

Third Sector Organisations CAN Win Contracts

Senior union officials are set for crisis talks with the minister charged with overseeing the charitable sector over fears that Supporting People contracts are being lost to private companies. Representatives from Amicus are meeting to seek assurance on the future of the not-for-profit sector, including housing associations and voluntary organisations, in providing supported housing. The union fears that private companies will find it easier to undercut charities and deliver a poorer quality of service.

Trade union organiser at Amicus, said that the union wanted guarantees that the government would safeguard funding for not-for-profit supported housing operations.

Amicus believes that charitable organisations are unable to match the low bids being put in by the private providers and that the only way the not-for-profit sector can compete is by cutting their staffing costs.

The union also believes that staff transferring to a private company if a contract changed hands would also have to accept worse working conditions. However, one private provider, Clear Springs, which won a £2 million floating support contract in Cornwall, said that the authority's tendering process had been 'comprehensive and open'. A spokesman from Clear Springs commented that 'As a private provider all our services are planned around our core competencies of Supporting People, housing management, property management, property acquisition and logistics and are planned around the original ethos of the Supporting People programme,' a spokesperson said.

Supported housing providers believe that moves by councils to slash the number of organisations providing floating support could see the 'wholesale destruction' of the voluntary sector in housing.

It is the view of TfC that, as very few contracts are let on the basis of the "lowest Price" the majority of tenders being appraised using the MEAT criteria there are in fact many opportunities for third sector and smaller organisations.

We believe that there is a window of opportunity lasting probably until mid 2008 during which third sector organisations can win contracts and hold their price. It is a question of gaining a full understanding of the new procurement process, in particular the system used for tender appraisal and then making the organisational changes necessary in order to secure contracts. Indeed there is evidence of quite small charities succeeding using this approach..