

**Association of Jersey Charities**  
**Response to the Public Accounts Committee Review of Procurement**  
**February 2025**

The Association of Jersey Charities (AJC) has recently completed a review into Government-charity relations. The research, which took place at the end of 2024, captured the views of 87 local charities on topics including funding, partnership working and procurement. We would recommend the Public Accounts Committee read the full report to access the breadth of evidence collated from charities. We have included top-line answers in this response but direct you to the *Power of Partnerships* report to understand the context of our submission.

**1. What currently works well with Government Procurement/commissioning processes for Third Sector organisations and suppliers?**

Charities that report positive funding partnerships with Government have excellent and mutually-respectful relationships with their designated funding contact. Positive relationships were reported with HCS, CYPES and Economy funding contacts. The most frequently referenced was the Director of Local Services and his team, who were praised by a number of charities for their partnership support.

Charities that have a positive experience report having sufficient levels of Government funding that reflect the true costs of their service provision. One charity described their commissioners as “absolute enablers”, others spoke of how much they valued their funding contacts advocating for them within Government systems.

Charities value being able to have constructive debate with commissioners and grant contacts. They value being asked for their expert views, being listened to and being treated as equals. Charities acknowledge that they can achieve much more impact for our community by working with Government. They value the opportunity to build relationships with politicians and senior officers.

Please see these *The Power of Partnerships* report sections for more detail: Power, respect and value and Funding relationships with Government.

**2. What are your concerns, if any, regarding the current procurement/commissioning processes?**

Short-term, annual funding cycles create financial instability, stifle innovation and are inefficient. There seems to be an inability to award funding contracts that span election-cycles when other contracts, such as employment contracts and leases are entered into a long-term basis. There is no mechanism to award cross-departmental funding for charities that sit across different impact areas.

Government funding confirmations are often delayed with some charities receiving notification of million-pound grants as late as December, and others having funding withdrawn at late notice. These current practices expose charities to financial risk and operational strain.

There is a lack of clarity and uniformity in Government funding processes which creates inconsistent funding experiences for charities. Government is making progress in this area but more needs to be done. There are several charities receiving grant awards which should be commissioned, a clearer definition between grants and commissioning is needed. There is inconsistency of language across grants and commissioning terminology and wildly different contracts / terms and conditions that vary from a single page to an extensive contract.

Government funding is focused on service provision and not on building capacity in the sector, which is increasingly needed for charities to remain sustainable. New funding models need to be explored, including a cross-Government grants portal that charities can approach for funding.

Please see *The Power of Partnerships* Chapter One for more detail.

**3. What is your opinion of the current process for raising and payment of invoices?**

We asked charities who responded to our questionnaire to score their experience of Ariba (1 being poor, 5 being excellent). The weighted average result was 2.25. Charities spoke of how difficult the system was to navigate. One charity described Ariba as “a nightmare”, another gave a detailed example of how much administration work is involved in raising invoices and how invoices are not processed in a timely manner. They were awaiting almost £20,000 in outstanding invoices at one point.

Charities do not have the resources to spend the time required to work with Ariba. It seems it is a system that only works well for large organisations with resources to dedicate to it.

Please see *The Power of Partnerships* report section for more detail: Charities and procurement

**4. Has the government communicated with you how it plans to address the areas for improvement identified?**

We have not yet had a conversation with Government. This is being organised.

We know from the Comptroller and Auditor General's review into Commissioning of Services, and the Executive response to this, that work is being planned to address some of the funding concerns we have outlined. We would welcome the opportunity to work with Government on solutions.

**5. Have there been any barriers to engaging with the procurement/commissioning processes you are able to highlight?**

Charities spoke of several barriers to success when working with Government, including receiving short-notice requests for financial information, a lack of accountability and decision making from Government officers, stretched and over-committed officers with little time to respond to emails or arrange meetings; and a lack of transparency around Government processes and plans.

Please see *The Power of Partnerships* Chapter Two for more detail, particularly Working with Officers – Barriers to success.

**6. What feedback mechanisms are there between the third sector and government in relation to procurement/commissioning processes?**

Most funded charities meet with Government quarterly to report on progress against KPIs. They also write and submit reports. This reporting is not always asked for, but charities complete it of their own initiative. Not all charities have KPIs. This is another inconsistency that should be addressed.

Feedback mechanisms are focused on reviewing how the charity is performing. Charities do not feel able to raise issues with Government processes. Charities spoke of the power dynamics with Government and a fear of saying anything due to repercussions, a sense of constant unease in their partnership and a feeling of walking on eggshells.

Please see these *The Power of Partnerships* report sections for more detail: Reporting and monitoring and Power, respect and value.

**7. Has the government communicated with you a mechanism to ensure continuous dialogue between the government and the third sector regarding procurement/commissioning issues?**

No, but we hope to establish a working group to support the recommendations of *The Power of Partnership* report.

**8. Are there any initiatives you would recommend to government aimed at enhancing third sector participation in procurement/commissioning?**

Please see the full Recommendation summary in *The Power of Partnerships* report.

Our top recommendations are:

**For immediate attention:**

- Multi-year and index-linked annual uplifts should be standardised for charities to ensure financial sustainability.
- Charities need more political recognition and advocacy. There are multiple recommendations in [*The Power of Partnerships*] report that need political sponsorship to succeed. There is an opportunity to really enhance partnership working for the benefit of the Island with political focus and drive and to change the perception of charities as “vehicles of relief” to strategic partners and agents of positive social change. Consideration should be given to a Charity Minister's role.

**To be addressed - 6 month suggested time frame:**

- Government and charities should strive towards mutual trust, respect, equality and transparency in their partnerships. To support this Government and charities should develop their partnership relations by having an open and transparent conversation about the power dynamic held between the parties, what this means

and how it can be addressed. Also look at understanding and nurturing the things that makes charities feel like valued partners. This is essential to building mutual trust and respect.

- Government, charities and charitable funders to work together with external experts to create a standardised approach to social value reporting and business planning. This should be supported with training. This will make it easier for Government and charities to celebrate the full benefit of their partnership endeavours.

#### **To be addressed - 12 month suggested time frame:**

- Government, charities and charitable funders to work together to better position and support charities to become procurement suppliers for Government contracts. This will help Government enhance its social value impact and support charities with much needed funds.
- Government must adopt a variety of funding mechanisms and models that support charities' diverse needs, including capacity-building funding, cross-departmental funding and a grants portal. Capacity-building funding will help charities with financial stability by supporting core costs and building reserves. Cross-departmental funding is needed to support charities which cover several Government areas. A grants portal will support cross-departmental funding bids, innovation bids and will increase transparency and equity in the Government grant-award process.

#### **9. How do you feel the government is ensuring that procurement/commissioning processes are transparent and fair for all third sector organisations?**

There are moves towards this with the Mental Health Commissioning Framework and the draft Commissioning Framework, but how this plays out in practice is still to be seen. Jersey is a small market and does not necessarily have the breadth of charities required to run a tender-based competitive commissioning process. One small charity who qualified for the Mental Health Framework reported that they have since been told they will need to partner with a larger charity to submit a bid. There is no training and process around this to support charities to work together in this way.

The UK Government identifies that the move towards commissioning in the public sector has resulted in a two-tier charity system with smaller charities often missing out to larger ones. Jersey must adopt funding processes that are transparent, fair and proportionate to the charity landscape.

Some charities felt Government funding was very linked to 'who you know' and not what you know. And that there was not a mechanism for charities to approach Government with innovative ideas that respond to local need. The Government sets the funding agenda but does not always have the same depth of insight into local need that charities have.

Please see *The Power of Partnerships* Chapter One for more detail and the following additional sections: Charities, public policy and needs analysis and Working with officers – points of contact.

#### **10. What training or support is available to help the third sector better understand and navigate the procurement/commissioning process?**

We are aware that the Commissioning team have run a series of information sessions for different lots on the Mental Health Framework, they have also run Commissioning workshops for charities. We are not aware of anything similar for grant awards or for other kinds of procurement opportunities.

Very few charities in Jersey engage with procurement opportunities outside of grant awards or commissioning. Barriers to this include a lack of experience, lack of awareness of where to find opportunities and a lack of capacity for completing the processes. There is also a tension for charities in undertaking too much commercial activity that takes time away from charitable endeavours. The Social, Economic and Environmental Enterprise Pathway currently being piloted by Government provides an alternative model for charities to think more commercially. It's important the opportunities of this pathway are communicated widely to charities.

By engaging more charities in procurement activity, Government can strengthen its social value impact while providing a funding model that supports a circular economy and helps the charity sector with much needed funds. In order to embrace this opportunity, Government should consider lowering the threshold of social value contributions in procurement contracts to below £100,000. We would suggest even below £10,000 to allow charities more competitive advantage when bidding for work.

Charities will also need support to become more established and confident as suppliers and we recommend Government works with charitable funders to develop a training programme. Government should spend time understanding the unique challenges of charities as suppliers and consider procurement processes that are more

suitable to the sector. Government can run information sessions on how charities can find out about procurement opportunities.

For more information please read *The Power of Partnerships* Chapter Three.

**11. Can you discuss any successful case studies where third sector engagement has significantly improved procurement/commissioning outcomes?**

We would argue that all funded charities add value to procurement/commissioning outcomes. This is not often fully captured as charities do not have a standardised method of capturing social value. We recommend that charities, charitable funders and Government work together to create a standardised approach to social value reporting.

There is also an opportunity to create more impact with other suppliers' social value activities. There is currently no formalised matching system to match contractors and their social value commitments with community need. Developing this would lead to more impactful social value activity by suppliers and would help sustain the charity sector.

For more information please read *The Power of Partnerships* Chapter Three.

**12. Has the government got the balance right for competitive pricing with the goal of supporting the third sector in procurement decisions?**

Charities feel there is too much emphasis on cost saving and not enough on value in current procurement decisions. Charities feel they must justify their costs despite them working to extremely lean business models. They feel overly-scrutinised and undervalued. One charity said "Government have the cost of everything and the value of nothing."

The incoming UK Procurement Act moves the emphasis from "the most economically advantageous tender" to "the most advantageous tender", meaning contracting authorities no longer need to award based on the lowest price. We recommend Government of Jersey adopts a similar approach, expanding its definition of value for money to place more emphasis on overall value. This would align with developing a more mature social value approach across Government procurement channels.

Please see Chapter Three of the report for more information.

**13. What are the next steps government should undertake to refine and improve procurement/commissioning processes?**

Please see question 8 and the recommendations summary in *The Power of Partnerships* report.

**14. If you have any comments or matters to raise which have not been covered in the questions above, then please do provide these as well.**