

Charities at the crossroads

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The role of voluntary organisations
in delivering public services



Newcastle CVS

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Introduction

'Charities at the Crossroads' offers a snapshot of views and ideas about the role of the voluntary sector in delivering public services. The report is the result of interviews with chief executives, directors and senior managers from nine voluntary organisations that work in Newcastle. Interviews took place during autumn 2015, against a background of continuing austerity and cuts in public sector budgets.

The public sector continues to face steep budget cuts prompting it to look at how services can still be provided when fewer resources are available. Often redesigned services envisage a direct or indirect role for voluntary or community organisations in achieving outcomes. Meanwhile the Government has given its vision for the role of the voluntary sector that includes volunteering, community participation, philanthropy and social investment finance to address the 'failures in education, health and social services' What is largely absent from these accounts is the voluntary sectors role as campaigner and advocate, especially for those individuals or communities that are poorest and excluded.

While acknowledging the increasing importance in recent years for voluntary organisations of contracts and the validity of some of the public sectors expectations, this study set out asking what tensions might arise from a focus on delivery of contracted public services in particular with organisations charitable purposes.

To do this we came up with two propositions and a question

- *Delivery of public sector services is an appropriate way for voluntary organisations to achieve their aims*
- *Delivery of public sector service is an effective way for voluntary sector organisations to achieve innovative services and cost efficiencies*
- *And if delivering public services is an effective way for voluntary sector organisations to achieve their objectives, how best to involve the sector in the commissioning and delivery of services?*

Common purposes?

The report found that that drawing a distinction between public services and charitable purposes had limited value, though differences do exist. Challenges and tensions were said to arise in delivering commissioned public services that generally do not feature in grant aid activities. However we also found connections. Tightening budgets is increasing causing the public sector to focus resources on those in most acute need. Arguably this creates a common purpose with voluntary organisations whose aim is to address disadvantage and unfairness.

This common purpose seems to be stronger with certain public sector agencies (more so than with local authorities and the NHS than Job Centre Plus due to the latter's use of sanctions). The Question then arises of how best to realise this common purpose, and if voluntary organisations move closer to delivering commissioned service what do they do to guard against mission drift and losing sight of their aims and objectives?

The significance of trustees and importance of place

All interviewees spoke about their trustees as committed and conscientious, aware both of their responsibilities towards the charity and its beneficiaries. For those organisations rooted in the communities they serve, trustees often live in the area and frequently are or

have been past users of the services. Trustees were described as having a crucial function in maintaining the focus on the organisations charitable objectives and preventing mission drift. However place also played a significant if subtle role in influencing decision making.

In several interviews it was said that while the approach and methods of an organisation could be lifted up and placed into another area with a similar demographic profile, how services were actually delivered would in practice be different to match the specific social and economic conditions found there. Important too were the formal and informal networks that exist amongst voluntary organisations and which can include public sector workers. These networks appear to be highly flexible and are continually modified in response to external forces or as new strategies or opportunities arise.

Amongst the voluntary organisations that worked across a wider geography, citywide, regional or national, trustees again had an important role in maintaining direction and focus on charitable objects within what is likely to be a dynamic portfolio of income streams, that include public sector contracts.

“We are big on our value, [and have] a good supportive Board”

Several interviewees described their objectives as being broad enough to accommodate a comprehensive range of activities. However while the leeway afforded by such broad objectives allowed organisations to consider a large number of opportunities, the central importance of the charitable aims in steering the organisation and preventing mission drift was repeatedly emphasised.

Consultation and co-design of services

The importance of place and involving local communities and service users in designing new services was a consistent theme but so was a frustration with current consultation and commissioning practice. The aspiration to co-design services was clearly expressed but with doubts about the ability of current public sector models to be able to undertake a meaningful process. There was frustration about processes getting in the way of the voluntary and public sector being able to achieve their full potential by working together or by matching resources.

A return to grant aid

Several organisations had pursued strategies to increase the level of contracts they delivered and this had led to a period of growth and increased capacity. However almost all of those interviewed acknowledged that the tendering landscape had now changed, largely as a result of austerity and cuts to public sector budgets. Consequently they were now looking afresh at grant aid and other sources of income such as trading. Grants in particular were described as having a number of important benefits for organisations when compared to contracts.

Grants were seen to offer a way of being more responsive to the service user, learning and from his or her experience and adapting services appropriately. The ability to have an ongoing dialogue with funders during the course of the grant delivery and to be able to make the case for re-profiling a grant in order to meet emerging need is an opportunity seen as largely absent from contracted services. To be clear there is a continuing interest in delivering contracted services, but in a way that reduces the polarity between commissioner and provider and creates more space for the expertise and resources of voluntary organisations to flourish.

Who to speak to?

Another recurring theme was the importance of individuals in creating and maintaining productive relations between voluntary sector and public sector organisations. The need for strong individual relationships was underlined by the apparent difficulty of achieving any sort of structural or corporate relationship that transcended individuals.

The absence of systematic, structural links to maintain organisational relations, pointed to a clear need to find new ways of bringing the different sectors together. Partnerships like the Wellbeing for Life Board were seen as too large and bureaucratic. Forums and networks that Newcastle CVS, VOLSAG, Blue Stone Consortium and others organise offer opportunity and space to bring sectors together. But still a view persisted that some additional mechanism is needed that brings commissioners and providers (and potential providers), policy makers and decision makers together.

Conclusions

It was acknowledged that if the voluntary sector wants a different relationship with the public sector it can't simply assume that the public sector understands what its offer is. It was recognised that the voluntary sector needs to be better at describing what it does and collecting and presenting evidence of its impact.

There are varying degrees of enthusiasm for providing public services through contracts and clearly some frustration with current commissioning and procurement practice. However there is recognition that working with other voluntary organisations and with public sector agencies should be a way to provide better outcomes for communities and individuals.

Returning to the proposition and questions set out at the beginning of the report it appears that public service delivery can be an appropriate way for voluntary organisation to achieve their aims. It is less clear however if contracting promotes innovation and efficiencies.

When it comes to how best to involve the voluntary sector in commissioning and procurement, reference was made repeatedly in interviews to the difficulty of establishing productive and meaningful relationships with public sector agencies. However the interviews also point to a strong interest in finding ways of sharing resources and expertise in pursuit of a common goal. This might be either through formal grant and procurement processes. Alternatively it might mean the establishment of networks, forums or panels that enable commissioners, policy makers, service providers and others to develop and grow what might be a looser, broader definition of what public service is.



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