the Missing from Home and CSE service in Staffordshire developed from the success experienced by the service in Stoke. Whilst the service grew, and the relationship with the commissioners became strong and embedded, Staffordshire local authority began to consider the way in which they provided a service for their children and young people at risk of CSE and who were going Missing from Home.</p> <p>Our case workers were essential in raising awareness of the need for a service within Staffs and Stoke that focuses specifically upon CCE and those that may be at risk or a victim of this form of abuse.</p> <p>Due to Catch22's work raising the issue, and promoting the need for a CCE service, Catch22 won the bid in Stoke and Staffs to pilot the CCE service which has now emphasised the importance and value of the contextual safeguarding approach within both local authorities.</p> <p>Prior to the pilot, there was an absence of on recognised service which worked with children and YP at risk of CCE; the success of the pilot so far has demonstrated the necessity for this to become a more permanent fixture.</p> | <ul style="list-style-type: none"> ✓ Catch22's expertise and deep understanding of the social issues, and communities formed a basis for a trusting relationship ✓ Catch22's ability to adapt and be flexible provided commissioners with tools they needed to adapt the services ✓ A positive working relationship enabled us to pilot a CCE service alongside the existing Missing/CSE services. This is allowing us to help the most amount of young people ✓ An effective and successful service delivered as a collaboration between |

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| | <p>experience of working with the specific cohort of children and young people, in addition to the data driven and evidence-based approach presented to the commissioners, meant that Catch22 won the bid for a dual CSE and Missing from Home service in Stoke.</p> | | <p>two commissioners and a social enterprise</p> |
| <p>Derby & Derbyshire CARES (Children at Risk of Exploitation Services)</p> | <p>Jointly commissioned in January 2020 by Derbyshire’s Police and Crime Commissioner and both Derby and Derbyshire local authorities, Catch22 launched the ‘Derby and Derbyshire CARES’ exploitation service for young people.</p> | <p>Covid-19 restrictions had forced the service to be more innovative and creative, moving to a mixture of virtual and face to face support for our service users and staff team. Being an entrepreneurial national charity and social enterprise, we were already in a strong position with virtual software packages, training and guidance that we had implemented to better connect our services across the country. This model and way of working was then easily transitioned to our staff and service users during the Covid-19 lockdown.</p> <p>Armed with this knowledge and good practice on virtual support for young people, we were then able to quickly share a variety of guidance documents to other service providers. This timely response and our flexibility helped us to establish really positive working relationships as a new service in the local area and is enabling us to provide the very best kind of service.</p> | <p>✓ An effective and successful service delivered as a collaboration between two commissioners and a social enterprise</p> <p>✓ Catch22’s ability to innovate and adapt at speed during the pandemic has strengthened the relationship with the commissioner and built further trust</p> |
| <p>Pan Merseyside Missing & Child</p> | <p>The contract initially started in Wirral, 2013 for missing and child sexual exploitation. The service grew from strength to strength and</p> | <p>There is only one contract needed for the delivery of services across five local authority areas. This means Catch22 is able to:</p> <ul style="list-style-type: none"> • Maintain staff flexibility; | <p>✓ Catch22’s expertise and deep understanding of the social issues needing to be addressed, and</p> |

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| <p>Exploitation Service.</p> | <p>from this we were then commissioned by the Police Crime Commissioner for Merseyside to deliver a service to the five Local Authorities.</p> <p>In 2015, we were successful in winning the contract for Knowsley missing service. We were co-located within Huyton Police Station as part of the Multi-Agency Shield Team tackling child exploitation.</p> <p>The PCC office awarded further funding to Catch22 in 2016 due to Catch22 identifying criminal exploitation, so we were the first service to offer support to young people who were being exploited criminally.</p> <p>In 2018, St Helens, Knowsley & Wirral Local Authorities joined commissioning arrangements with the PCC office to enable the delivery of services through one single contract with the PCC</p> | <ul style="list-style-type: none"> • Respond most effectively to demand across the areas – this is vital given the nature of the work and a 72 hour statutory window for ‘Missing interview’s with young people; • To share information on young people who cross local authority and country borders in order to share timely and accurate data with partners; • Be more flexible in its approach to working with young people. <p>Our relationship with commissioners across Merseyside has gone from strength to strength, it has enabled us to be able to have consistent reporting across all local authority areas. Catch22 invested a lot of time across Merseyside in building up excellent working relationships with all professionals from various agencies.</p> | <p>communities involved, formed the basis for a trusting relationship</p> <ul style="list-style-type: none"> ✓ Catch22’s ability to adapt and be flexible provided commissioners with the tools they needed to adapt the services ✓ A positive working relationship enabled us to deliver the first ever integrated child exploitation service in the country. This is allowing us to help the most amount of young people. ✓ An effective and successful service delivered as a collaboration between the PCC, 5 local authority areas and a social enterprise – delivered through one relational contract rather than 5 separate contracts. This enabled the most effective use of our expertise, time and data sharing. |
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| | <p>office being the lead on this. Funding was for 3yrs.</p> | | |
| <p>Suffolk Include Alternative Provision Primary School</p> | <p>The Catch22 Include Primary School in Suffolk was initially founded by Include Ltd in approximately 2010, contracted by the Suffolk local authority to deliver outreach to excluded pupils with a view to broker a reintegration for students back into mainstream schooling. In addition, three areas were designated in Bury St Edmunds, Ipswich and Lowestoft to provide wider and more immediate coverage to offer onsite alternative provision due to an upsurge in need for pupils who had been permanently excluded at primary school age.</p> <p>Catch22 subsequently adapted the EOTAS model to become a school.</p> | <p>Catch22 adapted the model of the service, moving away from an old model of 'Education Outside of School (EOTAS)' and rebranding as a school. This allowed us to distinguish ourselves from pupil referral units and the damaging associated terminology i.e. 'unit' and instead focus positively on the future of the excluded young people, aligning our curriculum with a national curriculum approach to ensure pupils have a greater opportunity to stabilise academically.</p> <p>Catch22 ensured it integrated the educational focus, in line with DfE and Ofsted, with the social mission of Catch22 as a social enterprise and charity. This holistic, relational approach to education resulted in a 'Good' Ofsted in 2019, which was a big success for the local area, and for the young people.</p> <p>The school has also been working in partnership with the local Catch22 reparation service in the area - the commissioners have been impressed by the commitment this has shown to adapting and delivering an excellent service, on both counts.</p> | <ul style="list-style-type: none"> ✓ Catch22's ability to be transparent and agile as a social enterprise has enabled us to foster a strong working relationship with the commissioner. ✓ Catch22's entrepreneurialism also enabled us to combine two local services in order to achieve the best outcomes ✓ Our ability to demonstrate impact and a local footprint has helped to strengthen the relationship with the commissioner – especially combined with our continued drive to see improvements through improved baseline data, as well as Ofsted ratings. |

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| <p>Music to My Ears, Surrey</p> | <p>Music to My Ears (MTME) is the only project focusing on young people with emotional health and wellbeing challenges being involved or at risk of becoming involved in the criminal justice system in the local offer.</p> | <p>The project has been running for three years with a significant impact not only in the improvement of emotional health but the reduction in criminal justice involvement for young people involved in the project.</p> <p>MTME is delivering across the county carrying out 121 interventions, groups workshops, partnerships session with police, children services, third party NHS suppliers and has also been invited to deliver workshops to targeted groups in most of the county's alternative education settings. The impact of this is significant reach and coverage for the service, we are able to deliver in the community as a result of independent referrals, at community settings as a result of non-statutory referrals or in formal settings such as school or out of court disposal meetings as a result of statutory organisation referrals.</p> <p>One of the core principles of MTME is partnership working, we currently have strong and established working relationships with many key stakeholders within youth work throughout the county. Our key partnerships are targeted youth support services, working in youth centres and delivering to targeted youth groups.</p> <p>We have a robust working relationship with Surrey Police who refer young people into our service who are coming to police attention and many activities and sessions are held in conjunction with local officers.</p> <p>As well as working with many professional partners we also work closely with Catch22's Surrey young person substance misuse service. We have a streamlined referral process to support both people in MTME service with substance misuse issues and young people in the SYPSMS service with criminal justice diversion support.</p> | <ul style="list-style-type: none"> ✓ Catch22's ability to be transparent and agile as a social enterprise has enabled us to foster a strong working relationship with the commissioner. ✓ Catch22's entrepreneurialism also enabled us to combine two local services in order to achieve the best outcomes ✓ Catch22's drive to be truly collaborative, with commissioners as well as other local agencies and partners has resulted in a truly successful service to help young people |
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