

Promoting & Protecting the Independence of Voluntary & Community Sector Organisations

A Report by Manchester Alliance for
Community Care and the Delivering
Inclusion Network

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Introduction

This report is based around an event organised by The Voluntary Sector Mental Health Forum and the Delivering Inclusion Network. The aim of the event was to create an opportunity for Manchester's voluntary sector and commissioners to consider the ways in which the independence of the voluntary sector has been or might be compromised by a shift to commissioning; what the implications of this are for the people and communities we work with and; what might help minimise risks to independence.

What this provides is a flavour of some of the issues discussed at the event. It is not an exhaustive analysis of the issues, nor does it provide a detailed blue print for action. Rather it should be seen as an attempt to kick start this debate in Manchester. We would therefore welcome your response and in particular like to hear how you think this work can be taken forward.

We were especially grateful for the support of Mathew Smerdon from the Barings Foundation who agreed to set the scene by sharing the key findings from his research into the issue of independence in the Voluntary and Community Sector (VCS). We also want to thank all of the groups who gave up their time to participate in getting the discussion going and Mohammed Abbas from the Joint Commissioning Team.

What do we mean by independence?

For the purposes of this debate we looked specifically at the independence of organisations rather than an individual's ability to live independently.

In their report 'Allies not Servants' by Matthew Smerdon, 2006 The Baring Foundation defines independence as:

“The ability organisations have to enjoy a range of freedoms. Freedom to:

- ⇒ agree values based on their own experience and vision and not external pressures;
- ⇒ carry out work that delivers the stated purpose of the organisation;
- ⇒ negotiate robustly with funders and partners
- ⇒ challenge others and engage in public debate”

There are two main strands to this debate which are significant for voluntary sector organisations:

- ⇒ The independence of individual organisations in relation to delivering contracts and;
- ⇒ The independence of the sector as a whole and how it can bring an independent perspective to the planning, commissioning and delivery of services

Why are we doing this now?

The issue of voluntary sector independence is being debated and researched more and more at a national level.

The debate on this issue can be characterised by highly polarised views some believe that the VCS should be entirely independent of government and view the governments interest in the role of the VCS in delivering public services with suspicion, believing that it is about cheaper services and the rolling back of the states role in the delivery of public services. There is a perception that by choosing to “take the Queens shilling”, organisations are selling out and compromising their independence and thereby their cutting edge and credibility with end service users. Further that this is motivated in part by the self interest of an increasingly professionalised workforce that want to keep their jobs.

Others take a more nuanced position believing that while the sector needs to be careful and skilled at maintaining its independence there are clear advantages to the sectors partnership with government. In particular, there is an opportunity for the sector to transform public services for their beneficiaries by extending the ethos of the VCS into public service delivery.

Both DIN and The Forum are concerned with the need to foster mutual understanding between sectors alongside the ability to work in partnership as well as challenge and negotiate with each other, to improve outcomes for service users.

Mathew Smerdon from the Baring Foundation opened the event by explaining why the Barings Foundation is interested in Independence and highlighting some of the key messages from their research.

Matthew defined independence as a positive statement rather negative or defensive and believes the idea of voluntary sector autonomy is a myth. The positivity comes from an organisations ability to inform and deliver more, based on their level of independence.

He was keen to emphasise that the Baring Foundations Strengthening the Voluntary Sector programme, which focuses on supporting voluntary sector organisations to maintain their independence, is not anti-government. It does not suggest that government is without values. It is based on the premise that organisations need to build positive relationships with government to protect their freedoms.

‘If you have your hand in another mans pocket you have to move when he moves’ – African Proverb

The voluntary sector has always been a route for dissent and involved in active resistance. Matthew defines voluntary action as action that has a will of its own. Protecting our independence as a sector is about using our freedom to do the things that only we can do –to be that voice of dissent and resistance and a conduit for voluntary action.

He also pointed out the importance of independence in service delivery. Specifically in relation to having a choice of who you work with (volunteers, partner organisations) and service users exercising their choice to use independent services

Main issues identified in the group discussion

Independence is important because it:

- ⇒ Enables an independent voice in localities;
- ⇒ Means services are driven by needs/wishes of beneficiaries not by government policy;
- ⇒ Many service users have more confidence in services that are not seen as part of “the system”;
- ⇒ Enables organisations to keep to their mission/vision and;
- ⇒ Advocacy needs to be independent.

“Independence is a relative concept organisations are not always able to walk away from negotiations”.

Threats to Independence

Government policy (Cross Party) on outsourcing public services to private companies, the VCS and social enterprises is problematic for the VCS, not because of fears about “rolling back the state”, but because it becomes focused on too narrow a definition of the sector. Larger national organisations that have the capacity to compete for tenders may do so at the expense of smaller local organisations. Smaller organisations are often unable or unwilling to engage in commissioning processes because they believe it will undermine their approach to engagement and service delivery.

Government rhetoric values and wants to utilise what the sector has to offer but in reality it seems they are looking for cheaper services and savings by contracting with larger organisations. There has been little consideration of the impact this is having on smaller local agencies. As the balance of available funding shifts from grants to contracts this is threatening the sustainability of those smaller local organisations that do not want to or, will be unable to compete for contracts.

“Contracts threaten our independence and constrain our work”

“Creativity, innovation, ability to take risks - all the things that make statutory sector want to contract with us are being compromised with restrictive contracts”

“We don’t want a VCS that is only funded through commissioning as it will have a negative effect on the most vulnerable users from marginalised groups”.

“Grant funding is fundamental to securing both independence and the sectors cutting edge”.

“The more informal, accessible grassroots services are being lost – through an overemphasis on professionalism and over scrutinising”.

There was widespread agreement about the threats to independence posed by the increased emphasis on commissioning it was however, also acknowledged that it does provide opportunities for methods from the VCS to become part of the mainstream provision. For example in Manchester voluntary sector mental health agencies have successfully tendered to deliver services such as Assertive Outreach, BME Community Development Workers, Early Intervention and Prevention and Self-Help Services.

What do we do as a sector? - We can't expect government to protect our independence

Different organisations have different experiences of the link between the level of statutory funding and independence. The quality of the relationships between organisations and the statutory funder are very important

Smaller organisations cannot compete on an equal playing field so what needs to develop to enable organisations to keep their individual identity but improve their chances of securing contracts?

One suggestion is to develop partnerships to enable smaller organisations to punch above their weight. One participant talked about the advantages of being involved in the Delivering Inclusion Network (DIN).

“Mind in Manchester feel more comfortable operating through DIN when it comes to contracts because it allows them to build on their strengths, DIN acts as a buffer and can take on the mediating role on behalf of its members so that the members have more negotiating power as a collective than they would alone.”

An example was also given of one organisation that has stayed small in order to remain independent they felt that larger pots of funding would have compromised their position

Other issues highlighted included the need:

- ⇒ To develop the confidence and skills to negotiate effectively

- ⇒ For specific support to develop partnership working
- ⇒ For a collective approach to strengthen our voice in strategic planning. Specifically to articulate what we want to achieve through our strategic engagement; and what we want to confront or challenge.

“The increased need to engage strategically is not matched with capacity to deliver this function. We lack robust representative roles, we need to be better at feeding back and need better mechanisms to do this”

- ⇒ To make more use of compacts – it was reported that where children’s services, contracts were not compact compliant they were challenged using the compact.
- ⇒ To recognise each others self interest & interdependence and the relationship between/different powers of large and smaller VCS organisations.
- ⇒ To address the marketisation of the VCS but work to a more political framework.
- ⇒ To know what things are set in stone and where do these limitations come from?
- ⇒ A better understanding of experiences of both sides (statutory and voluntary sectors).

“Collective actions stops the erosion of our services”

“Collaboration gives us more power and more clout”

What can funders/commissioners do?

During the event there was clear recognition that voluntary sector agencies must be pro-active in protecting their own independence, however it was also thought there were ways in which commissioners could support this.

Starting with a very basic principle of making sure contracts are Compact Compliant and including a clause to promote and protect the independence of the contracted organisation.

Some organisations felt unable to negotiate with commissioners and that this has an extremely detrimental effect on their independence. As well as the fear of breaking down relationships between commissioners and their organisations there is the issue of lack of clarity about the 'givens' and 'flexibilities'. It was acknowledged that commissioners and statutory sector partners are sometimes implementing national policies which are set ('given') and have no room for negotiation in how they are delivered; there are no 'flexibilities'. It was suggested that the voluntary sector should be engaging with commissioners to develop areas where there could be that flexibility for negotiation or alternative delivery. The voluntary sector might be better able to see those opportunities/provide an alternative perspective.

One participant described the clash in organisational culture as the 'egalitarian ethos of voluntary sector Vs. paternalism of statutory sector'

Overall, transparency needs to be improved and promoted. There is a still a 'cloak and dagger' feeling about how decisions are made. This lack of transparent breeds mistrust and negative relationships between the sectors. Commissioners are urged to open up about their decision making processes.

There was a clear message to commissioners to support the development of a business case for infrastructure grants. These are grants to cover an organisations core costs (from statutory funds) which thereby enable them to apply for project costs from grant funders and other sources. The sector also needs support from commissioners to build capacity in order that they can engage with the commissioning processes.

“Full cost recovery is an ideal but there’s a tension between that and the limited funding available and commissioners wanting to fund a range of different organisations. It’s difficult to balance full cost recovery in a competitive market”.

John Butler and Megan Ohri November 2008

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List of Participants		
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Rebecca McAlpine	Access funding consultancy	Consultant
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Mike Wild	MACC	Director
Tony Willis	Having a Voice	Committee Member
Nicola Wood	Manchester PCT	Public Health Worker

Websites & Resources

Action for Advocacy (2006) *Quality Standards for Advocacy Schemes*: a guide for advocacy organisations on how to put principles such as independence into practice. – Available free from www.actionforadvocacy.org.uk

Ann Blackmore (2004) *Standing Apart, Working Together*; A study by NCVO's Policy Director of the myths and realities of voluntary and community sector independence – available free from www.ncvo-vol.org.uk

Cathy Pharoah (2007) *Sources of Strength*; an analysis of challenges to independence and what organisations want to do about this – available free from www.baringfoundation.org.uk

Charities Evaluation Service (2007) *PQASSO Third Edition*; a practical quality assurance system for small organisations or for projects within larger organisations. It provides a flexible, step-by-step approach to working out what your organisation is doing well and what could be improved. Independence issues are incorporated into the different components of the framework. Available from www.ces-vol.org.uk

Compact Voice National Network - The National Network is a forum for national organisations to discuss Compact issues, such as independence, as well as exchange information, experiences and best practice. The Network contains Compact news updated daily and the online discussion forum allows members to talk about their concerns and resolve questions and problems they might encounter. www.compactvoice.org.uk

Geraldine Blake, David Robinson and Matthew Smerdon (2006) *Living Values*; a report on the values of the voluntary sector with practical guidance on how organisations can make their values live – available free from www.community-links.org Also available as a pocket guide for trustees.

Local Compact Voice Forum – The Forum gives local organisations access to the know how of almost 400 members across England. It has an on-line forum, can provide representation and support on your Local Compact and runs a Local Compacts Annual Conference and Sector Independence Day event. www.compactvoice.org.uk

National Coalition for Independent Action – a network of organisations that have come together to celebrate the power of voluntary and community action to challenge and change the world around them www.independentaction.net