

VCS Engage Programme – Literature Review

This report has been produced by NCB following work undertaken for VCS Engage, a programme funded by the Department for Children, Schools and Families (DCSF), to strengthen the engagement of the voluntary and community sector (VCS) in delivering the Every Child Matters: Change for Children agenda.

VCS Engage ran from September 2006 until the end March 2008, and during that time the programme was steered by a consortium of VCS infrastructure and delivery organisations working in the children, young people and families' sector. It was also supported by a large number of individual agencies committed to the programme's aims.

This report is a review of the literature developed as a result of the VCS Engage Programme, and looks at documentation within the wider context of research and documentation focused on the VCS. The report will also explore issues to examine the impact of delivering the programme.

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Introduction

The engagement of the Third Sector in the delivery of public services has posed a consistent challenge to theorists, policy makers, and managers over several decades. It is an issue that lies at the heart of many key debates around social policy and it has consistently generated robust discussion in terms of policy, practice and theory (Brown et al 2000; Osborne 2000; Kendall 2003). However while acknowledging this earlier extensive literature, the objective of the more selective literature review reported here, is to establish a broad context within which to report on the design, operation and evaluation findings of the VCS Engage Programme, commissioned by DfES in 2006.

The focus of the review is on the emerging evidence base in respect of services for children and families, and specifically on the recurring strategic and operational issues for all of the stakeholders involved – local authorities and voluntary and community organisations. The latter may be currently actively involved in service delivery; be gearing up to involvement in the bidding process; or still, from a semi-detached position, be observing the roll out of commissioning processes within Children's Services.

In particular the review seeks to (a) inform the reader about the context within which the VCS Engage programme is operating; and (b) identify a set of issues for examination in the exploration of impact. The research reviewed represents a relatively narrow body of work within a wider body of voluntary sector research, and an area of knowledge that is constantly expanding, in the light of current policy attention on the Third Sector and the reorganisation of services for children and families.

As acknowledged above, discussion around Third Sector delivery of traditionally statutory-led services is not new. However, it could be said that the report from the Deakin Commission in 1996 'kick started' the current rise in policy rhetoric by outlining key recommendations to strengthen the operational relationship between the state and the voluntary sector, taken forward in part by the signing of the 1998 Compact. The reasons cited for this government attention relate to unique service delivery characteristics attributed to the third sector. These include being experienced in multi-agency and preventative approaches, the ability to work flexibly and responsively to

users needs (DfES, 2004, pg 1) and the ability to access the views of and reach individuals and communities that do not or cannot access mainstream provision (DfES, 2007, pg 2).

This developing relationship has been regarded with mixed responses. Wittenberg (2007) avidly summarises problematic assumptions inherent in commissioning voluntary organisations to deliver statutory services. Amongst others, a fundamental concern lies with how, within a contractual relationship, state objectives might override organisations' founding principles and what the subsequent effect might be for service users (pg 12). Anxiety is echoed within further research; NCVCCO refer to how key advocacy and campaigning activities might be hindered in delivering 'mainstream' services (2007, pg 7) and the Charity Commission research found that organisations engaging in public service delivery were less likely to report that their decision-making and activities were free from funders' influences and were guided solely by their mission (2007, pg 4).

An alternative perspective challenges the focus of this argument by insisting that greater involvement in public service delivery is influenced ultimately by the needs of services-users and that this should always take precedence over efforts to 'police the boundaries' between the third and statutory sector (ACEVO, 2007, pg 15). NCVCCO comment that competition within the Third Sector is not new and could in fact lead to greater collaboration (2007, pg 8) and this sentiment is echoed by I&DeA in their evaluation of the 'Pilot Partnership Improvement Programme', who report that both the VCS and local authorities saw that striving to access funding could be a driver for collaboration (pg 11). The Audit Commission present both voices in the debate by describing how benefits lie within a contractual agreement in defining a clear objective, accountability and evidencing framework (2007, pg 53) but also raise the concern that these processes may reduce the independence and value base of those organisations (2007, pg 54).

Whilst the above argument provides an interesting insight into dialogue going on around the developing commissioning scenario, it cannot capture the experiences of those involved on the ground. One overarching theme in the attitudes currently held, from different perspectives by both commissioners and voluntary and community organisations, is captured in the recently recorded statement: "they

don't know how to buy and we don't know how to sell" (ACEVO, 2007, pg 2). This review of the emerging literature, which documents progress within Children's Services markets, therefore seeks to identify and discuss the main issues that both commissioners and the voluntary and community sector are currently experiencing. Part One explores the issues from the perspective of commissioners, Part Two from the perspective of the voluntary and community sector and Part Three from the perspective of children and families who may use services.

Part One - Commissioning perspective

The push to increase Third Sector involvement in commissioning is occurring at a time of wider change within local authorities including the formation of Children's Trusts, to be in place nationally by 2008, and the embedding of Local Area Agreements, to become statutory in 2008- 2009. Research has highlighted a series of significant factors that have helped and hindered local authorities, and other commissioning bodies, in this process.

Awareness of VCS

A fundamental issue raised relates to the level of understanding held by commissioners about the nature of the Third Sector and its potential in delivering the Every Child Matters agenda. The ability of the Compact to initiate relationships between sectors has met with barriers stemming from a lack of commitment and resources for implementation at a local level (Audit Commission 2007, pg 36) and its impact overall has been described as 'weak' (Futurebuilders, 2007, pg 26).

NFER's 2006 analysis of 75 local authority's Children and Young Peoples plans showed that just 27% acknowledged voluntary and community organisations in potential commissioning activities (section 3, pg 3). An analysis of Local Area Agreements describes how fundamentally, authorities are "struggling to see how best to involve VCS at the strategic level" (National Audit Office 2007, pg 7), and in relation to the development of Extended Schools, Smith (2007) reports a lack of appreciation around the potential role for the sector (pg 6). A manifestation of this low level of awareness about the sector in general can be seen in a lack of, or inappropriate, opportunities for the VCS to be consulted. NCVCOO demonstrate this by explaining how volunteering working practices simply mean representatives cannot often attend meetings and events at the time they are set (2007, pg 27).

Wade found that that local authority plans tended to designate Third Sector organisations for service delivery only (2007, pg 8), thereby structurally ignoring a massive wealth of knowledge and experience and missing the opportunity to minimise commonly arising difficulties further down the line (HM Treasury, 2002, pg 21). However, even after

having been limited to this particular role, further research reports that commissioners perceive procuring from the Third Sector as risky and are therefore less likely to buy from external, rather than internal, providers (Audit Commission 2007, pg 45).

In addition, incentives to develop relationships with the Third Sector are not apparent, with guidance gradually moving from presenting options towards more explicit directives to working with the sector, for example, Round Three Local Area Agreements (National Audit Office, 2007, pg 8). The low degree of awareness of the potential for the VCS engagement across the commissioning spectrum, coupled with a lack of structural incentives, appears to lead to inconsistency in representative consultation and the stunting of local governments' confidence in the sectors' ability to deliver services.

Local Knowledge

Another common theme within the literature relates to the lack of data collection by local authorities, not only about their level of engagement with, and procurement from, the voluntary and community sector, but also about the size and shape of the sector within their own respective areas.

Audit Commission research incorporated the analysis of local authority financial and statistical data and reported a lack of reliable information available to commissioners that would enable an assessment of the level of engagement and its value to service users (2007, pg 23). Smith (2007) also reports a lack of data about the level of VCS provision within schools (pg 4) and outlines the two-way benefits of collecting information about local VCS providers and gaps in services within schools (pg 7).

The literature also discusses this issue in relation to the responsibility which local authorities have in managing and developing their local Children's Services markets. Research suggests that commissioners are not equipped with an adequate knowledge of local markets (Audit Commission, 2007, pg 43). However the DfES Overarching report writes that this knowledge of local supply and demand is critical in a range of associated tasks. These include maximising capacity to commission effectively; understanding where insufficient competition exists which

could lead to unsuitable procurement options and seeking alternative sub-regional or regional service delivery options (2006, pg 6).

The implications for this knowledge deficit are far reaching. Commissioners remain unaware of organisations available within their own area who can participate in researching local need, through whom they can access the views of service-users, consult in strategic planning and procure for service delivery. They also remain equipped with insufficient knowledge to manage and steer their local children's services markets, and do not possess the tools to monitor progress in line with policy and in turn inform local and central government policy (HM Treasury, 2002, pg 23).

Dual role as purchaser and provider

Emerging from the literature are questions about how local authorities can manage the dual role of being both purchaser and provider. It has been suggested that local authorities should aim to create a wider gap between these two roles in order to facilitate a climate of trust as well as create a more equitable playing field for procurement (PriceWaterhouse-Coopers, 2006, pg 5). This sentiment is also expressed by the Third Sector who repeatedly call for the commissioning process to be made more transparent (NCVCCO, 2007, pg 9). However, in a review of the disabled children's services market, there is a reference to enduring structural incentives that can lead to in-house provision being chosen over more suitable external services (DfES, 2006 pg 34). Smith (2007, pg 5) raises the issue about how, if provision is moved from an external to internal supplier, this decision will be scrutinised. As a remedy, the CBI suggests that fair inspection processes and a national complaints system be set up to reinforce the need for transparency in decision making (2006, pg 6). This dilemma is one with seemingly limited profile within local authorities and is being voiced from central government and the voluntary and community sector, further discussion of which will be featured later in this review.

Conflicting objectives

Through consultation within the research process, local authority commissioners described a perceived conflict between the differing guidelines they are being asked to follow and the objectives they need to achieve. These tensions can be summarised as an attempt to balance budget limitations against the volume and breadth of need, trying to develop diverse and competitive markets whilst retaining a neutral competitive environment in line with procurement rules (Audit Commission, 2007 pg 42, 47), and at the same time trying to achieve short-term efficiency drives and target monitoring with an understanding of the long-term nature of achieving objectives (Knight & Robson, 2007, pg 5).

An evaluation of the Sandwell Children's Fund capacity building model of commissioning makes no reference to this conflict of priorities. The model adopted develops traditional commissioning roles in order to offer practical support to voluntary and community organisations, which enables them to participate fully within the processes. A key recommendation includes developing 'single- point commissioning' in order to minimise the bureaucratic barrier faced by organisations. The model also focuses on long-term objectives, using local knowledge and participation, facilitating transparent communication and information exchange as well as streamlining monitoring processes (2006, pg 3).

The fundamental tension that seems to need reconciliation is how much commissioners can, and should, offer direct support to the community and voluntary sector without losing, what they perceive to be, their current neutral status.

Inability to engage with 'the' VCS fragmented voice

Another reoccurring theme within the literature is the difficulty that local authority participants experience in trying to engage with a 'fragmented' voluntary and community sector (National Audit Office, 2007, pg 7). Other research has corroborated this idea but is sympathetic to this challenge as a result of the sectors' diverse nature (NCVYS, 2007, pg 28). One possible response from the VCS might be that a multiplicity of voices is inevitable and some would refute attempts to cement the notion of 'a' voluntary and community sector at all. Although a full exploration of this debate is outside the remit of this review this tension persists between local authorities calling for 'one voice' (IDeA, 2006, pg 16) and the desire for voluntary and community organisations to defend and maintain their individuality and represent the diverse needs of their service-users.

To counter this, local authorities have recognised the benefits of working with local infrastructure networks (Strategy Complete, 2007, pg 35) as they reduce duplication of communication and consultation costs. Wade goes on to highlight that good practice does exist where local authorities have invested in creating dedicated roles to develop relationships with the VCS (2007, pg 14).

The fact that the sector gives the appearance of considerable complexity and diversity may explain why the observation is repeatedly made that consultation tends often, for pragmatic reasons, to be undertaken with those larger organisations who have the capacity to be proactive in developing relationships; or with organisations who already have a 'foot in the door' with local authorities. This may be through other partnership structures or through past histories of service delivery (Futurebuilders 2007 pg 26, Wade 2007 pg 9, Audit Commission 2007 pg 32, Strategy Complete 2007 pg 16).

Part Two – Voluntary and Community Sector perspective

The research outlined above describes a scenario where local authorities are in the early stages of getting to grips with changing policies and processes and are building the skills, knowledge and relationships necessary for the transition. It suggests there is currently a fairly low level of engagement but one that is sufficient to build on. However, voices emerging from the VCS, including those already engaged in public service delivery, depict a much more turbulent and insecure financial and policy environment. They express concern about the impact this may have on service-users and the diversity and security of service provision available.

Leman's research explores in greater detail the specific funding environment within which the voluntary and community sector is operating. Contrary to the 'developing' picture predicted on the basis of the continuance of the current commissioning climate, the research depicts a diminishing picture of procurement from the sector. Sixty-eight percent of respondents in the survey reported cuts in children and young people's services funding with the greatest reason cited as being 'efficiency savings' (2007, pg 2) suggesting that local authorities are prioritising this line of commissioning over a developmental approach to broadening their local markets. In addition to the reported cuts, 51% of respondents reported that services had been moved from VCS to in-house delivery (pg 9) either due to the 'mainstreaming' of services within local authority provision, lack of trust and incentives or a shift in priorities, all ultimately resulting in the bypassing of previous voluntary sector providers (pg 10). The CBI in also noted this phenomenon within the youth services as Connexions service contracts expire (2007, pg 18).

This trend is reflected in a review of adoption services that showed local authority and voluntary agency participants also perceiving a trend to move provision in-house, which local authorities explained due to access to in-house provision being more streamlined (Deloitte, 2007, pg 10). However, the same report also highlighted financial agreements negotiated between consortia members made up of statutory agencies that effectively render the voluntary agencies uncompetitive within the market (pg 12).

Diversity of the sector

It is important, in order to understand other aspects of the literature, to outline some research that describes the diversity of the voluntary and community sector.

In 2002 the HM Treasury report into the role of the voluntary sector in public service delivery estimated that 61% of the sectors' total income could be attributed to just 1.4% of the sector (pg 9), illustrating a drastically uneven distribution of income. Five years later the Charity Commission undertook a survey involving 3,803 registered charities, 65% of which had an annual income of under £100,000, and from their findings estimate that between 20- 30% of registered charities are delivering public services. Analysis suggested a relationship between the income of a charity and their likelihood of delivering public services. Sixty- two percent of the sample with an income over £500,000 were engaged in public service delivery compared to only 8% of those with an income of less than £10,000 being engaged (2007, pg 5). Further analysis depicted further 'polarisation' within the sector with regards to the level of income that is made up of public funding; 67% of organisations with income of over £10m achieve 80% of their income in this way (pg 6).

Aside from the variation in income and proportion of funds deriving from public service delivery within the sector, there also seem to be differences in types and levels of engagement according to sub-sector. The DfES 'Joint Planning and Commissioning Framework for Children, Young People, and Maternity Services' outlines a model that identifies differing stages of the commissioning process. These include, defining outcomes, assessing need, identifying resources and priorities and reviewing services (2006). Wade's analysis of Children and Young People Plans suggests that early years showed most overall progress, followed by youth and schools, with residential sectors showing the least levels of engagement (2007, pg 9). Looking at differing stages within the commissioning processes however, Wade found declining levels of engagement as the commissioning cycle progressed (pg 8). The DfES report into Children's Services Markets also describes a degree of variation but from the perspective of market management. The childcare, fostering and children's home markets are cited as being more established and better mapped and therefore more visible to

purchasers compared to the less established youth and parent support markets (PriceWaterhouseCoopers, 2006, pg 4).

What this research introduces, are characteristics of variation that demonstrate why commissioners cannot view the voluntary and community sector as one, homogenous entity and how systematically, certain types of organisation and sub-sectors within an already marginalised sector, can become further excluded from the possibility of delivering public services.

Capacity for Engaging, Bidding and Delivery

A factor emerging from the literature as a determinant of an organisation's ability to engage in this way is the level of 'capacity' it holds, different types of which are defined in the HM Treasury Cross Cutting Review as; organisational, technical, infrastructure and community (2002, pg 19).

Engaging:

For some, capacity is reduced by a lack of understanding about the Every Child Matters and Youth Matters agenda, the differences between commissioning, grants and service level agreements and the ways in which Children's Trusts operate (VCS Engage, 2007 pg, 1, I&DeA, 2006, pg 20, Strategy Complete, 2007, pg 27). Others possess this knowledge but remain excluded from the commissioning process and from strategic and regional representation due to a lack of resources (NCVCCO, 2007, pg 10, Strategy Complete, 2007, pg 27). Lack of financial and staffing capacity means that many smaller organisations simply do not have individuals who can be spared to attend meetings. Leman writes that the problem for some has not been a lack of opportunities, but instead, of capacity to take advantage of them (2007, pg 20) and this is echoed in relation to youth organisations, particularly where services are delivered by volunteers and part-time staff (Strategy Complete 2007, 27). Wade cites some examples of local authorities that are funding VCS participation through back-fill payments as a factor in demonstrating good practice (2007, pg 14).

Bidding:

This exclusion is discernible within both the area of strategic representation as well as the process of tendering for the delivery of services. Research analysing the views of 173 voluntary and community organisations found that 40% of participants had chosen not to submit bids because of the level of bureaucracy involved (Leman, 2007, pg 13) and that the process overall was "time-consuming, divisive and demoralising" (Leman, 2007, Executive Summary).

In terms of winning contracts, financial data illustrating the diversity of income within the sector and how larger VCS obtain a greater amount of public funding, is explored further by other research. It suggests that larger organisations, or those with an established relationship or history of service delivery, are more likely to be commissioned than 'new entrants' to the market (Futurebuilders, 2007, pg 26) and that larger organisations who fare better in the procurement of services have prior relationships through the development of Compacts (Strategy complete, 2007, pg 42).

This all outlines how, throughout the commissioning cycle, larger voluntary and community agencies have an advantage in capacity over smaller organisations as they possess the financial resources to employ staff with specialist skills necessary to pursue funding, write tender documents and proactively seek strategic representation coupled with the ability to deliver services on a larger scale.

Delivery:

The scale of service delivery required by commissioners can pose problems for organisations of differing sizes. Smith (2007, pg 5) writes how commissioning for extended schools often takes place at school-level and can prove challenging for organisations who operate on a larger scale and thus need to submit multiple bids or reorganise services. The point of view of smaller organisations who feel capable of delivering services but chose not to enter the competitive market due in part to both the bureaucracy involved and to the scale of contracts on offer which favour larger organisations was put forward by the Audit Commission (2007, pg 57).

To counter the gap between the operational scale of organisations and the requirements of commissioners, it has been suggested that voluntary and community organisations explore alternative models of service delivery over a broader geographical area (Aldridge, 2005, pg 59) or develop partnerships in order to change capacity for service delivery. Wade found some evidence of good practice in local authorities where support is provided for local organisations to group together (2007, pg 10). However, the National Audit Office reports that some smaller VCS appear 'unwilling' to develop an integrated approach and so contracts are then negotiated with larger scale, well-known charities as a result (2007, pg 7).

Building capacity

Research has highlighted areas of knowledge and skills that can be developed within the sector through which organisational and technical capacity can be built. Derry & Mason explored the needs of youth organisations who themselves identified 'commissioning', 'engaging with children's trusts' and 'strategic representation and influence' amongst their development needs (pg 7). Strategy Complete echoed the first two of these issues (2007, pg 38) and NCVCCO highlighted the importance of developing monitoring and evaluation skills (2007, pg 10).

In their research, Mitchell & Skinner (2007) found that although skills for development had been identified in order to facilitate participation in local strategic partnerships, respondents felt that training and learning opportunities either did not directly address their particular needs or were not developed with the VCS context in mind (pg 15). Wade, in identifying areas of good practice, described how some local authorities had adapted training to not only suit the needs of the VCS but also their working practises (2007, pg 14).

Finally, in relation to economic capacity, the Futurebuilders England's Second Learning Report (2007) described how Third Sector organisations are limited as they cannot utilise mainstream lending that would enable them to increase capacity and therefore service provision (pg 21).

Social Enterprise

It is at this point that a brief discussion of literature regarding adopting a social enterprise approach might be relevant given its current promotion as a means of raising finance within the voluntary sector (McBrearty, 2007, pg 74) and thus being an aide to increasing financial capacity.

Benefits of social enterprise:

The benefits associated with social enterprise organisations have been documented from a range of perspectives. The Children's Play Council highlighted the benefit of achieving greater independent financial control as particularly significant within a short-term funding climate (2004, pg 4). The DOH outlines the value of social enterprises through their ability to initiate innovative service provision that is accessibly to users which in turn increases choice and boosts standards (2007, pg 1). Finally, Pedwell outlines the benefits of social enterprise in the childcare sector in terms of its ability to meet the needs of diverse communities, respond to changing demand for childcare and in creating more 'empowering' working experiences for employees (2003, pg 8).

Accessing finance:

Despite these documented benefits, Social Enterprises are reported to have experienced a lack of support within the UK (Pedwell, 2003, pg 33) and Hare, Jones and Blackledge reported that such organisations can be viewed as 'high risk' in terms of investment (2007, pg 114). They outline a series of factors that place social enterprises on a spectrum of being 'bankable' which relate to the size and ethos of an organisation and whether it identifies itself as a service provider or a commercial entity (pg 123).

Fraser's quantitative analysis found no significant difference overall in the rejection rates experienced by social enterprises and mainstream businesses. However, this differed when comparing smaller enterprises with smaller businesses where the former were significantly likely to be discouraged in applying for finance than the latter (2006, pg 13).

Despite this the study found that social enterprises were significantly less 'financially delinquent' than mainstream businesses and that they experienced a higher level of understanding demonstrated from their bank about their business (pg 12).

Social Enterprise application in the VCS:

Strang France undertook a qualitative study with VCS participants not currently identifying as social enterprises and writes that understanding about how the model can be applied as being limited to 'coffee shops' and 'training' functions (2007, pg 5). Participants also expressed how a shift to profit generation might alienate stakeholders and alter the perception of funders as to their need for financial support (pg 5). Strang France goes on to suggest that education, information sharing as well as specific business skills training is necessary in order to channel entrepreneurship within the sector in order to achieve greater unrestricted income (pg 17).

In seeking to explore restrictions for application of the model within the VCS McBrearty highlighted key factors crucial to success; a product, an identified market, commitment from stakeholders and appropriate management skills (2007, pg 71). McBrearty also crucially highlights that the decision to adopt a social enterprise approach needs to be a pro-active decision rather a reactive goal to address decreasing or unstable funding (pg 71).

Funding structures

The process of tendering appears problematic within the literature, for reasons that relate to skills and capacity, to features inherent in the process that are incompatible with the ethos of the sector, as well as because of the uneven economic distribution outlined previously. The Charity Commission reported confusion amongst some VCS organisations about what they can and can't include within the costing when bidding for contracts and that only 12% of their 3,083 survey respondents always achieve full cost recovery (2007, pg 3). However, this may not necessarily be attributed solely to a skills deficit within the VCS as the same research reports inconsistent levels of understanding, and use,

of full cost recovery principles within local authorities (pg 60) despite a clear message being sent out in the 2002 Cross Cutting Review that organisations should be able to build a proportion of overhead costs into their bids (pg 25). In addition it has been cited that local authorities do not provide full clarity about their own costings within the tender process (PriceWaterhouseCoppers, 2006, pg 19) with some VCS organisations even reporting the practice of deliberately under-estimating costs in order to have a chance of being considered for procurement (Audit Commission, 2007, pg 61).

Outside of the issue of costs, voluntary and community organisations have reported that tendering methods are not designed to adequately capture the qualitative benefits of services being delivered by the sector (Futurebuilders, 2007, pg iii). The 2002 Cross Cutting Review concluded that research had as yet failed to adequately define what these are. However since then there have been numerous attempts to outline the characteristics that demonstrate 'added' or 'distinctive' value (Audit Commission 2007; PriceWaterhouseCoopers 2006; HM Treasury 2002; Knight and Robson 2007, Bolton 2002). NCVCCO research puts forward the point that procurement of services is often done by those who do not have specialist knowledge and it is therefore cost, rather than outcomes, driven and does not give an opportunity for the 'value added' nature of VCS provision to be taken into account (2007, pg 9). The Charity Commission report adds that the VCS who manage to generate evidence to demonstrate their 'added-value' will be able to achieve a much stronger position within the market (2007, pg 48).

There have also been reports of poor practice at this stage of the commissioning process, for example, Leman's research described situations where decisions about awarding contracts were made very slowly and from within their sample 41% of respondents who had submitted unsuccessful bids had received no feedback as to why (2007, pg 12).

The 2002 Cross Cutting Review warned about the destabilising effect of a one-year contract culture on the voluntary sector and yet research has found that this practice still persists. Studies have outlined how the fragmented nature of funding impacts on the ability to strategically plan in the long-term (PriceWaterhouseCoopers 2006 pg 7, Strategy Complete 2007 pg 41) and yet the Charity Commission stated that over two thirds

of funding agreements of their survey participants were for one-year in duration (2007, pg 3). There have also been reports of different contracts and conditions for in-house and voluntary sector providers in terms of length of contracts and payment terms (Leman, 2007, pg 17) and the Audit Commission writes about voluntary sector bids being subject to much closer scrutiny (2007, pg 61).

Infrastructure

The key roles of infrastructure organisations are well defined in the literature. Wade (2007, pg 10) summarises how networks provide a platform for lobbying and representation that is accountable to its membership. Other research studies highlight its ability to represent the sector in an organised fashion (Aldridge, 2005, pg 52), its role in keeping organisations up to date on policy developments and issues (Derry & Mason, 2007, pg 9), its pivotal position in terms of communicating with, and on behalf of, the sector and the practical support functions it performs (Strategy Complete, 2007, pg 46). The benefits of infrastructure have also been recognised by commissioners, as noted earlier, in terms of providing a focal point for dialogue and consultation and thus avoiding duplication and reducing costs.

The 2002 Cross Cutting Review saw the challenge for infrastructure as stemming essentially from the fragmented nature in which it has developed (pg 20) and the subsequent government funded 'ChangeUp' program incorporated the intent of some level of 'rationalisation' of infrastructure organisations within each region (Macmillan, 2007, pg 4). As a result of this, and a range of other policy interventions, some VCS infrastructure organisations find themselves in a position of being "unsettled, reviewed and contested", and their financial sustainability and security less certain (Macmillan, 2007, pg 24).

What the literature seems to demonstrate from, the perspective of the voluntary and community sector, is a situation that is becoming less stable and less secure at a time when central government policy is advocating the very opposite. At a time of reorganisation in local authorities there is evidence suggesting that funds for service delivery are being retained in-house in what should be a neutrally competitive market. In addition emerging commissioning structures and funding

agreements might be systematically placing Third Sector agencies at a disadvantage whilst at the same time creating further polarisation within the sector where medium-sized and smaller organisations find themselves excluded from opportunities to access public funding.

Part Three - Services user perspective

This review has so far focused on respective organisational perspectives within the evolving commissioning environment; however, it might be argued that the most important perspective that needs describing and exploring is that of the service user. Where the voice of the user is concerned, it is useful to be explicit about the two components within the commissioning process, that is commissioning and procurement. It is in the former where the intention of Government policy is to put the users of services at the heart of personal social care provision through the process of need assessment at both community and individual level. The ethos of the VCS has long prioritised this aspect of incorporating the need and preferences of those for whom services are designed and delivered. The literature on service user perspectives highlights the complex ideological and strategic challenges but does not, for the most part, explore differences between experiencing services delivered from statutory agencies and the VCS. The following themes do emerge.

Expanding the mechanisms for user participation

The processes by which agencies can facilitate the inclusion of 'consumer' opinion in informing the delivery of public services have expanded. Where once they may have involved relatively simple exercises in obtaining snapshot feedback about services, they now involve more complex approaches recognising where families, children and young people can play a greater part in making decisions and contributing towards the design, planning and delivery of services. The Future Services Network (2007) writes about the "striking" impact of such involvement in terms of "increased efficiency, value for money and changing life chances of consumers" (pg 8). Kirby, Lanyon, Cronin and Sinclair (2003) provide a detailed exploration into participatory practice within the context of the reorganisation of children's services and outline the challenge in creating the cultural change necessary within organisations to become truly participative, but depict the positive outcomes of such practice in improving services and retaining a focus on the needs of children and young people; upholding a commitment to the social inclusion of all children and young people as well facilitating the personal development of those involved (pg 146).

Despite these developments to include user voices in shaping individual services, there is little research that offers a direct comparison of opinion about services offered by different sectors, in fact Hopkins (2007) identifies itself as the first to quantitatively compare the experience of those receiving services from the public, private and Third Sector (pg 79). The report examines user satisfaction in the fields of employment services, domiciliary care and social housing and found that Third Sector organisations were more likely to deliver "X factors" than the public sector (pg 48). These were individual and organisational factors identified by users on top of core services and included the flexibility and caring nature of staff and organisations that could be trusted and made the user feel part of a community (pg 46). In addition positive relationships and the 'human touch' were all valued, particularly where users felt they had been "written off by mainstream providers" (pg 17).

Although the findings from this report cannot necessarily be directly transferred to sectors providing services for children, young people and families, it is important to discuss what service user preferences might be, particularly in examining sub-sectors within children's services where delivering support is actually reliant upon the consent of the user. For example, preventative services such as some forms of parenting support might be subject to a different choice process compared to other, reactive services, for example childcare or medical services, regardless of the perceived level of need.

Implications of styles for help- seeking'

Within the literature, there are examples of qualitative studies outlining contributory factors to service-user engagement that the voluntary and community sector possess but that the statutory sector does not or cannot.

Broadhurst (2003) reviews research exploring the practice of 'help seeking' in relation to family support services and summarises influential factors; stigma, control, fear and self- esteem (pg 345). The importance of stigma and trust is echoed in King's research (2004) who writes that because voluntary and community services operate independently, they are often seen by those that use them as non-stigmatising, are trusted in a way that statutory agencies are not and subsequently able to reach

individuals that otherwise would not engage (pg 9, 10, 12). The concept of independence is also important within the literature; Tunstill et al (2007) explored parents' experiences of family centres and found that service users perceived, and rated positively, a 'neutral' atmosphere as they felt they were not 'under surveillance' (pg 116). Crowley and Pitthouse (2007) found that children perceived Complaints Officers employed by the local authority as less independent and therefore less able to advocate adequately on their behalf (pg 209).

In addition to the values and meaning attached to statutory and non-statutory services, there is attention paid within the literature to how a participatory organisational culture can also influence engaging with services. Broadhurst's review presents research suggesting that services seeking to blur the boundaries between the help-seeker and provider are more likely to be chosen or assessed positively (Gibbons, 1990, cited in Broadhurst, 2003, pg 346). Tunstill et al's (2007) research found that there was a higher awareness within family centres led by the voluntary sector of a duty to put parents at the forefront in making decisions and shaping the programme (pg 114).

From the viewpoint of the user, rather than the organisation, this research demonstrates how a value is placed on the perceived independence of the voluntary and community sector and how its tendency to deliver user- focused services with the 'human touch' might lead to service users preferring this sector over mainstream agencies, for the delivery of certain services. However, there is currently a limited evidence base outlining a direct comparison and Hopkins research stresses the necessity for cross- sector learning of service delivery models on all counts (2007, pg 4).

Choice or compulsion: an offer that can't be refused?

Moving on from research about why the service-user might engage more readily with voluntary sector providers, it is also important to see how this 'mixed economy' of provision might emerge in practice.

Hallett writes (in Harris and White, 2004) that Every Child Matters aims to develop support for parents that is based on "voluntary partnerships between the state and parents" that can ultimately be enforced through

parenting orders if not adhered to (pg 169). This policy suggests a continuum of family support that crosses the boundaries of compulsory and non-compulsory. This spectrum is visible in Tunstall et al's identification of three levels of choice amongst family centre attendees'; those with no choice whose attendance is a consequence of social services intervention, those with low- to- middle choice where attendance results from the advice or 'encouragement' of others, and finally high choice, where services were sought entirely voluntarily (pg 81). There is also potential for examining how this boundary might shift over time; for example, Harris and White (2004, pg 12) describe how social services provision has receded in order to focus on protecting children at significant risk, therefore creating a greater gap for families to voluntarily access (or not access) support and leaving services with statutory sanction tagged with the stigma of child protection.

What this debate brings us back to is how the independence of the sector might be altered by further engagement of statutory services, not from the point of the organisation but from the perspective of the user. Does it remain in the sectors, and government's, interests, to preserve some level of independent provision? And how might the voluntary and community sector adapt and cope with a shift in identity from that of a 'value-added', alternative and independent provider to that of enforcer and government sanctioned intervention?

Notes on the literature

Ultimately within the literature reviewed, there is little that attempts to determine a benchmark level of voluntary and community sector engagement in Children's Trusts and the economic value of service delivery by the sector. Wade's (2007) analysis of Children and Young People's plans showed that in 80% of the sample the VCS was mentioned as a 'partner' but, on closer analysis, representation decreased within a range of strategic processes (pg 8). Some higher-level financial data is available regarding voluntary sector income but on a local authority level there is a lack of comparable and reliable data that enables the measurement of progress.

Looking at the literature highlights the need for further exploration around how to best understand the preferences and needs of families, children and young people and how these can genuinely be reflected and integrated within the commissioning process. Of particular interest might be the differing experiences of families who voluntarily choose to use services, compared to those involved within the safeguarding system, as well as views of children and young people using or receiving services as opposed to adults.

One final observation is the need for more research looking at experiences of within specific commissioning processes. Perhaps because of the relative newness of the context a lot of literature deals with broad sets of issues, the relationship between sectors or case studies in 'how to' documents, rather than an in depth exploration of specific mechanisms of engagement.

Implications for the evaluation

The process of reviewing the literature reveals a methodological challenge inherent in 'measuring' impact within complex and diverse environments where there is little or no apparent baseline. An initial question that arises is how actually should we measure the level of VCS engagement in children's services commissioning? Is one single method the ultimate measure or should a combination of indicators be used?

In terms of the evaluation, should measuring progress focus on

quantitative or economic measures or on a qualitative exploration of progress towards addressing or removing issues and barriers (summarised below)? Is it appropriate to seek to measure the number of, or value of, contracts awarded to the VCS or should we look in the first instance at how local authorities are amending their commissioning processes to make them more accessible to the VCS so that in turn we might see a rise in tender applications regardless of whether or not they are successful?

Of final consideration when evaluating impact of such an intervention are wider contextual factors. The timescales of the project and the evaluation might not themselves coincide with widespread commissioning and procurement activities. In addition other, separate initiatives or environmental triggers might be influencing commissioning practices.

Summary

The literature reviewed highlights a range of operational issues experienced by both commissioners and the Third Sector and also puts forward the need to put the voice of the service user at the forefront of service design, particularly where the success of services ultimately depends upon the consent of the user. A summary of issues is given below:

Summary of commissioning perspective:

- Lack of understanding of, and of the value of the Third Sector
- Lack of local VCS knowledge and thus limited capacity to commission
- Confusion over procurement guidelines and conflicting objectives
- Difficulty in consulting with a fragmented sector

Summary of Voluntary and Community Sector perspective:

- Withdrawal of funds from voluntary sector to in-house contracts
- Inconsistency of capacity within the sector to strategically engage, bid for contracts, and deliver services at the appropriate scale

- Diversification of delivery models to increase opportunities for service delivery
- Ability to demonstrate 'added value' or value for money
- Short-term funding contracts impacting on stability of funding
- Summary of Service User issues:
- Little documented comparison of service users experience of voluntary, statutory and private agency services
- Factors influence service users readiness to seek help, including trust, independence, participatory culture and the 'human touch'.
- Boundaries shift between compulsory and non-compulsory receipt of services

However, on reflection looking at these issues as separate and unrelated entities might only serve to reinforce the polarisation between the sectors at a point in time where central government policy has become clearer in its intention for a closer relationship. There remains a 'middle ground', where problems remain unresolved. For example, issues of full cost recovery and funding structures which are problematic for voluntary and community sector organisations are not congruent with concerns of commissioner's who retain a supply base from which to procure regardless. And so, whilst attention and resources must be focused on building capacity and generating local knowledge some attention also needs to be focussed on looking at the mechanisms through which some reciprocal ownership for unresolved barriers might be generated.

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