

## Speaking Out Briefing No. 4

### Public Service Delivery

**Speaking Out is a partnership between the National Council of Voluntary Child Care Organisations (NCVCCO) and the National Council of Voluntary Youth Services (NCVYS) to build a voice for the children and young people's voluntary and community sector across Government. The project will develop closer links between Government departments and the voluntary and community sector in delivering cross departmental plans such as *Every Child Matters* and the direct implementation of initiatives which affect children and young people.**

**The project aims to support children, young people and family voluntary and community organisations to better understanding the aims and impact on their users of a wider range of government policies and provide routes to influence them. We are funded by the Office of the Third Sector part of the Cabinet Office.**

#### Who are these briefings for?

This series of briefings intends to provide members of both NCVYS and NCVCCO and other interested parties with background and analysis on specific policy items affecting the sector.

#### Other activities

In addition to these briefings we will be developing work streams around the policy themes which will include:

- web forums;
- seminars and events;
- establishing communities of interest amongst members and other organisations on specific policy themes linking them into email groups and bringing them together for small round table meetings with policy makers;
- making representations to Government; and
- linking with wider campaigns NCVYS & NCVCCO may be developing.



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# 1. Background

Government papers, *The Future Role of the Third Sector in Social and Economic Regeneration: final report* (HM Treasury, 2007) and *Partnership in Public Services: an action plan for third sector involvement* (Office of the Third Sector, 2006) argue that more efficient public services can be created by developing the capacity of community based organisations to both identify, and meet, public service needs. Both reports share the view that a vibrant community sector, combined with security in funding, and a better understanding amongst service commissioners of the advantages of delivering services through the voluntary sector, will improve outcomes across a range of services.

The voluntary and community sector (VCS) has been increasing in size for several years. Figures from National Council for Voluntary Organisations (NCVO) show a continuing increase in the resources the sector needs for it to take on the role that the *Interim Report and Partnership in Public Services anticipates*. The voluntary and community sector employs over 600,000 people, and has an annual income £26billion.<sup>1</sup>

Despite the increasing size of the VCS and with more than 60% of medium and large charities currently delivering public services the public sector remains the largest provider of children and youth related services.<sup>2</sup> Research into the children's services market carried out for the then Department for Education and Skills (DfES) found that across 19 core children's service areas, only child care was an area where VCS organisations offered more provision than the public sector.<sup>3</sup>

<sup>1</sup> NCVO, *The UK Voluntary Sector Almanac 2006: The State of the Sector*

<sup>2</sup> Figures from 2007 charities Commission report, *Stand and deliver: The future for charities providing public services*. Indicates charities with an annual income of £500,000 plus. Assessment of the public services share of the children's market from *Scoping the market for children's services*. A Report for the Department for Education and Skills Final Report, PriceWaterhouseCoopers, October 2004

<sup>3</sup> *Scoping the market for children's services*. A Report for the Department for Education and Skills Final Report, PriceWaterhouseCoopers, October 2004

## 2. Policy Context

In 2006, the Government addressed the capacity of the third sector to take on a partnership role with the public sector as part of the 2007 Comprehensive Spending Review. The review contains two themes: the identification of funding and infrastructure barriers that limit the effectiveness of voluntary organisations in their communities; and making the children's services market more accessible to voluntary sector organisations by improving commissioning decisions in local government. *The Future Role of the Third Sector* acknowledges also a lack of recognition amongst local decision makers of the contribution that VCS organisations can make to the development of existing structures such as Local Strategic Partnerships and children's trusts. These barriers to VCS engagement identified in the *Future Role* are supported by a recent study on the development of local VCS infrastructure carried out by the National Association for Voluntary and Community Action (NAVCA) and Sheffield Hallam University, *Building Effective Local VCS Infrastructure: the characteristics of successful support for the local voluntary and community sector - final report*. The report identifies a range of challenges facing local infrastructure organisations (LIOs) in enabling local VCS groups to deliver public services. In particular, some LIOs reluctance to take on a role identifying the need for services in an area, and enhancing, overall, the effectiveness of the sector for the groups they represent.

Government's proposals in *The Future Role of the Third Sector* to develop the capacity of VCS organisations include:

- Proposals to make three year funding to local groups delivering publicly commissioned services the norm.
- £80 million fund to provide small grants to promote community action and voice in recognition that small organisations are particularly effective way of engaging with marginalised sections of the community.
- Reviewing regional commissioning models to ensure they promote diversity of provision, reflecting both the nature of different providers and the size of different organisations.
- Greater stability to local groups working within communities through a £30million
- Community Assets fund to facilitate the transfer of assets to community groups.
- Measures to encourage volunteering, including the development of an evidence base on the social benefits of volunteering for community cohesion and a programme for employers in private sector to encourage volunteering by their staff.

*Partnership in Public Services* sets out a programme of action containing 18 proposals intended to enable Government and other agencies to make better quality commissioning decisions involving VCS organisations.

### 3. Findings from Research/Practice

The willingness and ability of local service planners to open up the children's services market to external providers is a key challenge for both government and the voluntary sector – *Scoping The Market for Children's Services* carried out for Department for Children, School and Families by Price WaterhouseCoopers<sup>4</sup> identified several potential barriers existed, including:

- resistance on the part of the electorate to out-source services especially where these involved health and education;
- best-value versus efficiency concerns; and
- a cultural reluctance to outsource services traditionally provided in house.

VCS organisations can also erect barriers to greater partnership working. In *Stand and Deliver*, a 2007 Charity Commission report, only 14% of charities not currently engaged with public service delivery said they had plans to do so. One reason frequently cited is the lack of autonomy that generating income through public service contracts creates, evidenced by the fact that just over a quarter of respondents in the Charity Commission's survey maintained that they were still able to make decisions independently of funding providers. Further reasons include the lack of experience within the voluntary sector of managing issues that have a potentially crippling effect on the work they carry out, such as liability and risk.<sup>5</sup>

Evidence emerging from evaluations of the Compact suggest significant barriers exist to the integration of the VCS into the commissioning process lead by local authorities. In 2005 the Haringey Local Compact Research Project identified issues such as a lack of information and understanding about the benefits of the compact agreements among VCS organisations which prevented them from becoming fully active in the delivery of public service contracts.<sup>6</sup>

<sup>4</sup> *Scoping the market for children's services*. A Report for the Department for Education and Skills Final Report, PriceWaterhouseCoopers, October 2004. p13

<sup>5</sup> *Scoping the market for children's services*. A Report for the Department for Education and Skills Final Report, PriceWaterhouseCoopers, October 2004

<sup>6</sup> Haringey Local Compact Research Project, A report by Insight Business Development, January 2005

An ongoing concern for the sector is the stability of funding and the length of service contracts. Funding for 12 month periods is common - the Association of Chief Executives of Voluntary Organisations (ACEVO) found that 92% of all VCS Contracts last this long. Funding for less than 12 months is not unknown, and 72% of the Home Office's funding contracts are for less than one year.<sup>7</sup>

## 4. Legal Context

A key theme in the government's public service reform programme is the shift in how the state perceives service users. Service users are no longer seen as passive recipients of services designed by local government commissioners; service users are now members of a community engaged with commissioners through the voluntary and community sector. A legislative framework has emerged since 1997 which places a range of statutory duties on commissioners and local government to develop partnerships and engage communities. This includes:

- The **Local Government Act 2000** (the introduction of a duty for local authorities to promote the well-being of their people living in their area); and
- The **Children Act 2004** (directing local authorities and key children's service providers to develop joint planning and working through children's trusts arrangements). A duty lies with the statutory agencies to engage with the voluntary sector.

## 5. Issues for Voluntary and Community Sector (VCS) Children and Youth Organisations

*Partnership in Public Services and The Future Role of the Third Sector* are based on the principle that VCS organisations should be able to influence the development of the commissioning process. Proposals to achieve this include the establishment of forums to allow the voluntary sector to work with government on the development of commissioning frameworks; a review of existing sub-contracting arrangements and their implications for VCS organisations; and a programme to improve commissioning decision-making among the most active service commissioners. Both papers consistently also look at what improvements can be made to the process of procuring services from VCS organisations.

<sup>7</sup> *Working with the Voluntary Sector*, Thirty-second report of session 2005-06, House of Commons Committee of Public Accounts, March 2006, (HC717)

For instance, a review of contracts, bureaucratic barriers, and mechanisms for VCS organisations to provide feedback to Government.

The aim of *Partnership in Public Services* is to create opportunities for VCS organisations to take on public service contracts, and identifies a number of opportunities where organisations working in the children and youth sector can make a contribution:

*The National Offender Management Service (NOMS)*

- Correctional services
- Joint contracting of offender management


*Department for Children, Schools and Families (DCSF)*

**Parenting support** - Quality universal and specialised support, in the form of information, advice and signposting to other services, accessible in places where parents and carers feel comfortable. Settings include early years settings, schools, primary healthcare services, and through childcare information services, telephone helplines and the web. Specialised targeted support includes structured parenting education groups, couple support, home visiting and employment or training advice.

**Extended schools** – Operated through schools with support from local authorities, extended schools offer a location for the delivery of a range of services to children and young people and the wider community. The services available through extended schools include a core offer, including: homework clubs, study support; sport; music tuition; parenting support; and a range of specialist support, such as speech therapy, child and adolescent mental health services, family support services, intensive behaviour support, and (for young people) sexual health services.

**Positive activities for young people** – The National Standards for Positive Activities set out a range of activities that local authorities are under a duty to provide access to two hours per week. Activities include: formal and informal team and individual sports; outdoor and adventurous sports; physical activities such as aerobics and dance; clubs, youth groups and classes; activities contributing to their personal, social and spiritual development; and activities encouraging creativity, innovation and enterprise.

*Department of Health (DoH)*



**Health & Social Care** – Currently voluntary sector organisations offer the following range of services: Mental health issues; physical disability / sensory impairment; learning disabilities; substance abuse problems; Aids/HIV; issues effecting people who are unemployed, homeless, ex-offenders, carers, other acute or long term conditions

**Audiology** - While audiology services are mainly provided by the National Health Service the private sector also carries out assessment of patients with hearing loss and supplies digital hearing aids. Approximately 25% of those who need a hearing aid use a private provider and this presents opportunities for VCS organisations offering services to children and young people with hearing difficulties.

## 6. Resources

The Improvement and Development Agency (IDEA) have developed a range of materials to guide VCS organisations through the Compact process. These are available at: <http://www.idea.gov.uk/idk/core/page.do?pagelId=321357>

The Commissioner for the Compact is responsible for overseeing the arrangements that local authorities enter into with delivery partners. Part of the role of the commissioner is the development of an evidence base on the Compact's progress, sharing good practice and looking thematically at key themes that affect the relationship between statutory and voluntary sectors. For more information see: <http://www.thecompact.org.uk/>

The Cabinet Office have a site dedicated to the development of the Third Sector, at: [http://www.cabinetoffice.gov.uk/third\\_sector/](http://www.cabinetoffice.gov.uk/third_sector/) The site contains latest information on government policy on a range of issues relating to the public services delivery reform programme.

The HM Treasury's Office of the Third Sector: ([http://www.hm-treasury.gov.uk/documents/public\\_spending\\_and\\_services/third\\_sector/pss\\_thirdsector\\_index.cfm](http://www.hm-treasury.gov.uk/documents/public_spending_and_services/third_sector/pss_thirdsector_index.cfm)) is responsible for taking forward aspects of the Comprehensive Spending Review 2007. The site contains information and publications relating to the review and provides background information about the reform programme.

Futurebuilders England (<http://www.futurebuilders-england.org.uk/content/Home.aspx>) is a government-backed fund offering support and investment to VCS organisations to deliver public services. The organisation offers a combination of loans, grants and professional support to build the capacity of VCS organisations who want to deliver better public services. Capacitybuilders (<http://www.capacitybuilders.org.uk/content/Home.aspx>) is an organisation that helps create a more effective third sector by working to improve support for third sector organisations. Support includes a wide range of services that help organisations become more effective whilst allowing them freedom to develop in their own way. Services include information, advice and training, covering areas such as governance, ICT, performance and volunteering.