



House of Commons
Public Administration Select
Committee

Public Services and the Third Sector: Rhetoric and Reality: Government Response to the Committee's Eleventh Report of Session 2007–08

**Thirteenth Special Report of Session
2007–08**

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The Public Administration Select Committee

The Public Administration Select Committee is appointed by the House of Commons to examine the reports of the Parliamentary Commissioner for Administration and the Health Service Commissioner for England, which are laid before this House, and matters in connection therewith, and to consider matters relating to the quality and standards of administration provided by civil service departments, and other matters relating to the civil service.

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Thirteenth Special Report

The Public Administration Select Committee reported to the House on *Public Services and the Third Sector: Rhetoric and Reality* in its Eleventh Report of Session 2007–08, published 9 July 2008 as HC 112. The Government Response was received on 24 November 2008 and is published below as an Appendix to this Report.

Appendix—Government Response

The Government welcomes the Committee's review of public services and the third sector, particularly its recognition of the capacity for the third sector to deliver excellent and innovative public services.

The Government's review of the third sector, *The Future Role of the Third Sector in Social and Economic Regeneration* (July 2007)¹ set out the Government's vision of how the state and the third sector working together at all levels and as equal partners can bring about real change in our public services. The Government is committed to supporting the growing number of third sector organisations who want to play an active role in shaping and delivering public services.

During the 2007 CSR years we are investing over £500 million through the Office of the Third Sector (OTS) to make this vision a reality. This includes, for example; providing access for third sector organisations to investment finance with a total of £215 million committed to the Futurebuilders Fund; supporting the thousands of social enterprises that deliver social and environmental outcomes using business approaches; and investing £130 million in the Grassroots Grants programme and endowing communities to help small groups build their communities and change lives.

The Government endorses the Committee's view that 'intelligent commissioning' is the key to involving the third sector more in the design and delivery of public services. Through the, £1 million a year, National Programme for Third Sector Commissioning training is already being provided to improve the practice of up to three thousand public sector commissioners to ensure they are able to get the best out of working with the third sector. This includes investment in programmes of accredited training with five of the leading university business schools to ensure that future courses on public sector management and commissioning will benefit from specific third sector modules.

The Government also acknowledges that it needs to do more to build a robust evidence base that supports the case for more public and private investment in the third sector as a delivery partner. This is why £5 million has been invested in a new third sector research centre led by Birmingham University. The centre will collect and disseminate

¹ The future role of the third sector in social and economic regeneration: final report – July 2007 HM Treasury/ Cabinet Office; <http://www.officialdocuments.gov.uk/document/cm71/7189/7189.pdf>

evidence on the third sector so that evidence is available about the true social and economic value of the contribution the sector makes and can make to society.

The Government's response to the Committee's specific recommendations is set out below.

Government and the third sector

1. It is clear that the State is commissioning more services from the third sector than ever before, and is increasingly doing so through procurement-type relationships. These commissioning trends, and their impact on the third sector, are at the heart of this report. (Paragraph 24)

The Government vision

2. If there is no common understanding of what commissioning means that can only be a barrier to effective relationships. Government and the private and third sectors need to come to a commonly accepted definition of commissioning if it is to continue to be the State's preferred method of interacting with the sector. In particular, Government needs to convince the third sector that commissioning is something distinct from procurement. (Paragraph 38)

The scale of third sector involvement

3. As our witnesses told us, third sector organisations are ill-equipped to provide universality and equity to service users. Whatever transformation of public services is about, it should not be about transferring responsibility for delivering large areas of public service out of the State and into the third sector. It appears that government accepts this. Despite the emphasis given in government publications to involving the third sector, only 2% of public service spending is on third sector delivery. The debate on the transformative capacity of the third sector is a rhetorical storm in a fiscal teacup. (Paragraph 48)

4. The Government's position has moved from actively pursuing the transfer of services to allowing a more ready transfer "where appropriate". We support that change of emphasis. However, it immediately prompts a further question: how to judge where it is indeed appropriate for services to be provided by the third sector. (Paragraph 51)

12. We have already noted that the Government is not looking to transfer any set proportion of services to the third sector. At most, it has identified certain services which it believes third sector organisations may be particularly well placed to provide. This is a more nuanced approach and more sensible than attempting to claim general merits across the whole third sector. Given the absence of useful evidence, too, it is entirely sensible that the Government should no longer set numerical targets for the sector's contribution to public service delivery. (Paragraph 87)

51. While the scale of third sector involvement in service delivery remains close to its current small-scale level, many of the risks to the sector which were identified in our inquiry appear to us to have been overplayed. (Paragraph 229)

53. Caution is needed because progress must be on the basis of trialling in certain areas, through better use of commissioners' legitimate discretions, towards the collection of an evidence base. We do not want to see a mass transfer of services without significantly stronger evidence that this would be beneficial, and we are heartened that the Government does not appear to support such a mass transfer. Ultimately, it must be right to judge all prospective service providers on their merits. To do that, we need a vigorous mixed economy of provision, capable of eliciting the various distinctive strengths of different organisations in different sectors. (Paragraph 231)

The Government's review of the third sector in 2007 set out the Government's vision of how the state and the third sector working together at all levels and as equal partners can bring about real change in our public services. The Government is committed to supporting the growing number of third sector organisations who want to play an active role in shaping and delivering public services but, as the Committee recognises, in doing so the Government is not looking at a wholesale transfer of services to the third sector.

Through the Government's National Programme for Third Sector Commissioning training is already being provided to improve the practice of up to three thousand public sector commissioning and procurement officers. This includes raising awareness of the Government's principles of good commissioning and increasing understanding of how to get the best out of working with the third sector as detailed in the Public Services Action Plan.² Investment in a programme of accredited training with five of the leading university business schools will also ensure that future courses on public sector management and commissioning will benefit from specific third sector modules.

Third Sector distinctiveness

5. One of the most commonly cited characteristics of third sector distinctiveness—almost its unique selling point—is the sector's focus on service users. Yet user focus is not unique to the third sector, and indeed what little research there is suggests that this user focus can be lost when organisations provide services to a large, general population. (Paragraph 69)

6. If the test of distinctiveness is that the third sector offers more specialist knowledge and expertise than other sectors, then we have not been provided with sufficient evidence to prove that claim. (Paragraph 69)

² Partnership in Public Services : An action plan for third sector involvement ; Cabinet Office;December 2006;
http://www.cabinetoffice.gov.uk/~media/assets/www.cabinetoffice.gov.uk/third_sector/psd_action_plan%20pdf.ashx

7. There is some evidence that third sector providers in certain fields provide more flexible, joined-up services. However, flexibility of services seems very dependent on good commissioning practice. (Paragraph 70)

8. The many fine examples of innovative practice in the third sector do not add up to conclusive evidence that the sector is inherently more innovative. (Paragraph 71)

9. In certain areas, it appears that third sector organisations may indeed be more likely to secure users' trust than public sector counterparts. It is equally apparent, though, that this is not universal across all forms of public service provision. Nor is it clear that it is a third sector-specific strength. It may be more accurate to suggest simply that certain types of service users, or would-be service users, may be apprehensive of dealing with the State. (Paragraph 72)

10. Added value has many facets, from generating social capital and voluntarism to leveraging in additional income or providing other unexpected but tangible benefits. Third sector organisations are often likely to be best placed to provide some of these benefits; but this may say less about the capability of other sectors than it does about the weakness of commissioning processes. Unless commissioners ask for added value, we cannot really know if it is a distinctive third sector strength. (Paragraph 82)

11. The evidence is simply not there to judge conclusively whether there are shared characteristics across all third sector organisations, arising from their commonality of origins or ethos, which might make them particularly suited to the provision of public services. Indeed, there is widespread consensus that this evidence base does not yet exist. Will Werry of the Commissioning Joint Committee put it most succinctly when he told us that "it is surprising that a major national exercise is based on ... supposition". (Paragraph 86)

13. The real question in each service should be what characteristics are needed to get the best outcomes for users and for citizens. This might give commissioners an evidence base when they consider what characteristics they might look for when deciding how to commission a service. It is in this direction that research should focus if the policy of encouraging third sector provision is to be pursued. (Paragraph 88)

The Government shares the Committee's view that there is a need for a more robust evidence base to attract more public and private investment into the third sector.

As a demonstration of the Government's commitment to building a strong evidence base to help inform the work of the third sector and support evidence based policy, it has invested £5 million in a new third sector research centre led by Birmingham University. The new centre is also backed by The Economic and Social Research Council (ESRC) and The Barrow Cadbury Trust. It will collect and disseminate evidence on the third sector so that evidence is available about the true social and economic value of the contribution the sector makes and can make to society. The centre represents a step change in the size of resources concentrated on the sector and follows the establishment

of the ESRC Centre for Philanthropy and Charitable Giving, which also receives significant government funding.

The Government also recognises that because of the breadth and depth of activity carried out by the third sector there will continue to be a need for a range of tools to evaluate impact. Use of these tools is currently limited and there is a need to promote social reporting more widely within the sector and to increase understanding of the range of tools across the public sector and the third sector.

The OTS is tackling this through a new, three year programme on measuring social value. It will be supporting the development of new guidance, training and infrastructure for Social Return on Investment (SROI), which is a tool to help define and explain the achievement of social value. The OTS will be working with investors, grant makers and commissioners, and with the third sector, to ensure that SROI becomes an accessible, affordable and well understood route for articulating the social value they create.

The OTS is also supporting Government Departments to undertake action research into areas where social enterprises can contribute to public policy objectives.

Levelling the playing field

14. Public bodies should not be attempting to claw back surpluses from third sector organisations in contractual arrangements. (Paragraph 99)

15. Too many service delivery contracts still appear to be unnecessarily short. Nobody seems to be claiming that one-year contracts are generally sensible. Although there are disadvantages of overlong contracts too, in that it is harder to secure accountability to commissioners, there are clear practical problems with the length of many contracts currently. Repeated changes of provider are bad for staff; more importantly, they are bad for service users, who often need to build up relationships with service providers. Nor is it to anyone's advantage if service delivery organisations are unattractive places to work. (Paragraph 105)

16. Government has talked for some time of a three-year norm for contracts, and longer where appropriate. It is time that this was translated into changed practice. However, we understand that this is not easy. The National Audit Office reported in 2005 that good intentions here were being lost as funding flowed through the delivery chain. The decisions on contract length are made by individual commissioners and not by central government. The priority for the Office of the Third Sector, therefore, must be getting the message through to commissioners on the ground. (Paragraph 106)

The Government's review of the third sector set out that the Minister for the Third Sector would report to the Chief Secretary to the Treasury and the Chancellor of the Exchequer on an annual basis on progress in delivering the overall three-year funding commitment for key grant programmes and contract areas. This will be based on

submissions from Government Departments, which will be requested to ensure that all departures from three-year funding arrangements are fully justified. As part of the annual review of the Compact, a regular report will be presented to Parliament on three-year funding arrangements in order to encourage consistency and transparency in the process. The first reports will be available early in 2009, following the Compact Annual Review in December 2008.

The great majority of third sector organisations operate locally. Getting the policy framework and support mix right at the local level is key to ensuring that third sector organisations can make a full contribution to strong, active, cohesive communities. This is why the Government set out in *Creating Strong, Safe & Prosperous Communities*³ (the statutory guidance to the Local Government & Public Involvement in Health Act) a new local government performance framework which requires the systematic involvement of the third sector in all areas.

The new performance framework for local government includes National Indicator 6 (participation in volunteering) and National Indicator 7 (the environment for a thriving third sector). Nearly two-thirds of councils in England have chosen to make their work with the sector a top priority in the new Local Area Agreements. All localities must perform against these, third sector focused, performance indicators and progress will be measured from April 2009 by the joint inspectorates through the new Comprehensive Area Assessment. In addition, the involvement of the third sector and engagement of communities in setting local priorities will be assessed via the Duty to Involve.⁴

17. Commissioners need to lose the habits of grant funding when dealing with third sector organisations in competitive procurement processes. The onus should always be on the bidding organisation to decide how much they want to charge. The responsibility of the commissioner is to ensure that there are neither arbitrary barriers preventing them from doing this, nor discriminatory requirements to compel them to charge their full costs where they may not wish to do so. (Paragraph 111)

18. It is important to recognise that full cost recovery is not a right—it has to exist in a competitive context. While bidding organisations should not be prevented from pricing their full costs into a bid to provide a particular service, commissioners will always retain the right to reject that bid in favour of a cheaper competitor. Government's commitment to full cost recovery does not, and should not, immunise the third sector from the pressures of efficiency and competition. (Paragraph 112)

20. In designing each procurement exercise, the challenge of the commissioning body is to try and determine the trade-off between affordability and service quality to the best possible extent. (Paragraph 118)

3 Creating Strong, Safe & Prosperous Communities: Statutory Guidance Department for Communities and Local Government – 9th July 2008 <http://www.communities.gov.uk/documents/localgovernment/pdf/885397.pdf>

4 A 'Duty to Involve' is included in the Local Government and Public Involvement in Health Bill <http://www.parliament.the-stationery-office.co.uk/pa/cm200607/cmbills/016/07016.i-v.html>

47. Horses for courses is right. Where service outcomes are clearly defined and their achievement is paramount, then it is unrealistic to expect government to avoid forming contractual relationships with providers who can guarantee that the outcomes will be delivered. If outcomes are less well defined, though, commissioners may place a higher premium on innovation and flexibility. In those circumstances they retain the option of funding those outcomes through a grant, either for a specific project or more broadly in support of an organisation's overall objectives. The current funding mix does not appear to us to be unsustainable. Ultimately, though, it is up to government to use the variety of funding mechanisms available to pursue its objectives (on behalf of service users and the public) in what it judges to be the most effective way. (Paragraph 219)

The Government remains committed to building a more sustainable funding base for third sector organisations. Since the 2002 Cross Cutting Review⁵ – *The Role of the Voluntary and Community Sector in Service Delivery*, increasingly, government departments have recognised and supported the overhead costs for third sector organisation that they fund.

However, an NAO review into full cost published in June 2007⁶ acknowledged that Departmental practice towards full cost recovery will vary with the purpose of the funding and the environment it takes place in. The OTS and HM Treasury accept the recommendation in the report to develop more sophisticated statements on full cost recovery that reflect funders' responsibilities for fair treatment and risk management.

The Government also recognises that the onus lies with the third sector in terms of accurately and fairly reflecting the full cost of providing a service, and that public sector commissioners must make a decision based on value for money and the quality of services.

The Government agrees with the Committee that a funding mix of grants, investment loans and service delivery contracts, underpinned by three year funding where appropriate, is needed in order to ensure sustainable funding arrangements for third sector organisations. In accordance with HM Treasury guidance and the principles of the Compact, the form of funding and the length of funding should be tailored to the objectives and funders should jointly agree both the form of funding and terms and conditions with the relevant third sector organisation before work commences.

One recent example of a mixed approach to funding is the Grassroots Grants programme. The Budget 2007 announced an £80 million small grants fund available over four years to provide funding to grassroots community organisations, some of whom will be engaged with public services. To build sustainability into local grant making, the third sector review also announced capital grants of £50 million to endow

5 The Role of the Voluntary and Community Sector in Service Delivery, <http://www.official-documents.gov.uk/document/cm71/7189/7189.pdf>

6 Office of the Third Sector – Implementation of Full Cost Recovery – National Audit Office, June 2007; http://www.nao.org.uk/publications/nao_reports/06-07/third_sector_cost_recovery.pdf

local independent funders in order to generate long term, sustainable income for front-line organisations. Funders selected for this programme have had to demonstrate that they have a robust investment strategy and the capacity to manage endowments successfully for the benefit of third sector organisations and communities locally. This is a ground-breaking £130 million programme, with its combination of small grants programme and long-term endowments, which will enable grassroots groups to thrive and will provide a sustainable source of small grants for years to come.

21. The growth of consortia is encouraging. We do not believe, however, that it is yet at a scale that is going to affect significantly the overall shape of the public services market. It is also costly and time consuming for organisations to come together into consortia. (Paragraph 121)

The Government acknowledges the Committee's point on the challenges of forming consortia for public service delivery. In the Public Services action plan, the Government made a commitment to reduce the barriers that third sector organisations face in tendering for public service contracts, and recognised that forming a consortium was one way in which smaller organisations could develop the capacity to get involved. OTS will soon be publishing a guide on the options and implications for third sector organisations that may wish to collaborate to tender for public service contracts. It will include advice on the steps to take and what to consider when forming a consortium. Through its recently announced Consortia Fund,⁷ Futurebuilders is offering a combination of loan finance and professional support specifically for groups aiming to work together as a consortium to tender for public service contracts.

22. It is evident to us that even where there is some evidence that distinctive potential to transform public services does exist, such as in employment services, it risks not being captured due to the nature and scale of the procurement processes in place. Sub-contracts, which third sector organisations are having more success at winning, carry their own risks, and may still be too large for some of the most distinctive organisations; consortia of a sufficient size are hard to establish and maintain. If government wants to involve the smallest organisations who sometimes offer the most distinctive services, it may have to look at doing a number of things:

- radically simplifying its tendering processes;
 - helping organisations to bid, and in particular helping them to form consortia and allowing sufficient time in the commissioning process to do so;
 - incentivising prime contractors to work with third sector sub-contractors and build their capacity to participate in the commissioning process; or
 - identifying opportunities to advertise contracts at a significantly smaller level.
- (Paragraph 122)

23. If a level playing field is taken to mean that third sector organisations are able to compete as financial equals with potential providers in other services, then it will

7 <http://www.futurebuilders-england.org.uk/our-products/tender-fund/tender-fund/>

never be achieved. Most third sector organisations, including many who have the characteristics government is looking for in service delivery, are too small to compete for most contracts. Capacity-building is important in itself for reasons beyond service delivery, and it has a role in pump-priming particular would-be service providers, but it will not in itself achieve a level playing field in service delivery. (Paragraph 133)

The Government shares the Committee's views on the distinctive contribution of smaller organisations. The National Programme for Third Sector Commissioning, for public sector commissioners, includes a focus on how to involve smaller third sector organisations in the commissioning process.

The Government has also invested more than £1 million over three years in the 'Innovation Exchange' to provide third sector innovators with access to investors and the potential capital they need to become involved in public services. Many of the projects involved in the Innovation Exchange are relatively small scale.

The Government notes that the Committee cites employment as one of the areas where there is some evidence that distinctive potential to transform public services exists, but that it risks not being captured due to the nature and scale of the procurement processes in place. The Department for Work and Pensions (DWP) published its commissioning strategy in 2008⁸ and has adopted a prime contractor model. This model means that smaller and specialist providers are unlikely to secure prime contracts and are more likely to be involved in the market as sub-contractors. Some third sector organisations have expressed concerns about this model. In recognition of this, the DWP incorporated a Code of Conduct into the commissioning strategy. The Code aims to assign fairly the risks and rewards of delivery across the supply chain. In June 2008, the DWP established a Third Sector Task Force. The Task Force is developing practical recommendations on how the third sector can play a full and constructive part in welfare to work delivery. The conclusions of this work will be available early in 2009.

As recognised in the recent publication on the future of public services, *Excellence and Fairness: Achieving world class public services*,⁹ there is a significant potential for smaller and specialist providers to be involved in demand led personalised markets:

"The opportunities to drive more personalised more effective services...is one of the reasons why social enterprises and other third sector organisations have such potential to deliver public services."

This potential is reflected in a number of initiatives across government. For example, the Department of Health's commitment to the involvement of smaller third sector providers is demonstrated by the Micro Markets Project. This two-year project aims to stimulate the development of micro enterprises, many of which are social enterprises. It

8 DWP Commissioning Strategy Department for Work and Pensions, February 2008; <http://www.dwp.gov.uk/publications/dwp/2008/com-strategy/cs-rep-08.pdf>

9 Excellence and Fairness: Achieving world class public services; Cabinet Office, 2008 http://www.cabinetoffice.gov.uk/~media/assets/www.cabinetoffice.gov.uk/strategy/publications/world_class_public_services%20pdf.ashx

is testing a model of capacity building that will help micro providers to overcome local barriers and negotiate complex legislative and regulatory requirements in order to provide people with a real choice of support services. This work furthers the Department of Health's commitment to provide every person eligible for publicly-funded adult social care with a personal budget.

24. The suggestion that charities are "almost uniquely penalised" by the VAT regime appears to have some force (although of course charities have their own tax advantages as well). (Paragraph 134)

The Government has committed to creating an environment in the UK which enables third sector organisations to thrive. In part, this is about ensuring legislation, regulation and taxation are appropriate. It is also about ensuring that other environmental factors are conducive to the development of the sector: for example the level of awareness, understanding and acceptance of the value of the third sector among key public sector audiences.

In 2002, HM Treasury undertook a review of the role of the voluntary and community sector in service delivery. This reiterated the outcome of the *Treasury Review of Charity Taxation* in 1999 which looked carefully into the problem of irrecoverable VAT and concluded that no changes could be made to the existing scheme. The 2002 review concluded that available resources would be better deployed through the new investment fund "Futurebuilders".

Third sector organisations, including social enterprises, with charitable status are regulated by the Charity Commission and are able to benefit from the full range of tax reliefs open to all charities. For example, they can get tax relief on profits generated from trading for their primary purpose (i.e. they are a care home, hospital, etc) and on profits from non-primary purpose trading of less than 25% of overall income, and not exceeding £50,000 a year.

Charities are also entitled to 80% mandatory business rate relief and 20% discretionary relief claim. They can also claim gift aid on donations made to them.

25. TUPE appears likely to cause practical difficulties when services are moved into the third sector. Many organisations will not have the capacity to take on staff at existing levels of salaries and benefits. If the Government is committed to pump-priming the third sector to improve service provision, it will need to invest in supporting third sector organisations who are effectively prevented from delivering

26. There is clearly an onus on government not to outsource undue risk to third sector providers, or any other providers, without fair recompense—but the fair sharing of risk is in everybody's interest, if services are not to be allowed to fail. (Paragraph 139)

The TUPE regulations implement the Acquired Rights Directive in the UK. They are designed to safeguard employees' terms and conditions where a business, or part of a

business, changes hands when a service is outsourced or a new contract to supply a service is awarded. These terms and conditions cannot lawfully be changed, nor can an employee be made redundant, following a transfer unless the change is for economic, technical or organisational reasons entailing changes to the workforce negotiated by the parties.

Occupational pension rights earned up to the time of the transfer are protected by social security legislation and the pension trust arrangements. The new employer is not required to run an identical scheme, but where existing employees were entitled to participate in an occupational pension scheme prior to the transfer, they must match employee contributions up to 6% salary into a stakeholder pension or offer an equivalent alternative.

These protections are necessary, since otherwise, this group of workers could find themselves without a job or being offered reduced terms and conditions for the same work they were doing for their previous employer which is inherently unjust. It also ensures that responsible contractors, who bid for contracts on the basis that they can deliver improved management and efficiency, are no longer at risk of being undercut by those who bid on the basis that they can reduce labour costs. This principle must apply to third sector as well as commercial organisations.

27. There are limits to the differential treatment which commissioners can give to third sector organisations in a procurement process. If Compact financial undertakings are to be built in to tender exercises, they must apply to all sectors equally. Therefore, while the Compact may have value in a contracting environment in redressing imbalances between buyer and seller, it does not level the playing field between bidders from different sectors. (Paragraph 146)

The Compact, agreed in 1998, is now in need of a revision to ensure continued relevance and impact. The Joint Compact Action Plan 2008-09 made a commitment to reviewing the Compact and its Codes to bring it up-to-date with policy development and public service reform. The Commission for the Compact is leading the review of the Compact, working with the OTS and Compact Voice in taking this work forward. As part of this work, they are also preparing guidance, aimed at commissioners in the public sector, about how Compact principles apply to their work and can best be used and applied in this context. The Compact Annual Review meeting will look at the state of the relationship between the sector and Government and will set the direction for the year ahead.

28. With less access to capital and less capacity to take risks, there will always be practical limits to the third sector's ability to compete for certain contracts, especially the largest ones. The Government accepted this when Campbell Robb assented to our proposition of a "carefully contoured playing field" as the realistic goal. It is legitimate for the Government to pump-prime the sector and invest in building its capacity, both in general terms and specifically to aid public service provision, as long as it does not unfairly advantage third sector organisations over rivals for service delivery bids. At the moment this seems some way off happening,

and so we see Futurebuilders and Capacitybuilders as laudable schemes. (Paragraph 147)

The Government welcomes the Committee's view that Futurebuilders and Capacitybuilders are laudable schemes. The Government has committed £215 million to the Futurebuilders Fund to provide loan and grant-based finance to support third sector organisations to develop their capacity to deliver better public services. Futurebuilders investments are only available to third sector organisations that are unable to secure loan finance from commercial organisations. Through the ChangeUp programme and Capacitybuilders, around £150 million has already been invested in giving the third sector the organisational and development support it needs. The Government has allocated £85 million to Capacitybuilders over the 2007 CSR years.

The Department of Health holds a Social Enterprise Investment Fund (SEIF) of £100 million over a four year period (£63 million capital and £27 million revenue from 2008/09 to 2010/11). The fund is available to new and existing social enterprises, delivering health and social care services. The fund is available to support the delivery by social enterprises of health and/or social care services and products in England. It aims to provide start-up funding and longer-term investment to emerging and existing social enterprises in the health and/or social care sector with a view to their sustainability.

While still encouraging social returns and stimulating the delivery of health and social care by social enterprises, a further longer term objective is to become financially sustainable through returns on non-grant investments and through leverage of funds from external investors. SEIF will look to make progress toward financial sustainability by the end of the initial fund period.

Intelligent commissioning

19. In a competitive contracting environment, commissioners retain a residual duty to consider and manage the risks that aggressively low bidding might pose to the quality or sustainability of a service or a market, and act accordingly when selecting a preferred provider. However, responsibilities towards organisational sustainability remain the prime responsibility of third sector organisations themselves. This reinforces the importance that bidding organisations understand their full costs before entering the procurement process. (Paragraph 113)

29. There is a limit, though, to what can be done by attempts to eliminate inherent disadvantages of third sector organisations when those disadvantages can arise out of the same characteristics that might make them distinctive. If government wants more third sector organisations to deliver services, then the most effective way will be to ensure that commissioners set out requirements when they commission services that play to these organisations' distinctive qualities. Where there are any barriers, these should be eliminated, and capacity building will play an important part; but the key to improving outcomes will be ensuring that there are the right

people in the job, with the right skills and knowledge to use their legitimate client discretions more wisely. The key is intelligent commissioning. (Paragraph 148)

30. Commissioners need external input when designing service specifications, and this is recognised in EU procurement rules. If some commissioners still believe that the rules prevent them engaging with organisations who are potential bidders, the onus is on the Government to disseminate the real position. (Paragraph 155)

31. If contracts are almost always going to go to the bidder meeting the tender requirements at the lowest price, it becomes absolutely essential that the service specification is designed to the highest possible standard. If commissioners want services to be provided in a distinctive way, they will need to specify that in their tender requirements, because otherwise there will be little scope for bidding organisations to emphasise their distinctiveness during the procurement process. (Paragraph 158)

32. It follows from this that commissioning bodies will need an extensive knowledge of the services they are looking to buy before they advertise for bidders. If they are to require bidders to provide a service in a particular way, the commissioners need to find out what distinctive ways of providing services are out there. The onus is on commissioners to look at the different potential providers and not be shy to talk to them in designing service specifications. (Paragraph 159)

33. Third sector organisations can play a particularly valuable role in service design, because they can often act as a conduit to service users, and particularly the hardest to reach. Commissioners should talk to potential providers, but their interaction with the third sector should not be limited there. Above all, commissioners need to understand what service users value in a particular service. (Paragraph 160)

38. Intelligent commissioning depends on able, knowledgeable commissioners. Training is an essential part of developing skills, and the Government's steps to train key commissioners are positive and will benefit more than just third sector providers. Guidance, championing of the sector and external assessment will all play their part in changing organisational behaviour too; but there are no processes which adequately substitute for skills and ability. If commissioning is one of the keys to transforming public services, government needs to work at every level to attract its most talented people into working as commissioners, because commissioners are the people who will shape the services the public receives. At the very least, this will involve key posts being properly advertised and properly rewarded. (Paragraph 181)

The Government supports the Committee's central proposition that 'intelligent commissioning' is key to transforming public services.

As the Committee recognises, commissioners are the people who decide on the contents and results of tender exercises. The Office for Government Commerce's Government Procurement Service is working with Central Government Departments to develop a reward framework that will enable the recruitment, retention and reward of

procurement professionals. For a number of departments, this will include commissioners.

Through the National Programme for Third Sector Commissioning, training is already being provided to improve the practice of up to three thousand public sector commissioners to ensure they are able to get the best out of working with the third sector. Investment in a programme of accredited training has been made with five of the leading university business schools to ensure that courses on public sector management and commissioning will benefit from specific third sector modules. This includes a bursary scheme for over 90 nominated commissioners supported through the National Programme.

In the Public Services action plan the Government set out the 'principles of good commissioning'¹⁰ it believes will improve commissioning practice. One of these principles exhorts commissioners to 'consult potential provider organisations, including those from the third sector and local experts, well in advance of commissioning new services, working with them to set priority outcomes..'. The National Programme for Third Sector Commissioning is ensuring that this message is disseminated widely and promoting a better understanding among public sector commissioners of how involving third sector organisations can often get the best result for service users.

The Government's rationale for involving third sector organisations in delivering public services is because it works. Third sector organisations have been driving social change and transforming lives of the most disadvantaged people for centuries. No one disputes that this is a record worth investing in.

The Government recognises the vital role that third sector organisations can play in the design and delivery of public services. The strength of many third sector organisations is demonstrated in their understanding of services users' needs, their ability to do things differently and put an individual's needs at the heart of their activities. In order to achieve excellence in public services, they should reflect the preferences and needs of those who use them. The third sector can, at its best, reach out to people who the Government cannot reach. It can introduce new ways of approaching old problems and also a flexible approach that works.

The Government is committed to continue to support the growing number of third sector organisations who want to play an active role in delivering public services.

34. Government's task, at a central and local level, is to specify what it wants to gain from the delivery of a particular service. It should certainly take into account wider benefits; but it may need to do more than that, and actually ask for those benefits to be delivered when commissioning services. (Paragraph 164)

10 Principles of good commissioning set out on p.17 in Partnership in Public Services - An action plan for third sector involvement, Cabinet Office, Office of the Third Sector, December 2006; http://www.cabinetoffice.gov.uk/third_sector/~media/assets/www.cabinetoffice.gov.uk/third_sector/psd_action_plan%20pdf.ashx

35. We see merit in the targeted development of template social clauses. But this will not be enough. Commissioners should be expected to think about possible added value at the design stage of commissioning, and then to ensure it is taken into account in the procurement stage. For many commissioners, this will be a significant cultural change. A commissioning authority like the National Offender Management Service is not judged on the generation of social capital or of a spirit of voluntarism—it is judged on core outcomes like providing the right standards of prison accommodation, or prevention of re-offending. It is also judged on how much it spends. The challenge for government is to foster a culture where added value is routinely taken into account in addition to costs and core outcomes, and find the right incentives for commissioners to think about specifying wider benefits where these are appropriate. (Paragraph 168)

The Government recognises the important role for commissioners in designing contract specifications which consider the role of social value within public service delivery.

The Office for Government Commerce published guidance¹¹ on considering social issues through procurement. The information contained in the publication, and an upcoming OTS report on its social clauses project, identifies the importance of social outcomes while clarifying the processes which prevent the creation of template clauses which would specifically refer to adding social value within individual contracts.

The Government supports the Committee's central proposition that social value and wider benefits should be considered when designing specifications for public service contracts and that these should be taken in to consideration when defining costs and outcomes. The importance of considering social value in the commissioning process is an area being promoted by the OTS, the Office for Government Commerce and the National Programme for Third Sector Commissioning.

The Government recognises that because of the breadth and depth of activity carried out by the third sector, there will continue to be a need for a range of tools to evaluate impact. Use of these tools is currently limited and there is a broader need to promote social reporting more widely within the sector and to increase understanding of the range of tools across the public sector and the third sector. The National Programme on Third Sector Commissioning includes presentations to delegates from leading exponents on Social Return on Investment (SROI) and consideration through case studies of how to apply the respective methodologies in terms of commissioning for and measuring social value.

36. Contracts and innovation are uneasy bedfellows. Although it is not impossible to innovate within the parameters of a contract if it is designed to allow it, it requires something of a leap of faith for commissioners to give the necessary levels of freedom to providers. To do so requires a willingness to fall short of desired outcomes in a certain proportion of cases. It seems inevitable that most innovation will continue to take place outside of contracted services. (Paragraph 175)

¹¹ Buy and make a difference: How to address Social Issues in Procurement – Office of Government Commerce, June 2008; http://www.ogc.gov.uk/documents/Social_Issues_in_Public_Procurement.pdf

37. The challenge is to create enough flexibility of process within contracts to allow providers to pick up on proven innovative practice elsewhere. As the Government has identified, the spreading of innovative practice is the key to improvement on a national scale. The Government should support outcome-based commissioning where possible, in the interests of flexibility and responsiveness; but where providers have truly innovative ideas for public service delivery, these need to be tested on commissioners at the design stage. It is largely unrealistic to expect commissioners to specify outcomes in a contract without an understanding as to how they will be reached. (Paragraph 176)

The Government acknowledges the Committee's observation about the challenge for supporting innovation. This is why it has invested more than £1 million over three years in the 'Innovation Exchange' to provide third sector innovators with access to investors and potential capital they need to become involved in public services. One of the Exchange's primary objectives is to build a sustainable legacy for such organisations that will support their development and future involvement in public service delivery.

The Government agrees with the Committee's observations on outcome-based commissioning and the benefits of involving potential providers in the design and specification stage. The training for commissioners offered through the National Programme for Third Sector Commissioning promotes this approach and includes input from the leading exponents of best practice in this area.

The risk of third sector provision

39. We did not find any evidence that standards of service were intrinsically lower (or higher) in third sector organisations. However, this must be at least in part down to the difficulty of assessing performance levels in public services. If the State moves further along the road of commissioning, it needs to manage the competing risks that it may either lose the ability to assess performance or instead be too onerous in its monitoring requirements. This is not a sector-specific concern, but it will always be one of the central challenges of a commissioning relationship. (Paragraph 189)

The Government acknowledges the Committee's comments on performance monitoring and the challenge to the commissioning relationship. The Office for National Statistics has been awarded £2.45 million from the HM Treasury Invest to Save Budget to develop a Quality Management Framework (QMF) central to which is the measurement of quality and outcomes for different public services supplied by the private and voluntary sector as well as the public sector.

The QMF project is developing a framework that commissioners and providers of public services can use as a tool to improve the commissioning process and help to facilitate a level playing field between all providers. With its partners, the National Institute of Economic and Social Research, the Personal Social Services Research Unit (PSSRU) at the University of Kent, the National Council of Voluntary Organisations and the Department of Health, the project is exploring the reporting burden on data

providers and proposed developments that could benefit the governance, regulation, commissioning and procurement of public services.

Two reports identified through this project reflect on the standard of services provided by third sector organisations, i.e. *The State of Social Care in England 2006-07*¹² report found that care services run by third sector organisations continue to perform better than private and council-run services, meeting on average 5% more standards; and the *Measuring Personal Social Services Outputs for National Accounts: Services for Older People*¹³ reported results suggesting that voluntary homes provided higher quality care than local authority or private homes.

40. The levels of regulation required in public services are high. We understand that third sector providers feel over-regulated, but they are hardly unique in this: no-one has ever complained to us that they are under-regulated. Government should always look for ways to remove unnecessary regulatory burdens, and information should wherever possible be shared between commissioners, regulators and auditors; but it may be that high levels of regulation may be something third sector providers have to live with. The cost of complying with necessary regulation ought to be factored in to any bid to provide a service delivery contract. (Paragraph 194)

The Government agrees that it is important to look for ways of removing unnecessary regulatory burdens. Whilst monitoring and reporting are clearly essential to ensuring public funds are being properly spent and have an impact, it is equally important to ensure that charities do not face unnecessary bureaucracy.

Much progress has been made in this area. The Charities Act 2006 contains a wide range of de-regulatory measures, including new powers and greater flexibility for charities. A recent review of financial thresholds will also cut red tape, particularly for the smallest charities.

The Better Regulation Executive is leading work across government to reduce administrative burdens stemming from regulation for business and third sector organisations alike. There are ambitious targets to reduce administrative burdens by a quarter by 2010, and each year departments report on progress and other measures in Simplification Plans.

An explicit government commitment has been made to three-year funding, aimed at improving sustainability in the sector. In addition, through funding the National Programme for Third Sector Commissioning, the Government is already providing training to improve practice for up to three thousand public sector commissioners.

12 The State of Social Care in England 2006-07; CSCI, January 2008; http://www.csci.org.uk/PDF/20080128_SOSC_Summary_2007.pdf

13 Measuring Personal Social Services Outputs for National Accounts: Services for Older People 13 Discussion Paper No. 2267/3 (PSSRU, 2006); <http://www.pssru.ac.uk/pdf/dp2267.pdf>

An OTS-funded research report, *Turning the Tables in England: Putting Charities in Control of Reporting*¹⁴ was published by New Philanthropy Capital in September 2008. The OTS is using this important evidence to inform and drive forward its ongoing work with departments across Whitehall. For example the OTS is working with the National Audit Office and HM Treasury to develop guidance for funders on what “proportionate monitoring and reporting” means in practice, particularly in the context of the level of assurance that is necessary to satisfy the propriety and value for money requirements of public funding.

41. The human rights of public service users should not be affected by the identity of the service provider. As the Joint Committee on Human Rights has consistently argued, the original scope of the Human Rights Act needs to be restored so that non-public sector organisations can be considered public authorities for the purposes of the Human Rights Act when they are discharging functions on behalf of the State. We acknowledge that this is complex, but it is essential to achieve. (Paragraph 195)

42. We were pleased to see the recent consultation by the Ministry of Justice on extending the Freedom of Information Act to bodies outside the public sector, including to contractors who provide services that are a function of a public authority. In fact, the Act contained provision that it could be extended to achieve this by Order. We hope that the outcome of the consultation is that all contractors are covered by the regime, in respect of those functions they are carrying out on behalf of the State. Given that there are exemptions around commercial confidentiality, we cannot see any legitimate argument why they should not be. Regulatory burdens on providers should be as light as they can be without reducing the rights of service users and citizens – but no lighter. (Paragraph 196)

43. We are concerned by the suggestion that 40% of charities providing public services do not have a complaints mechanism, and wonder if a template clause could be devised for service delivery contracts. But we accept the point that it is ultimately the commissioner's responsibility to make sure that there is an appropriate complaints mechanism, subject to any legal requirements in their area. (Paragraph 200)

44. In terms of the right to complain, however, the most important principle is that the users of services delivered under contract should not lose their ultimate right to complain to an Ombudsman if they do not get satisfaction elsewhere. It appears that this principle is accepted by the Government and applied in practice. With this in mind, we see no need arising from our inquiry for a dedicated Charities Ombudsman. There may, though, be an need to ensure that the users of outsourced public services understand their right to complain to an Ombudsman. (Paragraph 201)

14 *Turning the Tables in England: Putting Charities in Control of Reporting*, New Philanthropy Capital, September 2008 http://www.philanthropycapital.org/research/research_reports/other/turning_the_tables_England.aspx

The Government believes that, in general, that the exercise of public functions should be covered by the Human Rights Act, regardless of who is performing the function. In most cases, public functions are already effectively covered by the Act. However, given some recent judicial decisions, the Government intends to consult on which functions or bodies should be subject to the Human Rights Act.

The Government has already taken action in the Health and Social Care Act 2008 to reverse the specific outcome of the House of Lords case *YL v Birmingham City Council*. The provision ensures that the care of a person placed in a private care home by a local authority is a public function under the Human Rights Act. However, contrary to reports, the Government has no plans to make all charities public authorities under the Human Rights Act. We would expect them to be subject to the Act only when providing public services.

In line with its commitment to openness and transparency, the Government published last year a consultation to consider whether it should look to extend the coverage of the Freedom of information Act to cover bodies that carry out functions of a public nature by way of making a Section 5 Order. The Government continues to assess the issues relating to designating additional public authorities under the Act and will publish a response in due course.

Independence

45. A contract can, in theory, distort the goals of a third sector organisation. However, the onus is surely on third sector organisations themselves to police their own behaviour. As we have noted already, there is no compulsion for organisations to bid for public service contracts, or to accept them if some of the terms will distort their mission. There may also be a role for the Charity Commission in ensuring that the work of charities in particular goes towards meeting their charitable objectives. (Paragraph 209)

46. The vision of a third sector developing in the image of the private sector is a haunting one. Such a change would indeed be damaging to society, not least in the effect it could have on the spirit of voluntarism which is one of the great values of a healthy third sector to every citizen. However, we are some way off that situation. A small number of third sector organisations may look increasingly similar to private sector counterparts, but there are a huge number who could never be mistaken in method or objective for a profit-making organisation. The Government should bear in mind the risk of fundamentally changing the sector, but this risk is only really likely to become problematic if contractual funding should come to dominate the sector. (Paragraph 211)

The independence of the sector is a crucial part of a healthy, civil society. The Government believes that third sector organisations should be free to implement their values alongside or despite any financial support from government.

The sector's independence is enshrined in the Compact, in which the primary undertaking for Government is to recognise and support the independence of the sector, irrespective of any funding relationship that might exist. The OTS has been working with the Commission for the Compact to build understanding of how government and the sector are adhering to the relevant principles of the Compact, and we will be publishing research to be followed by guidance to increase awareness and ensure greater consistency of application. This is important for those funding the sector through both grant funding and contracts.

The most recent figures available¹⁵ show that, while contract income from the public sector continues to increase, grant income from the public sector has stayed almost static over the same period. This indicates that contracting opportunities are in new areas rather than that contracts are replacing grants as income to the third sector.

48. It is clear that pursuing and delivering public service contracts is not necessarily a barrier to independent campaigning and advocacy. In particular, there may be positive effects of entering into a contracting relationship, as it can deliver stability of income; organisations which rely on grants for core funding are arguably more at risk than large service delivery organisations. (Paragraph 225)

49. Yet the risk is only there if government allows it to be. Perhaps the single most important message government can give to commissioners, and commissioners can give to the third sector, is that third sector organisations must continue to feel free to speak out. It is also important to have an apparatus to protect independence, and the Government deserves credit for establishing one in the form of the Compact—as well as an enforcer in the form of the Commissioner for the Compact. We will follow with interest the discussions between the sector and the Government on whether the Compact and the Commissioner ought to be put onto a statutory footing. (Paragraph 226)

The Government agrees with the Committee. The recognition of the independence of the sector, including its right within the law to campaign, to comment on Government policy, and to challenge that policy, is a fundamental principle.

The Government welcomes the recent Charity Commission guidance¹⁶ which addresses charities' concerns about lack of clarity around their legal rights and responsibilities. Third sector organisations play a crucial role in giving voice to those who otherwise would not be heard.

The Government asked the Commission to instigate a debate on the future of the Compact and we are committed to ensure that we bring it up to date with both policy development and public sector reform. In working with the Commission for the

¹⁵ The UK Civil Society Almanac 2008, NCVO February 2008; http://www.ncvo-vol.org.uk/uploadedFiles/NCVO/What_we_do/Research/Almanac/Almanac2008ExecutiveSummary.pdf

¹⁶ Speaking Out - Guidance on Campaigning and Political Activity by Charities (Version - March 2008), Charity Commission; <http://www.charitycommission.gov.uk/publications/cc9.asp>

Compact and the sector on the review of the Compact, the Government will make sure that this does not result in any watering down of the Compact, while making sure its core principles are maintained.

50. We believe that where services are provided on behalf of the State, it should be made very clear to all service users—perhaps through partner-branding services. The exception to this would be where there is a risk that it might deter vulnerable users. (Paragraph 227)

52. The risks to government and to the service user may be more significant. Most of these are also not sector-specific, and are better seen as general risks of contracting out public service delivery. There is a particular issue around accountability, where action needs to be taken regarding the application of users' rights under the Human Rights Act and the Freedom of Information Act; and clarity is also needed around who service users can complain to when they have concerns about the service they have received. Beyond this, all commissioners face a significant challenge in effectively monitoring service provision while preventing unnecessary costs and bureaucracy. It is by no means proven that the benefits of contracting out services to providers from any sector outweigh the costs of effectively monitoring performance. Only the last of these risks, however, is potentially a show-stopper. The risks around accountability, while significant, could be mitigated by changes to the law. If the Government commits to tackling those issues, therefore, we see no reason not to continue cautiously along the path of encouraging third sector provision of public services. (Paragraph 230)

54. However, the idea that there will ever be a level playing field where providers of every variety compete on an equal basis is unrealistic. There should certainly be no unnecessary barriers to particular providers competing for contracts, but there will always be significant disparities between third sector organisations and counterparts in other sectors, not least in financial terms. While intelligent commissioning might mean more decisions could be made on factors beyond cost of service provision, cost will rightly always remain a factor for commissioners. (Paragraph 232)

55. With all those caveats, though, we believe that intelligent commissioning offers scope to involve the third sector more. The key to getting the best out of the sector will be fostering an understanding of the sector's strengths among commissioners, who are central to determining the shape of public services. A culture change is needed to encourage the best people to become commissioners, with the right training and experience in place to ensure that they get the right mix of skills and specialist knowledge. That culture change should lead to the decline of perverse practices like overly short-term contracting. It should lead to an understanding of the importance of designing service specifications appropriately, engaging with users and possible providers to consider the outcomes which might be delivered for service users. It is at this crucial design stage where commissioners can design the playing field to play to the distinctive strengths of certain organisations, by determining the nature of the outcomes being bought, the scale of the contracts through which they buy them, or any wider social benefits that ought also to be delivered. In short,

intelligent commissioners have a great deal of scope to involve third sector organisations more by wise use of their legitimate client discretions. If that happens, and those organisations are given the freedom to be distinctive, we believe there may well be potential in some areas for genuinely improved outcomes for the public. (Paragraph 233)

The Government welcomes the Committee's report and its conclusions that broadly support the encouragement of more third sector provision of public services. The Government is committed to pressing ahead with its programme of transforming public services and believes that working together with a thriving and diverse third sector can bring about a real change in the way public services are designed and delivered. The OTS will be working with key Government Departments on how they can engage more effectively in partnership with third sector organisations to deliver their Public Service Agreements.

As part of its commitment to this agenda, the Government has appointed Anne McGuire MP, former Minister for Disabled People, as the Cabinet Office's Advisor on Third Sector Innovation. In this role, Anne McGuire will undertake two related strands of work:

- promoting the third sector as a vehicle for service users and commissioners to work together to design and deliver more personalised public services – with a focus on three public service areas: health and social care; education; and criminal justice services; and
- enhancing the third sector's involvement in the development of public service reform policy – which will involve work across Government and focus on the 'voice' role of third sector organisations in the policy development process.

Getting the policy framework and support mix right at the local level is key to ensuring that third sector organisations can make a full contribution to strong, active, cohesive communities. The inclusion of 'the environment for a thriving third sector' as a performance indicator for local government and their partners underlines the Government's commitment to developing and investing in the third sector at all spatial levels. Developing an environment for a thriving third sector includes creating a healthy commissioning environment and working constructively with partners from all sectors. This will be independently assessed as part of the new Comprehensive Area Assessment.

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2007–08

First Report	Machinery of Government Changes: A follow-up Report	HC 160 (<i>HC 514</i>)
Second Report	Propriety and Peerages	HC 153 (<i>Cm 7374</i>)
Third Report	Parliament and public appointments: Pre-appointment hearings by select committees	HC 152 (<i>HC 515</i>)
Fourth Report	Work of the Committee in 2007	HC 236 (<i>HC 458</i>)
Fifth Report	When Citizens Complain	HC 409 (<i>HC 997</i>)
Sixth Report	User Involvement in Public Services	HC 410 (<i>HC 998</i>)
Seventh Report	Investigating the Conduct of Ministers	HC 381 (<i>HC 1056</i>)
Eighth Report	Machinery of Government Changes: Further Report	HC 514
Ninth Report	Parliamentary Commissions of Inquiry	HC 473 (<i>HC 1060</i>)
Tenth Report	Constitutional Renewal: Draft Bill and White Paper	HC 499
Eleventh Report	Public Services and the Third Sector: Rhetoric and Reality	HC 112 (<i>HC 1209</i>)
Twelfth Report	From Citizen's Charter to Public Service Guarantees: Entitlement to Public Services	HC 411 (<i>HC 1147</i>)
Thirteenth Report	Selection of a new Chair of the House of Lords Appointments Commission	HC 985
Fourteenth Report	Mandarins Unpeeled: Memoirs and Commentary by Former Ministers and Civil Servants	HC 664

Session 2006–07

First Report	The Work of the Committee in 2005–06	HC 258
Second Report	Governing the Future	HC 123 (<i>Cm 7154</i>)
Third Report	Politics and Administration: Ministers and Civil Servants	HC 122 (<i>HC 1057</i> <i>Session 2007–08</i>)
Fourth Report	Ethics and Standards: The Regulation of Conduct in Public Life	HC 121 (<i>HC 88</i> <i>Session 2007–08</i>)
Fifth Report	Pensions Bill: Government Undertakings relating to the Financial Assistance Scheme	HC 523 (<i>HC 922</i>)
Sixth Report	The Business Appointment Rules	HC 651 (<i>HC 1087</i>)
Seventh Report	Machinery of Government Changes	HC 672 (<i>HC 90</i> <i>Session 2007–08</i>)
Eighth Report	The Pensions Bill and the FAS: An Update, Including the Government Response to the Fifth Report of Session 2006–07	HC 922 (<i>HC 1048</i>)
Ninth Report	Skills for Government	HC 93 (<i>HC 89</i>)
First Special Report	The Governance of Britain	HC 901

Session 2005–06

First Report	A Debt of Honour	HC 735 (Cm 1020)
Second Report	Tax Credits: putting things right	HC 577 (<i>HC 1076</i>)
Third Report	Legislative and Regulatory Reform Bill	HC 1033 (<i>HC 1205</i>)
Fourth Report	Propriety and Honours: Interim Findings	HC 1119 (<i>Cm 7374</i>)
Fifth Report	Whitehall Confidential? The Publication of Political Memoirs	HC 689 (<i>HC 91, Session 2007–08</i>)