The Value and Independence of the Voluntary Sector

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This report is dedicated to the memory of Ray Murphy (1952-2007)

Highlights of this report

This study describes the distinctive values of the Voluntary and Community Sector (VCS) and assesses whether the government's service delivery agenda has impacted on the sector's independence.

Independence

- The research suggests that the voluntary and community sector does not see itself in danger of government takeover, even though many of the groups in our sample accept government money.

- A group's sense of its own independence derives from its income, activities and attitudes. The following five factors enhance groups' feelings of independence:

    1. If they receive funding from foundations and charitable trusts, particularly long-term core funding
    2. If they raise a portion of their own income
    3. If they have a positive attitude toward commerce
    4. If they engage in advocacy
    5. If they are creative in the way they meet the demands of funders

Values

- Voluntary and community sector groups have distinctive values and qualities that make them excellent providers of services and effective advocates of change:

    1. Passionate, risk taking and persistent – they are willing to speak out and challenge the system
    2. Knowledge and 'cultural competence' allow them to help the hardest to reach people
    3. Holistic, person-centred approach allows them to deliver more effective services
    4. They turn 'service users' into agents of social change
    5. They are uniquely placed to work between different government agencies

Recommendations:

- Government needs to focus on the long term outcomes of VCS organisations' work, rather than on hitting short term numerical targets, in order to achieve its aims and objectives for the sector
- Foundations can play a unique role by supporting a cadre of bold organizations that challenge the system and operate outside of state funding
- VCS groups need to better measure their own effectiveness
- This limited study has acted as a barometer to test the state of the sector. More research is required to develop a deeper understanding of the issues facing the VCS

Executive Summary

This study aims to describe the distinctive value of the Voluntary and Community Sector (VCS). It also assesses whether the government's service delivery agenda has impacted VCS groups' sense of their own independence. The research has grown from the concerns of seven charitable foundations that have funded voluntary and community organisations for many years.[1] The Foundations supported researchers from The Centre for Research & Innovation in Social Policy and Practice (CENTRIS) to write in-depth case studies of 14 voluntary organisations and to interview a wider sample of 121 randomly selected voluntary organisations.

Independence: The findings suggest that the Voluntary and Community Sector does not see itself in danger of government takeover

The current debate over whether the government should commission VCS organisations to deliver public services is polarised. On the one hand, advocates argue that VCS groups can boost their income and deliver better public services. On the other hand, sceptics argue that accepting government money necessarily reduces the independence of VCS groups. The research in this study suggests that a more nuanced position is required.

The VCS organisations surveyed do not feel in danger of 'takeover' by the government. Members of most organisations, including those who receive government money for service delivery, feel capable of independently carrying out their core objectives. However, while many feel independent of 'mind', they concede that funding, particularly highly target-driven funding, can constrain their actual activities. Representatives of the organisations surveyed in this study also warn that the hunt for funding can lead to mission drift.

The report uncovers five factors that enhance an organisation's sense of its own independence:

1. If they receive funding from foundations and charitable trusts, particularly long-term core funding, organisations feel a greater sense of independence than if they receive public funding for service delivery. Organisations say that foundation funding enables them to more freely pursue their values because it involves fewer restrictions and targets.

2. If they raise a portion of their own income. This could be through developing a "cash cow" project to bring in funding, or through charging membership fees, as in the case of groups such as London Citizens.

3. If they have a positive attitude towards to commerce. Some organisations maintain a professional core, a contractual fringe and a flexible labour force, which allows them to keep core costs down and expand when there is the demand and money for extra work.

4. If they engage in advocacy, organisations tend to select their funding partners with greater care, ensuring they can pursue their core activities without hindrance.

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[1] Barrow Cadbury Trust, Calouste Gulbenkian Foundation, City Parochial Foundation, Carnegie UK Trust, Joseph Rowntree Charitable Trust, Joseph Rowntree Foundation and Northern Rock Foundation.

5. If they are creative in the way they meet the demands of funders. Organisations have developed ‘workarounds’ that allow them to meet funders’ targets but at the same time deliver their own, self-identified core objectives.

Values: Voluntary and community sector groups have distinctive qualities that make them excellent providers of services and effective advocates of change:

They are passionate, risk taking and persistent. VCS organisations, such as London Citizens and INQUEST, speak out and challenge the system from the outside. They are tenacious in the pursuit of their cause. Their role, advocating for change, is one that the public and private sectors are either unable or unwilling to play.

London Citizens is a membership organisation made up of 90 groups ranging from diverse faith congregations, primary and secondary schools, student groups, trade union branches and community associations. They have successfully campaigned for a “living wage” for low-paid workers in London. Based on the group’s successful advocacy, almost every national bank in London currently pays an increased rate to its cleaners. Now, London Citizens is targeting hotel chains, primary care trusts, local authorities and universities to push them to pay their workers a minimum Living Wage. London Citizens is independent of state funding, raising a significant portion of its own money from membership dues, and therefore free to openly challenge Government policies.

INQUEST is the only organisation in England and Wales that provides a comprehensive and specialist advice service to the relatives of people who have died in custody. INQUEST has accumulated a unique, specialist body of knowledge that enables it to work closely with lawyers, other advice agencies, NGOs, Parliamentarians and the media to help investigate and raise awareness over custodial deaths and problems with the inquest system. The organisation is dogged, persistent and unrelenting in the pursuit of its cause. INQUEST was a driving force behind the movement to establish independent investigations and greater public scrutiny following custodial deaths. Many of the bereaved families that INQUEST supports raise challenging questions about state and corporate failings. In order to tackle these questions, INQUEST ensures it has the independence to operate freely. Therefore, it does not seek funding from government departments whose conduct and policies it may challenge.

They have ‘cultural competence’ and knowledge. Many of the organisations in the study have a strong knowledge base derived from years of first hand experience working at the grass-roots level. This knowledge gives organisations ‘cultural competence’ and credibility among their beneficiaries, which enables them to help the hardest to reach people.

The Young Disciples group in Birmingham is an example of the voluntary sector working in the most difficult territory – far beyond the usual capabilities of state or private organisation. The group assists four hundred young people in deprived areas of North West Birmingham who are at risk of becoming involved in street gangs. Young Disciples makes contact with those at risk and offers them a route to safety. Workers from Young Disciples go wherever gang-members congregate – from streets to nightclubs to crack houses, yet equally crucially, still maintain a working relationship with the police.

Young Disciples is run by former gang members who have successfully walked away from a life of crime. Only a voluntary sector organisation with local expertise could navigate the perilous course between establishing the credibility with young people that allows them to do their work, and achieving necessary co-operation with the authorities.

They adopt a holistic, person-centred approach that allows them to deliver more effective services. This approach, in essence, treats a person according to his or her own wishes and needs, rather than as a 'patient' with a 'medical problem'. For example, the Circles Network, a disability rights organisation, embodies the former more progressive approach with what it terms a "passionate inclusionist" philosophy. The network encourages disabled people to represent themselves in discussions about where they choose to live, work, enjoy recreation and receive care.

They turn 'service users' into agents of social change. For example, the WAITS (Women Acting In Today's Society) project in Birmingham assists black and minority ethnic women suffering from domestic violence. The organisation helps them gain access to education and employment through mentoring and counselling, helping to build their confidence through a 12-week "freedom" programme. After a long period of support, WAITS encourages its clients to become volunteers, activists, and paid workers representing the organisation.

They are uniquely placed to liaise between different government agencies. For example, the Derwent initiative is a charity that promotes a unified approach to tackling sex offenders. The Charity's main project is Leisurewatch – an initiative that trains leisure staff to report effectively to local police forces to make venues safer for children. It has built a strong reputation over the last 12 years by promoting interagency cooperation while remaining unbiased. "We are not masters of any agencies of the community" a spokesperson said, "we have become brokers of our own values."

Key recommendations:

1. **Government commissioners should focus on the long term outcomes of VCS organisations' work, rather than on hitting short term numerical targets, in order to achieve its aims and objectives for the sector.** The fruits of VCS groups' work tend not to be immediately evident and cannot be judged according to narrow targets. Quantitative data can fail to take into account the often messy and complex work of VCS groups. In order to take advantage of the unique qualities of the VCS, Commissioners need to allow for varied and occasionally unorthodox processes and assess the full breadth of outcomes.

2. **Foundations can play a unique role by supporting a cadre of bold organisations that challenge the system.** As government channels ever more resources towards VCS public service provision, charitable trusts and foundations must ensure that advocacy groups, which refuse on principle to take government money, remain well funded. Foundations need to support these groups with core funding, preferably over the long term, to ensure that the advocacy side of the VCS remains vibrant.

3. **VCS groups need to better measure their own effectiveness.** In order to avoid accusations of inefficiency or ineffectiveness, VCS groups need to better document the knowledge that they have and the impacts that they make.

4. This limited study has acted as a barometer to test the state of the sector and **more research is required to develop a deeper understanding of the issues facing the VCS.** The state of research into the benefits of organised voluntary and community action in the UK is far from satisfactory. Funders, academics and others need to gear up their story on what the VCS achieves and there needs to be more research on how VCS organisations can best evaluate their outcomes.

The Value and Independence of the Voluntary Sector

Introduction

Thirty years ago, the voluntary sector was a quiet backwater. The state saw itself as the provider of public services, and the voluntary sector was marginal.[2] Today, it has moved centre stage, and the government sees it as a key agent in the future delivery of public services.

The growth and recognition of the voluntary sector have occurred as part of changes taking place across the world. It has been suggested that the growth of voluntary bodies at the end of the 20th century was of comparable significance to the growth of the nation state at the end of the 19th.[3] An influential article has noted the 'power shift' that has taken power from governments towards private corporations and voluntary organisations.[4]

A consequence of these changes has been the rebirth of 'civil society'. The idea, dating from the Enlightenment, is that citizens and their organisations can contribute towards a good society. In the 1970s and 1980s, political activists fighting communist regimes used the term 'civil society' to describe their struggles.[5] Following the collapse of the Berlin Wall, 'civil society' was imported into the West to fill an 'aching void' – the loss of civility[6] - manifested in the growing anxieties about the health of social institutions, the decline of family, reductions in social capital, worries about community cohesion and the absence of consensus on unifying moral principles.[7] These losses created a mood of pathos, well captured by Robert Putnam in the title of his 1995 article 'Bowling Alone', in which he showed that the number of people going to bowling alleys was increasing while the number of bowling teams was declining.[8] A Commonwealth Foundation study 'Civil Society in the New Millennium' showed that in the developed countries of Australia, Canada, New Zealand and the United Kingdom, people felt that they had lost connection with one another.[9] Many saw the answer, as Putnam did, in the development of social capital, bonding people together, bridging them with other communities, and linking them to power. This framework gave a clear purpose to civil society and a rationale for the efforts of the voluntary and community sector.[10]

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[2] Griffiths, H (1981) *The Development of Local Voluntary Action*, National Council for Voluntary Organisations, London
[3] Salamon, L (1994) 'The Rise of the Nonprofit Sector', *Foreign Affairs*, Vol 74 No 3, July/August, 1994
[4] Matthews, J (1997)'Power Shift' *Foreign Affairs*, 76, 50-66.
[5] Keane, J (2000) *Vaclav Havel: A Political Tragedy in Six Acts*, Basic Books, New York
[6] Gellner, E (1994) *Conditions of Liberty: Civil society and its Rivals*, Hamish Hamilton, London
[7] Eberly, D (2000) *The Essential Civil Society Reader*, Rowman and Littlefield, Oxford
[8] Putnam, R (1995) 'Bowling Alone', *Journal of Democracy* 6:1, 65-78
[9] Commonwealth Foundation (1999) *Citizens and Governance*, Commonwealth Foundation, London
[10] McGinn, P, Morrisey, M and McDonnell, B (2001) 'A Social Capital Framework: Evaluating Community and Voluntary Sector Activity', Community Evaluation Northern Ireland Briefing Paper 1, Belfast

In the UK, the incoming Labour Government of 1997 was keen to harness the energies of the voluntary and community sector and was influenced in this by the work of the Commission on the Future of the Voluntary Sector, which had reported a year previously.[11]

The government embarked on systematic efforts to build the capability of the voluntary sector, beginning in 1998 with a 'Compact' between the sector and government, and going on to develop a range of new support for the sector including Futurebulders, Capacitybuilders, the Office of the Third Sector, and the Charities Act 2006. Many have seen these developments as highly positive, feeling that recognition for the sector is welcome and long overdue. Others have been critical - seeing the growing proportion of government funding in the sector as threatening the independence of the sector and undermining its ethos of voluntary service.

The debate has become polarised. The central question is the independence of the voluntary sector from the state. But alongside it, another question is increasingly asked: What is the effectiveness of the voluntary sector? As the sector increases in size and importance, this question is set to grow.

This study addresses two central issues in the voluntary sector: its value and its independence. In seeking to identify the distinctly valuable contribution of the voluntary and community sector, the study has set itself a difficult methodological task. Michael Edwards, Director of Governance and Civil Society at the Ford Foundation, has noted that the most important yet most ignored question in this sphere is 'How does a civil society create a civilized society?' [12]

In other words, does a network of voluntary and community organisations create a good society and if so, how? Researchers have tended to prefer easier questions, rather than seeking to understand the processes behind the public benefits that voluntary organisations are said to bring. This is the territory we are entering and, in trying to bridge facts and values, is largely unknown. The sample of 14 case studies shown here cannot be reflective of the vast voluntary and community sector as a whole – which at the last count in 2004 consisted of over 169 000 organisations.[13]

The state of research into the benefits of organised voluntary and community action in the UK is far from satisfactory. There is a general view among funders, academics and others that voluntary and community organisations need to gear up their story on what they achieve. Much has been written about evaluation, and the language of 'outcomes' has been established in the UK and elsewhere.[14] However, although there is much advice about how to do evaluations, there is almost no good literature on applying it to the voluntary and community sector anywhere in the world save perhaps through the Society

[11] Commission on the Future of the Voluntary Sector (1996) *Meeting the Challenge of Change: Voluntary Action into the 21st Century*, The Report of the Commission on the Future of the Voluntary Sector, NCVO Publications, London
[12] Edwards, M (2004) *Civil Society*, Polity Press, London
[13] Information supplied by NCVO
[14] See the resources listed at http://www.ces-vol.org.uk/index.cfm?pg=201

for Participatory Research in Asia (PRIA) in India.[15]

Purpose of the study

The current study aims to provide evidence about the distinctive contribution of the voluntary and community sector and the relationships that support that contribution. It has grown from the concerns of seven charitable foundations that have funded voluntary and community organisations for many years.[16] The foundations supported researchers from CENTRIS to write in-depth case studies of 14 voluntary organisations and to interview a wider sample of 121 randomly selected voluntary organisations to test a range of opinions on the value of the sector and its independence.

The formal aims of the research are to:

1. Describe the distinctly valuable contribution of the voluntary and community sector

2. Assess the extent to which the contribution of the voluntary and community sector depends on its relationships with different parties

3. Assess how far the relationships (and specifically issues of interdependence of organisations) affect their operations and in turn determine their success.

Methodology

Our research involved two main methods. The first was to write detailed case studies of 14 voluntary and community organisations - chosen from a selected sample of 42 organisations submitted by the seven funders of the study.

Some organisations were chosen that accepted no government money, some had a mixture of funding, and others were majority-funded from public funds. We chose a balance of organisations - between those whose main focus was service delivery and those heavily involved in advocacy. Others were hybrids involved in different types of activity.

The methodology was standardised. We used the logic model of evaluation to assess the value of organisations. This is a linear approach, tracing inputs (resources such as staff) through to activities (such as service delivery), through to outputs (such as number of clients helped) through to outcomes (such as changed lives).[17] We combined this with a matrix to assess relationships with key stakeholders, (including funders) focusing on issues of dependence, independence, and interdependence. We added a participatory

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[15] See www.pria.org/cgi-bin/index.htm

[16] Barrow Cadbury Trust, Calouste Gulbenkian Foundation, the City Parochial Foundation Carnegie UK Trust, Joseph Rowntree Charitable Trust, Joseph Rowntree Foundation, and the Northern Rock Foundation.

[17] W K Kellogg (2001) The Logic Development Model, Kellogg, Battle Creek Michigan

element to the assessment in which each organisation was invited to engage in a process of joint reflection and learning. Each case study took a minimum of six days work.

We encountered three main difficulties. First, assessing outcomes is inherently difficult. Secondly, organisations varied in their sophistication about measurement. Almost all were better at describing their inputs, processes, and outputs than their outcomes. In part, this was due to a lack of technical capacity, but also because of the very real problems in attributing developments to the activities of a particular organisation, rather than to the work of some other partner or even external factors completely outside its sphere of influence. Thirdly, voluntary organisations are involved in a wide range of activities that make it hard to classify what they do, even among the relatively small sample in this study. There is an element of ‘particularity’ about each voluntary organisation that makes it difficult to generalise about a voluntary ‘sector’.

We supplemented these case studies with interviews with the chief executive of 121 randomly selected organisations. They were asked questions about their activities, relationships, funders and effectiveness. Although statistically speaking, the size of our samples mean that the study cannot be taken as definitive, we are confident at least that our research can give an insight into the trends affecting the voluntary sector and suggest hypotheses that can be tested by later work.

Chapter 1. The value of the voluntary sector

Key Findings of Chapter 1

Voluntary and community organisations have five distinctive characteristics that make them excellent providers of services and effective advocates of change.

They are:

1. Passionate, risk-taking and persistent, which allows them to speak out and challenge the system
2. Knowledgeable and 'culturally competent', which allows them to help the people who are hardest to reach
3. Holistic and person-centred, which allows them to deliver more effective services
4. Change-minded, which allows them to turn 'users' into 'activists'
5. Partnership focussed, which allows them to work with government agencies

Introduction

Voluntary organisations are protean: their organic quality changes shape to take on different types of activities and to perform different types of functions. The Connexions Service, Learning and Skills Councils, Sure Start Programmes may vary from one place to another, but in their essentials they will have much in common. Not so with voluntary organisations, which tend to be flexible, particular, and singular.

It is striking that the organisations traced in the case studies below derive their considerable impact from their choice of relationships, fervent pursuit of their cause, and technical prowess. None of these organisations commanded large staffs and all lived on tight budgets. Despite sometimes pitting themselves against the system, and on occasion being a considerable irritant, people we spoke to inside the system had immense respect for them - even the activities of the organisations that made their own life difficult. They saw the value of feisty and independent voluntary action of this kind.

Case Studies

Here is a brief description of each of the 14 case studies in the study.

1. Bail for Immigration Detainees (BID)

Tim Baster founded BID in 1998 to make bail applications for detained asylum seekers and migrants. It was originally intended to be a stop gap measure as the new Labour Government was in the process of legislating in the 1999 Immigration and Asylum Act for legal aid and automatic bail hearings after 7 and 35 days for all detainees. However, this part of the Act was never implemented, and was repealed in 2002. Though Tim had originally thought that BID 'not have to be around for longer than a year', it now approaches its 10th birthday.

2. Circles Network

Circles Network is a national charity formed in 1994. It helps to set up circles of support for many hundreds of disabled people in the UK to ensure that the focus person is in control of every aspect of the planning of their lives.

3. Community Service Volunteers (CSV)

Community Service Volunteers (CSV) was founded in 1962 to provide opportunities for volunteering. A range of opportunities is available, and no one who wishes to volunteer is rejected. CSV offers extra support to volunteers who need it.

4. Diss and Thetford Citizens Advice Bureau (CAB)

Diss and Thetford CAB provides general advice on issues ranging from money, welfare rights, employment, housing, relationships, legal, consumer and utilities. It also gives specialist support in debt, benefits and employment, using its casework experience to develop public policy advocacy.

5. Ealing Community Transport Group (ECT), the Weardale Railway

The Weardale Railway is an 18-mile long railway in County Durham in an area of outstanding natural beauty. In January 2005, after it had gone into voluntary administration with debts amounting to £1 million, the Ealing Community Transport Group (the biggest Community Interest Company in the Country) took it over.

6. Fence Houses Community Development Project

The Fence Houses Community Development Project is part of the Barnardos national childcare charity. It works with local people on children's play, crime, violence, substance misuse, housing and environment issues.

7. INQUEST

INQUEST is the only organisation in England and Wales that provides a specialist, comprehensive advice service to the bereaved. It offers assistance with lawyers as well as lobbying media, MPs and the wider public on contentious deaths and their investigation. Reflecting its commitment to challenging discrimination, INQUEST pays particular attention to deaths of women, young people, ethnic minorities and those with mental health problems. It undertakes research to lobby for changes to the inquest and investigation process.

8. Leeds Racial Harassment Project (LRHP)

Leeds Racial Harassment Project (LRHP) was set up in April 1995 to challenge racial harassment and provide support and assistance to victims. LRHP was originally part of a joint initiative between the Equal Opportunities and Leeds Multi-agency Racial Harassment Forum. It supports victims of racial harassment and has a wider educational, social and community development role.

9. London Citizens

London Citizens is a membership organisation comprising diverse faith congregations, primary and secondary schools, student groups, trade union branches, and community associations, promoting social justice within a framework of diversity. At its launch in 1995, the organisation had 35 members; now the number stands at 90. It is an affiliate of the Citizens Organisation Foundation (COF), the national umbrella organisation of the broad-based organising movement in Britain and Ireland.

10. Southern Uplands Partnership

Southern Uplands Partnership (SUP) brings together a range of partner bodies to address agriculture, forestry, access, conservation, pressure to expand wind farming, and other matters in the Southern Uplands of Scotland. The partnership was formed from bodies such as Scottish National Heritage, Scottish Borders Council, Dumfries and Galloway Council, Scottish Environment Protection Agency, Solway Heritage, Borders Forest Trust, Forestry Commission (Scotland) and Scottish Enterprise.

11.TimeBank

TimeBank aims are to find new ways of accessing volunteers through using the power of the Internet and the media. It places special emphasis on reaching those from groups traditionally underrepresented among volunteers, such as young people, black and minority ethnic groups, and those with mental health problems. It also focuses on regions where volunteering levels are traditionally low.

12. The Derwent Initiative

The Derwent Initiative is an independent charity founded in 1993 to improve public protection, especially for children, by promoting joined-up thinking among relevant organisations about the problems of sexual offending. Its main project is Leisurewatch, a concept first piloted in leisure centres in 2002. The initiative trains leisure staff and sets up protocols with local police forces to ensure that worrying behaviour is properly reported.

13. Women Acting in Today's Society (WAITS)

WAITS is a women's educational charity established in 1992 concerned with promoting local women's 'fuller involvement in the public life of their communities, from education to employment, personal to social and leadership to decision making'. It supports women in claiming welfare benefits, gaining access to employment and education, and tackling domestic violence, isolation, health, crime and the fear of crime.

14. Young Disciples

Young Disciples was established in 2001 originally as part of the United Evangelical Project in Aston, Birmingham. It promotes viable alternative lifestyles for young people that are disaffected, especially those involved in extreme antisocial behaviours including gangs and crime; young people in danger of social exclusion; and those already excluded from mainstream socio-economic activities.

Distinctive contributions

In this section, we examine characteristic features of the organisations beginning with the driving force of many organisations: passion.

Passion

A worker interviewed from CSV said:

> 'We are passionate about volunteering.'

The following comments are from different people associated with BID:

> 'Staff here have personal commitment, passion and integrity…the issues are so important, it makes me want to stay forever shouting about them.'
>
> 'I am proud to be working on the side of the detainees.'
>
> 'There isn't anywhere else where I want to work.'

One of the founder members of Young Disciples said:

> ‘The project was originally grown out of a passion.’

Circles Network was established by a team of people who described themselves as:

> ‘Passionate inclusionists’

And:

> ‘Men and women who believed in something, and were prepared to put that belief into action. Through that dynamic idealism we were able to set up sustain the first circles of support.’

London Citizens say that they:

> ‘…organise and lead out of love and stubbornness, out of joy and despair, out of clarity of purpose, and because we do not see who else will do what needs to be done.’

The lead organiser of London Citizens’ described how faith is a key tenet of putting values into practice:

> ‘These are put into practice all the time. Campaigns are almost always focused on the most vulnerable, the lowest paid. This has come from a faith tradition – the obligation that people of faith have is to serve their neighbour, especially their neighbour who is in trouble.’

And in The Derwent Initiative:

> ‘We work together for the common good, acting out of our shared humanitarian values of justice, dignity and self-respect. Those are the common values that all the members have to sign up to.’

An inevitable corollary of passion is risk. When asked about principles one staff team in the study talked about ‘putting their head above the parapet,’ ‘taking risks,’ and ‘being brave and courageous,’ being ‘open, honest and transparent’ and ‘owning up when we have not got something right.’ In a similar vein a stakeholder of BID stated that:

> ‘BID is fearless and they have the knowledge and determination needed; at a policy level things would be much worse if the authorities did not know that they were being watched.’

Fearlessness in speaking out was also expressed by staff and stakeholders of Leeds Racial Harassment Project:

> 'LRHP is committed to encouraging people to face this issue and not just take the single-issue approach. They say 'that's wrong, you can't do that'. And they are prepared to speak up and encourage others to do the same.'

> 'We've been challenging, gone a little too far, too honest, questioned their lack of accountability.'

Passion and risk go together because outside circumstances are typically unfavourable to the values of the organisation. Two comments were typical:

> 'We a very small organisation in a big and hostile machine…my source of strength comes from doing something so worthwhile when it is so dark out there.'

> 'We are often bypassed because we are considered to be 'purist'; this is because we absolutely stick to our values.'

Knowledge and cultural competence

A distinctive feature of many of the organisations in our study is a strong knowledge base derived from practical experience of working on problems such as poverty and racism over many years. This knowledge is commonly tacit, rather than explicit, and is acknowledged within organisations and between beneficiaries and immediate stakeholders, but rarely shared more widely.

In our study we found many examples where such knowledge was highly valued by beneficiaries and stakeholders. Respect, integrity and credibility are derived from having a knowledge base derived from first hand experience; it provides a line of accountability to beneficiaries; and is perceived my many to be a source of power that influences change. This is an important part of the legitimacy of the voluntary sector.

A particularly potent form of knowledge occurs where staff or volunteers in the organisation have 'experiential knowledge', in the sense that they have experienced the issues they are working with as problems in their own lives. For example, many of the Young Disciples staff started out as members of the target group for the project, have been through the organisation's process, and then become role models for other young people:

One staff member said:

> 'I have knowledge of gangs and gun culture. Life gave me this knowledge. I was an onlooker but I still knew what was happening.'

Another commented:

> 'Before I got involved in Young Disciples I was heavily into crime. When I came through the door of Young Disciples I saw people I grew up with - friends who

> had turned themselves around. I knew I had to be involved. After about six months of voluntary work I gave up crime, which was making my money, and I gave it up for unpaid work with Young Disciples. Young Disciples gave me my first job. I am a prodigy.'

The experiential knowledge of the staff at Young Disciples – and their non-judgemental approach - gains them immediate respect and credibility from young people.

> 'Young Disciples works with young people at risk but the stigma is not there. Some of the young people are involved with guns and drugs and some aren't, yet no-one gets stigmatised the way that they would by other agencies.'

This approach is acknowledged in a recent youth service review:

> 'Young Disciples has come out as one of the few projects that are peer led and culturally competent.'

In Fence Houses, local knowledge, the fact that staff know the area and have experienced first hand the problems of living in the Coalfields, is essential to their acceptance as community development workers. This local knowledge means that they 'hit the ground running' at the start of the project:

> 'One of the strengths of the project is that the workers had a local knowledge so it could start without having a six month lead in. Local knowledge is the common denominator.'

Several of the staff and volunteers at Fence Houses are 'home grown' community development workers with first hand experience of local issues. This means that they can both talk easily with local people and communicate their knowledge to other professionals working in the locality:

> 'Some members of [the steering group] have had 24/7 experiences of drugs and the effect drug misuse can have on parents/carers/families and the wider community. What [we] have been able to do is share with the steering group our skills, knowledge and experiences of drugs and drug misuse.'

Other organisations involved in the case studies are notable for having specific knowledge in their particular field. One stakeholder said this about Leeds Racial Harassment Project:

> 'They are <u>the</u> organisation dealing with Racial Harassment; they have a definite purpose and work towards it. They have an expertise which is unique in the city; they are specialists in this area of work and are very well known.'

And knowledgeable outsiders said of BID:

> ‘BID has in-depth knowledge of bail issues for detainees. Whereas most organisations deal with the whole gambit of refugee policy, BID focuses on one area in detail and can be relied upon to provide statistics and case studies that are so specific, they are invaluable.’

> ‘BID's narrow focus is incredibly important because [our organisation] does not have the capacity to do this. BID deal with lots of things we can’t deal with in detail, they are fantastic value.’

And of INQUEST:

> ‘The point is consistently raised that INQUEST provides the benchmark for information and knowledge in the field of young people’s deaths in custody, the inquest system and the provision of support and guidance.’

Knowledge as power

The knowledge base of voluntary and community organisations in the study is significant because it both grants them the respect and credibility of their beneficiaries and stakeholders, and allows them to influence public policy. To take BID as an example:

> ‘BID have their finger on the pulse of detention and have contributed to [our organisation’s] work to inform Government policy.’

> ‘BID can bring information from the ‘horse’s mouth’ and feed this back into the Home Office stakeholders focus group. Their information is always reliable. They take up issues and find out what the trends are.’

> ‘The fact is that we know more about our community needs than the people who make the decisions; the power is letting them know.’

In voluntary organisations, beneficiaries tend to be active participants in building up knowledge. A good example of this is when Barnardos decided to enter Fence Houses. Their approach was based on what local people said about the work in an adjacent area. They did not parachute in with rigid plans or preconceived ideas about what will work. INQUEST, BID and Diss and Thetford CAB also generate knowledge from their casework on social trends and the impacts of government policy.

The Derwent Initiative joins together academics and practitioners in their research projects. Research is designed to lead to action. As the CEO explains:

> ‘The Derwent Initiative’s multi-agency working is always about the combination of having the time to think it through before putting it into practice. We never do pure academic research and only do research if it leads to practical action.’

Such a process also holds out prospects for better accountability. A comment from BID suggests that they are aware of the dangers of speaking on behalf of beneficiaries:

> 'A lot of organisations speak on behalf of people, without giving them a platform. We try to encourage detainees to speak for themselves…in that way they hold us to account.'

A Holistic, person-centred approach

The case studies show that the voluntary and community sector combines 'thinking' and 'feeling'. In the words of Gramsci, it is facilitated by those, 'with passion for the people that transcends the dichotomy between knowing and feeling.'[18]

This approach conflicts with the narrow formula typically used in classic evaluation systems and accountability reports to funders where the emphasis is on 'material' and 'rational' outcomes or public benefit. Paul Hoggett and Marjorie Mayo's recent study of development bemoans the 'positivist and rationalistic ethos' with its emphasis upon measurables which:

> '…often appears to fetishise outputs and action providing little space for 'the emotional and relational work which is central to development interventions.'[19]

How people feel matters. Here is a memorable quotation from one of the organisers of London Citizens about the human spirit:

> 'The human spirit is bucked up by people realising that they can do something. The mood of people when they come out of assemblies is always extremely high. People are ecstatic with just the feeling of solidarity in the room – sometimes not much has happened, other than their being in the room together.'

Individuals and services

The process of linking thinking and feeling is evident in the ways that voluntary and community organisations work with individuals. Within our sample, the organisation of services reveals a treasure trove of approaches. Services have typically developed with a close appreciation of the needs of the client group - in some cases over generations. Notwithstanding the technical details of specific services, it is possible to discern six characteristic and interrelated approaches that add up to a potent and effective approach to delivery.

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[18] In Ledwith, M (2005), *Community Development: A Critical Approach*, British Association of Social Work: Policy Press, Bristol

[19] Hoggett P and Mayo, M (2007) *End Of Award Report: Negotiating Ethical Dilemmas in Contested Communities* http://www.esrcsocietytoday.ac.uk/

Firstly, the sector adopts an approach that navigates the particular circumstances of an individual's life. Deriving from the work of Carl Rogers, the essence of the approach is to treat the person for who he or she is and what he or she says, rather than as a product of some psychological theory or protocol laid down in a service level agreement. [20] Such an approach means looking at the person as a whole, rather than just a person with a housing problem, a drink problem or an employment problem. It means giving the person time, rather than restricting them to a narrow and fixed schedule of appointments. It means ensuring consistency of delivery, such as ensuring that the same person works with the client over time.

We found many examples of this approach during the study. To take just one, the approach adopted by Circles to a disabled person is 'Forget the differences and look at the commonality'. Working methods depend on five principles:

1. Interdependence –reciprocal relationships between disabled people, colleagues, professionals and service providers.

2. Productivity – contributions to family and community life, employment, life-long learning and spiritual advancement.

3. Self Determination –freedom to choose where they live, work, enjoy recreation and receive care.

4. Inclusion –full and equal participation as citizens in the community, school and workplace.

5. Equality and social justice – challenging stereotypes, prejudice, discrimination and oppression.

A person from a disability organisation said:

> 'The great thing about Circles is that it centres on the person not the agency, whereas so many other organisations centre on the agency, not the person'.

Circles believes that disabled people should represent themselves in discussions about policy towards inclusion, so that what is preached is also practiced.

Turning 'service users' into 'agents of social change'

A second common feature of the sector is to make arrangements to encourage clients to become volunteers, activist, or paid workers. In WAITS, women who have been victims of domestic violence receive training to become representatives on local strategic partnerships. One of the women said:

[20] Rogers, Carl (1961). *On Becoming A Person: A Therapist's View Of Psychotherapy*, Constable, London

> 'This allows ordinary women like myself who don't have big contacts the chance to have an input into key debates. We can't get to decision makers by ourselves, we can't get that break through, it provides a route to movers and shakers…it allows our voices to be heard.'

WAITS engage the women in a long period of support to get them to this point. This involves one-to-one help such as accompanying women to relevant agencies such as the Benefits Agency, to 'walk through the process'. As they grow in confidence they are ready for more.

A third feature is of this approach is an innovative means of connecting people to one another through dissolving the hierarchies between service giver and service receiver. In Young Disciples, former gang members work with current gang members on the principle 'if I can do it, so can you.' Some of the results are remarkable:

> 'Young Disciples offers young people a chance and they can demonstrate that they are doing it. You only need to look at the young people who have come through Young Disciples, some of them have started their own projects, and they are delivering and filling the gaps.'

Timebank recruits refugees and matches them with a mentor who helps the refugee with volunteering opportunities. This buddying relationship helps the volunteer to gain a foothold in British society, promotes a positive model of refugees, and helps the refugee to put a positive experience on their CV so that they are better equipped in the labour market.

A fourth feature is working with people who are hard to reach. This might be because they are excluded or difficult to work with. Take for example, Diss and Thetford's work with migrant labour from Portugal. Over the last 10 years there has been an increase in the number of economic migrant workers from Portugal who are employed mainly in agriculture and the food industry. They are often employed on short-term contracts on the minimum wage or below. Estimates vary from 2,000 to 7,000 Portuguese speakers living in the Thetford area, with approximately 50,000 Portuguese speakers across East Anglia. The citizens' advice bureau employs a Portuguese-speaking worker to help them. They ran into difficulty when a local gangmaster brought his own 'security people' into the office because he did not like the threat that this posed to his power. Such issues are becoming a feature of the day-to-day work of the CAB service.

We found many similar examples of the voluntary and community sector reaching groups beyond the range of statutory services In the words of one stakeholder, Young Disciples play a key role with a hard-to-reach group: girls that are involved in gang crime.

> 'I was involved in shoplifting, fraud, drugs and robbing girls on buses, the works we didn't have boys in our gang. Boy gangs are totally different to girl gangs… we were called Scare Dem.'

Following her involvement with Young Disciples, this young woman found the support and strength to transform her life and to encourage her peers to do the same.

A young person who is now employed by the Weardale Railway talked about his experience of volunteering during a period when he faced a lot of difficulties in his personal life:

> 'My friends thought I was mad for volunteering and my family could not believe I was getting up in the morning to volunteer. You don't get many 22 year olds coming to work for "nowt" but I didn't think about the money.'

The Derwent Initiative is supporting statutory agencies to understand more about a group that is hidden in society:

> 'We are working with a hidden group and professional thinking does not necessarily have the answers.'

WAITS engages women that face barriers in accessing both statutory and voluntary services:

> 'We then started to talk to the women about how, if they came from different ethnic groups, they accessed the mainstream services for women affected by domestic violence? What we found was that BME women were not accessing the mainstream services; they tended not to go to refuges because of racism, isolation and language barriers'.

A recent study by the Women's Resource Centre identifies similar trends across the women's sector:

> 'Because of the way women's organisations work – providing women only space, strong connections between service users and staff, needs based services – they often work successfully with women that are not accessing other services.' [21]

Value for money can also be achieved by extending public services with volunteer labour, as stated by the Executive Director of CSV:

'The important principle that must underpin developments of volunteering in the public sector is that of 'additionality'. Volunteers can extend the services of local authority departments or health trusts without any displacement of paid staff. The public sector constantly complains about a shortage of person power, volunteers give them the opportunity to prove that there is so much more that they can do with the additional help.'

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[21] Women's Resource Centre (2006) *Why Women? The women's community development sector: changing lives, changing communities, changing society,* Women's Resource Centre, London

This brings us to the fifth characteristic of voluntary and community sector service delivery: challenging stereotyping and scapegoating. Two comments, from WAITS and from Young Disciples respectively, demonstrate this:

> 'They were sick and tired of the stereotypical images: that all single parents were on the dole, or they were just sitting at home having children.'

> 'There are not many women workers in this field. It is seen as a man's job because it is about guns and gangs. But I think it needs more women. Young women are affected by this behaviour and it changes their expectations and life chances as well.'

Case work with individuals carried out by organisations such as LRHP, BID, INQUEST and CAB has exposed and tackled prejudice and discrimination at organisational and institutional levels as the following statements demonstrate:

> 'There are different levels of ignorance. It can be quite disheartening working with some organisations. A lot of people even on a corporate level are only paying lip service to the whole hate agenda. It's quite difficult to effect change'

> 'Anyone who is helped to be saved from the horror of being detained in awful conditions - every individual who is spared this - benefits. Many of these individuals have already been through bad times and some of them are children who should not be detained at all'.

To tackle the stereotyping and scapegoating of clients involves a broader remit than is common in statutory services. Such an approach is derived from a core purpose of challenging inequalities and injustices that can be perpetuated through the delivery of services rather than solved by them. This is the key difference between the 'medical model and the 'social model'. Two organisations, the Fence Houses project and Circles Network, were explicit about their use of the social model, believing that the medical model commonly amplifies discrimination. The Circles Network literature explains the distinction as regards disability:

> **'The Medical Model** is the traditional view of disability. It sees disabled people as passive receivers of service, and the impairment as being the problem. This results in a society that segregates and separates, creating 'special' facilities away from community life.'

> **'The Social Model** sees the person as disabled by society. In this view, the impairment is not in itself a problem, even though it may produce a need for a different set of living requirements. Rather, society's insistence on segregation in education and services, and the inaccessibility of things such as transport and buildings results in a general prejudice against an integrated community life for disabled people.'

Circles suggests that in the social model:

> 'The disabled person is an active fighter for equality, working in partnership with allies, to create a society which is truly inclusive. All of the work of Circles Network is based on the Social Model of disability.'

This is a different model of participation and engagement to that offered by government. Local Strategic Partnerships, which implement Local Area Agreements to achieve government 'floor targets' offer narrow models of participation by the voluntary and community sector. The rule is that the voluntary and community sector can engage so long as they are contributing towards the achievement of floor targets. However, London Citizens, BID and INQUEST have created political spaces to debate the 'gap between the intentions and outcomes of policy,'[22] with the workers acting as the 'agents of a creative dialectic rather than simply the instruments of policy'.[23] The voluntary sector can provide a valuable contribution to widening democracy through engaging marginalised groups in spaces that are independent of government.

This brings us to the sixth characteristic. The voluntary and community sector works with people who are wholly excluded and have nowhere else to go. It acknowledges some categories of service users that the state does not: for example, relatives of people who died in custody or asylum seekers seeking bail. London Citizens has worked with illegal immigrants:

> 'Some employers are consciously working with illegal workers to get free work from them. When it comes to pay day, workers are told that there are things wrong with their papers and they are off. They can't do anything about it….Most workers start with the feeling "I can do nothing about this". If you organise them, they see that there are things they can do. They can get sick pay, they can get holiday pay. And you can get a living wage if you organise.'

Communities and development

Work with 'communities' is a common claim of voluntary and community organisations. Three organisations we surveyed named it as their core purpose and others claimed it as 'subsidiary purpose'. Fence Houses saw itself as a community development project. It conducted 'action research' to identify and respond to local issues such as children's play, crime, violence and substance misuse, housing and the environment. London's Citizens and WAITS used a community organising model derived from the work of Saul Alinsky.[24]

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[22] Martin, I (1999) 'Introductory Essay: Popular Education And Social Movements In Scotland Today in eds Crowther J, et al *Popular Education in Scotland Today* (pp 1- 25) NIACE, Leicester
[23] Shaw, M (2005) Political, Professional, Powerful: Understanding Community Development CDX Conference lecture . 23-25th September, Leeds
[24] Alinsky, S (1971) Rules for Radicals: A Pragmatic Primer for Realistic Radicals, Random House, New York

Although the remaining organisations did not specifically identify themselves as community development agencies, many of their processes were congruent with the core community development values developed by the Federation for Community Development Learning.[25] The Southern Uplands Partnership focuses on developing relationships between agencies, though has a 'Communities on the Edge Project' that builds capacity in communities by listening to local people and encouraging them to think through what they want.

The Federation for Community Development Learning has developed six national occupational standards for community development.[26] Analysing these standards against the case studies, we found that four of them were typically present in the organisations:

- Supporting the development of community organisations and networks (Circles Network, CSV, Diss and Thetford CAB, Leeds Racial Harassment Project and INQUEST)

- Developing working relationships with communities and organisations (The Derwent Initiative, Fence Houses, Southern Uplands Partnership and London Citizens)

- Work with people in communities to plan change and take collective action (BID, INQUEST, Diss and Thetford CAB, London Citizens, Fence Houses and The Derwent Initiative)

- Encouraging people to work and learn from each other (e.g. CSV, Diss and Thetford CAB, Leeds Racial Harassment Project, Weardale Railway, WAITS, London Citizens)

There was little evidence of two of the six key community development roles identified by the Federation of Community Development Learning, namely:

- Work with people in communities to develop and use frameworks for evaluation

- Reflect and develop their own practice and role

Our analysis was hampered by the fact that organisations rarely had a working definition of 'community' or a means to measure their impact on it.

For example, one of the case studies had a well-articulated method of working with communities and one resident commented: 'Good friendly staff. Helpful and informative.' Another said: 'Lovely people to talk to and helpful be great to pop in for a chat.' A third said: 'Can we give donations I'm willing to subscribe?' Notwithstanding these positive comments at the time of the case study, the organisation did not have an effective framework for assessing the outcomes of its work with communities.

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[25] http://www.fcdl.org.uk/publications/index.htm#StandardsSummary
[26] http://www.fcdl.org.uk/publications/index.htm#StandardsSummary

The leaders of the most successful community projects such as London Citizens avoided vague terms like 'the community'. They have redefined the power relationship between the state, the private sector and the citizen. An organiser explained:

> 'Throughout I was conscious that this issue of power was never being tackled. Nobody ever talked about power, but it was dominant, particularly in disadvantaged communities. Nobody ever said to me that the problem with this community is that they are really all stupid people. It is that they are powerless, and that the main solution to their difficulties is to give them some power.'

Several commentators contrasted the levels of engagement at London Citizens' events, reaching thousands, with the poor turnouts at council-organised neighbourhood forums where the rooms 'are largely empty'.

WAITS had recently conducted an external evaluation that found that they had helped community groups to become more effective. In contrast to many organisations in our study, where middle class people run the organisation and have few connections with local people, WAITS manage to train local women to sit on the boards of local strategic partnerships. Young Disciples also manage to involve young people in consultations with authorities:

> 'We have developed a group who can respond if there is a crisis on the streets. We need to know who the community respect - and it isn't always the people you might think. We have to know who is who. Then we can really begin to defuse difficult situations: we have the respect of the community and official organisations like the police and the church.'

Some of the organisations in our study were conscious that they had much to do to improve their understanding of the impacts of their work on communities.
Southern Uplands Partnership are working with Carnegie UK to embed evaluation and learning into its 'Communities on the Edge Project.' Fence Houses Community Development Project is exploring how it can evaluate more effectively and capture community impacts and is piloting tools developed by the World Bank to measure social capital[27]. Circles Network talked specifically about developing a system to measure their impact upon the wider community:

> 'Circles Network is developing a new, unique quality assurance toolkit designed to build capacity to implement 21st Century policy and practice. Geared towards equality and community inclusion through a framework of evaluation and quality assurance, this toolkit will be invaluable for anyone working in services that support people at risk of social exclusion'

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[27] http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/EXTTSOCIALCAPITAL/0,,menuPK:401021~pagePK:149018~piPK:149093~theSitePK:401015,00.html

Although none of the organisation in the case studies was able to identify the specific impact of their organisation upon communities, almost all of them were able to identify tangible outputs at a community level. Some examples are:

- The development of partnerships between local people and organisations (SUP and Fence Houses)
- Large numbers of people involved in campaign (London Citizens,' BID and INQUEST)
- Large numbers of people attending community events (Circles, Young Disciples, London Citizens' and LRHP)
- Sympathetic press reports (BID and INQUEST)
- Economic improvements, such as creating jobs (Weardale Railway and SUP), generating income for individuals (CAB), for groups (Fence Houses) and increasing wages (London Citizens)
- Environmental improvements (SUP, London Citizens' and Weardale Railway)
- Many improvements in many aspects of community safety, such as, hate crime reporting (LRHP), child sex abuse (TDI), domestic violence (WAITs), crime (Young Disciples), release of detainees and young children in detention (BID), prevention of homelessness (CAB)

However, at present, the argument, propounded by many in the voluntary sector that it connects well with the community, looks weak. London Citizens has managed to make a breakthrough in the process of collective association. Our judgement is that among the 14 case studies, this is the only organisation that has evolved a specific method to mobilise people on a large scale. Besides this, we found little evidence of the 'social capital' thesis.

Recent research from the Joseph Rowntree Foundation and DEMOS supports the findings reported here.[28] The DEMOS research suggests that key assumptions underpinning policy about the benefits of community participation do not stack up. Rather than creating social capital, the study found that 'a small group of insiders are disproportionately involved in a large number of governance activities' and 'the well connected get better connected' because formal governance structures tend not to be 'embedded in everyday spaces of community life.' The report recommends that participation should be 'recast' with the 1 per cent of 'elites' that are participating being reconnected to the institutions of everyday life such as local community groups and faith groups. Governance structures should be asking how they can get involved with youth clubs and play groups etc, rather than trying to fit people into formal governance

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[28] Skidmore, Paul, Bound, Kirsten, and Lownsbrough, Hannah (2006) *Community Participation: Who Benefits?*, Joseph Rowntree Foundation, York

structures. The suggestion is not that the ambition of community participation should be disregarded; rather is should be recast. As for the 1% of elites that are participating, the report suggests as Alinsky once wrote, 'the major negative in the situation has to be converted to the leading positive'.[29]

Our findings might support 1969 Margaret Stacey's suggestion that the term 'community' should be abandoned altogether.[30] No doubt, she was influenced by Hillery who, in 1955, found no less than 94 uses of the word 'community' in everyday use.[31] We believe, on the basis of the use of the word 'community' in this study' that the word should be used with caution. As Raymond Williams, said 'Community can be the warmly persuasive word…[but] unlike all other terms of social organisation (state, nation, society, etc.) it seems never to be used unfavourably…'[32] Following Raymond Plant, we believe that those who use the term community in their work should 'explore a meaning before they espouse a cause'.[33]

Working with different agencies

A particular strength, evident in a number of case studies, is the ability of voluntary organisations to facilitate multi-agency working. To take a couple of examples, the Derwent Initiative has pioneered a model of multi-agency work in respect of sexual offending that has helped make the various elements of provision for sexual offending work more effective:

> 'Over the last 12 years of its existence The Derwent Initiative has built a strong reputation for its ability to facilitate effective interagency working in the social welfare sector.'

Its success is easily demonstrable: for it to work it has to remain 'quorate' – the relevant agencies have to be involved and to buy into it.

Again, Southern Uplands Partnership works 'across the geographical grain' to bring communities and agencies together in partnership. SUP's distinct role in catalysing partnership working is particularly valued by other agencies who value its capacity to transcend political, geographic and bureaucratic boundaries in developing partnerships to tackle common rural issues and make the most effective use of scarce resources:

> 'SUP is good at facilitating partnerships and is in a position to play a non-threatening role and to convince agencies that they can get more out of joint working to deliver things in a joined up integrated way rather than in isolation.'

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[29] Alinsky, Saul (1972) *Rules for Radicals: A Practical Primer for Realistic Radicals*, New York, Vintage Books (1972)
[30] Stacey, M (1969) 'The Myth of Community Studies', *British Journal of Sociology*, 20
[31] Hillery, G (1955) 'Definitions of Community: Areas of Agreement', *Rural Sociology*, 20
[32] Williams, R (1976) *Key Words*, Fontana, London
[33] Plant, R (1974) *Community and Ideology: An Essay in Social Philosophy*, Routledge and Kegan Paul, London

A stakeholder from Young Disciples case study notes a similar trend across a large urban expanse:

> 'Now all the different groups that work at grass roots level in the community are coming around the table and working together with the probation service, education department, churches and West Midlands Police.'

And in a ex-coalmining area on the urban fringe:

> 'Prior to Barnardos coming into Fencehouses there was no steering group and no meetings with local people, community groups or agencies in the area ..There are now agencies that are not only attending meetings they are also holding their own surgeries at the Brancepeth Community Centre…local people are attending these surgeries, these include: Connexions, Sunderland Housing Group and Northumbria Police.'

The sector's distinctive contribution is not merely the end results but the process of building relationships between different partners. London Citizens' and The Derwent Initiative identify this as central to their success:

> 'These partnerships are distinguished by the fact that they are not organisations set up to do things but, rather a way of doing things. They are processes not institutions.'

> 'The building of relationships is more crucial than the success or failure of a particular initiative.'

The less formal approach is appreciated in the following comment from a public sector stakeholder involved in the Fence Houses project:

> 'I perceive the Barnardos staff at Fence Houses to be colleagues although I am able to work with them in a much less formal way than with colleagues from other agencies.'

London Citizens, whose approach has its roots in the community-organizing model of Saul Alinsky pioneered in the USA, has a clearly articulated analysis of its involvement in partnership structures. Its organisers are insistent that partnerships with government:

> 'Rarely lead to any change in the balance of power between state and citizens, because the weaker partners such as community organisations will always be in danger of becoming co-opted on to a government determined agenda.'

For London Citizens, the purpose of engaging in partnerships with local government and public agencies is to build relationships that facilitate dialogue and a transfer of power. They suggest this as a more fruitful alternative route than simply using partnership to access funding and or to meet government targets.

There was much evidence of the learning gained by public agencies from working with voluntary and community organisations in partnerships and networks:

> ‘We use the ideas we get from being involved in Fence Houses in other areas. The information that we get is useful in our everyday work and we share it through our management team and feed it into the organisation.’

> Leeds Racial Harassment Project makes me think about how I do my job and what my organisation does. It is a two way process. It opens up ideas and discussion. We can learn from their developing practice.’

> ‘It helps us to look at the way we deliver services and makes us more inclusive. It helps us shift the emphasis to the individual’

There are some examples of how voluntary organisations have influenced changes in the practices of public agencies:

> ‘INQUEST has played a large part in getting prisons to examine the issue of suicide. They highlighted that segregation policies should be examined. They then produced a doable solution based on facts’.

The value of Young Disciples peer-mentoring approach has particular recognition and value from organisations. People in public agencies informed us that ‘the whole idea of peer mentoring is catching on’. Young Disciples have influenced the Connexions Service, the Youth Offending Service and Birmingham Youth Service.

> ‘Other organisations are hearing what Young Disciples and young people are saying and ‘latching on to it’ by doing things in line with the needs of young people.’

However, there is some suggestion that, although working through networks and partnerships with voluntary and community sector organisations has an impact upon learning upon individual practitioners, it does not have a much of an impact upon changing practices within organisations. The following comment was from a person from a public agency involved in Circles Network training:

> ‘When they go back into their organisations and are prevented from carrying what they’ve found into their practice’

Furthermore this stakeholder said that if children’s services departments were changing their practice as a result of Circles training then that would be success. However, they thought that instead ‘good people are leaving the caring professions,’ implying that this is due to statutory organisations resistance to learning and changing their practices. Other people in public agencies argued that learning from voluntary organisations was resulting in change, though:

> 'It is more time consuming than doing it the other way because we are doing it properly. Managers want to say it is being done but aren't always supportive of us doing things properly.'

It is striking that three organisations from among our sample of 14 were responsible for significant changes in policy or practice. They were distinguished by the fact that they were single-minded and terrier-like in their approach to making the changes they wanted. All three organisations were fiercely independent, worked outside the system that they were trying to change, and refused any money that could have compromised their cause.

It is possible to detect two main types of change: amendments to the structures that causes social problems in the first place and amendments to systems designed to solve problems once they occur. An example of structural change is the widespread introduction of a 'living wage' (in contrast to a minimum wage) among many employers in London campaigned for by London Citizens. Such a change is structural because it is likely to increase family income and prevent many families falling into poverty. Examples of systematic change are BID's efforts to end the practice of keeping children in custody and INQUEST's amendments to the coroner's system.

Promoting change outside of the system

It was striking that three organisations from among our sample of 14 were responsible for significant changes in policy or practice. What distinguished these organisations was that they were dedicated, single-minded and terrier-like in their approach to making the changes they wanted. All three organisations were fiercely independent in their approach, worked outside the system that they were trying to change, and refused any money that could have compromised their cause.

It was possible to detect two main types of change: amendments to the structure that causes social problems in the first place and amendments to systems designed to solve problems once they occur. An example of structural change would be the widespread introduction of a 'living wage' (in contrast to a minimum wage) among many employers in London campaigned for by London Citizens. Such a change is structural because it is likely to increase family income and prevent many families falling into poverty. An example of system change would be BID's efforts to end the practice of keeping children in custody and INQUEST's amendment's to the coroner's system.

Here are selected examples of structural and system change pursued by the three organisations in our sample that attempted this: BID, INQUEST, and London Citizens.

BID

1. Government funded legal advice in detention centres

Citing the work of BID, the Legal Services Commission announced that it was going to start a pilot project providing Government funded legal advice in detention centres. Unfortunately, these legal representatives are still bound by the 'merits test' (that is, they can only represent people using public funds if the chance of success is at least 50%).

2. Detainees can pursue civil action for false imprisonment
In response to a successful case in which BID and the Immigration Law Practitioners Association intervened in the Court of Appeal, there was a ruling that detainees can pursue civil actions for false imprisonment.

3. Accommodation for detained asylum seekers
NASS Hard Cases Unit agreed to offer accommodation for detained asylum seekers without appeal rights, thereby putting an end to the Catch 22 situation in which detainees failed to get bail because they had no address to go to.

4. Early day motion on detention of children

The Campaign on *No Place for a Child* resulted in 137 MPs from all parties signing an Early Day Motion calling for an end to the detention of children.

5. Removal of financial surety

BID persuaded the Home Office to remove a major barrier to asylum seekers getting bail – having to provide a surety (a financial bond to ensure the detainee's compliance on their release).

INQUEST

The main achievements were as follows:

1. Independent Police Complaints Commission

INQUEST played a large part in the replacement of The Police Complaints Authority (PCA) in 2004 by the Independent Police Complaints Commission (IPPC), which has responsibility for the investigation of deaths in police custody or following contact with the police.

2. Prisons and Probation Ombudsman
INQUEST's work informed the extension of the remit of the Prisons and Probation Ombudsman to investigate deaths in prison in 2004. Before this, prison deaths were investigated internally.

3. Guidance on disclosure following deaths

In April 1999, following an INQUEST campaign, the Home Office and Prison Service issued new guidance on disclosure following deaths in police and prison custody. The guidance acknowledges that the lack of disclosure 'has been counter-productive' and has 'given risk to unfounded suspicion that matters are being deliberately concealed'. It advised the police and prison service to disclose in advance the material that they supply to the coroner - a crucial breakthrough. Although, the guidance stopped short of full disclosure, permitted information to be withheld where there are 'compelling reasons', and said that families should be given information only if they agree to keep it confidential, it was nevertheless a significant step forward. For this achievement, INQUEST received a Freedom of Information Award in 1999.

4. Funding for legal representation at inquests
There is now (means tested) public funding available for legal representation at inquests following deaths in custody where previously there was none. This came as a direct result of INQUEST's lobbying.

5. Coroner's Reform Bill

INQUEST has had an input into the Coroners Reform Bill, drafting detailed briefing on necessary amendments, which, it is hoped, will appear in the next Queen's Speech.

6. Review of vulnerable women
The Government has initiated a review on vulnerable women in the criminal justice system, which has been a response to the work of INQUEST on women's deaths in prison.

7. Custody of children

The Youth Justice Board has recently announced that it will try to avoid custody wherever possible for children and young people. INQUEST again had a significant input into this debate.

London Citizens

The main achievements of London Citizens are as follows:

1. The Living Wage Campaign

As a result of the Living Wage Campaign, the Mayor set up a Living Wage Office – the only European city to have one. Almost every national bank in London now pays a living wage for cleaners, five hospitals in East London pay a living wage, and Queen Mary's has become the first university to pay a living wage. London Citizens is now targeting the hotel chains, primary care trusts, local authorities, and other universities.

2. Ethical Olympics

Members drew up an 'Ethical Framework for Economic Guarantees' that they put to the 2012 Committee to ensure that the Games would bring real benefits to the East End and London. This includes:

- Living wage for all site workers
- Money for construction and other skills training
- Jobs for local people
- 50% affordable houses on the land that's available.

3. Community Land Trust

London Citizens has won agreement to support a community land trust to deliver 2,000 affordable homes for families earning between £12,000 and £30,000 to buy or rent.

4. Clean up Newham Hospital

The campaign resulted in improved food for inpatients and signage throughout the site.

5. Immigration and Nationality Directorate

South London Citizens (SLC) has challenged the practices of the Immigration and Nationality Directorate and encouraged more humane and transparent systems for dealing with refugees. The Director General of the IND attended the SLC assembly and agreed to work with SLC to monitor progress in implementing agreements.

6. Housing improvements

In 2006, members of the Southwark and Lewisham South London Citizens' caucus successfully negotiated with London and Quadrant Housing Association for a long list of repairs that have since been made to Trinity Court Apartments.

Chapter 2: The independence of the voluntary sector

Key findings of Chapter 2

Six factors enhance an organisation's sense of it independence:

- If it receives funding from charitable trusts they feel a greater sense of independence than if they are supported through public funding
- If it raises a portion of their own income
- If it has a positive attitude towards to commerce
- If it engages in advocacy
- If they deal creatively with the demands of funders

A more nuanced debate is required around independence. Independence is a slippery concept - all funding reduces independence. It is better to think in terms of interdependence and relationships.

How independent is the voluntary and community sector?

From Beveridge in 1948[34] to Deakin in 2001[35], the issue of independence has always been construed as part of the core meaning of the term 'voluntary action'. The CENTRIS Report of 1993 reviewed the literature on this and included a conceptual analysis of the term 'voluntary action', and concluded that it was:

> 'A form of energy, stemming from free will, having a moral purpose, and undertaken in a spirit of independence.'[36]

When asked about their values, it was striking how many of the organisations in our study mentioned 'independence'.

INQUEST, which helps families who have suffered a death in custody, began the answer to the question about values with:

> 'To empower families though a free and independent service.'

[34] Beveridge, William (1948) *Voluntary Action*, London: Allen and Unwin
[35] Deakin, Nicolas (2001) *In Search of Civil Society*, London Palgrave
[36] Knight, Barry (1993) *Voluntary Action*, London, Home Office

The Derwent Initiative stated:

> 'The Derwent Initiative's independence is of most significance, we are not masters of any agencies of the community – we have become brokers of our own values.'

The lead organiser from London Citizens said:

> 'The thing that makes us unique is our independence.'

The strategy document for Community Service Volunteers for the years 2005 to 2008 states:

> 'CSV is distinctive because of the strength of our work in citizen involvement, volunteering and our close working relationship with statutory, public, private and voluntary bodies, allied to our independence and thirst for innovation.

Diss and Thetford Citizens Advice Bureau says that it is:

> 'independent and provides free, confidential and impartial advice to everybody regardless of race, religious belief, gender, sexuality or disability.'

Our study confirms the centrality of the idea of independence.

Independence is a slippery concept

The trouble with 'independence', like 'freedom', is that it is a great word until you try to unpick its meaning. Nicholas Deakin has recently expressed his frustration with the idea of 'independence' as an abstract good.[37] Knight's law states that 'the longer you study a term like [insert as appropriate … civil society, public benefit, social justice, independence], the less you understand it'.[38] We need to work out what independence means in practice.

In her 2005 Allen Lane Lecture, Julia Unwin gives an important clue:

> 'Charity law dictates that voluntary organisations must be independent - and as with all these words independence has proved to be a slippery concept. Independent of government yes...but voluntary organisations need another sort of independence too, one which is much harder to protect in the current climate. Independence of thought, of being as the great Archbishop William Temple described it 'unpurchaseable' - The certainty that you cannot be bought, that you

[37] Deakin, Nicholas (2006) 'Gains and Strains: The voluntary sector in the UK 1996 to 2006', Lecture at the Baring Foundation, 12 December, www.baringfoundation.org.uk/gainsandstrains.pdf
[38] Knight, B (2003) 'What's the Use of Social Justice?', *Alliance*, September

> are not captured by any particular ideology, that you owe nothing, that you can operate freely.' [39]

Independence of mind is central. This perspective has influenced how the Baring Foundation has put its grants programme on 'Supporting the Voluntary Sector' together. A key feature of independence is that organisations are free to implement their values.[40]

Values and implementing them

Organisations first need to decide what change they want to see in the world, which might be called 'vision' or 'mission', and later what structures, tasks and resources are necessary to make these changes. Our study has found that there is a key intervening stage between setting the vision and thinking about structures, tasks, and resources, and this is 'relationships'. This perspective lies at the heart of a useful study by Ann Blackmore, the title of which describes the impossibility of thinking about independence other than in the context of relationships*: Standing Apart; Working Together.* [41] Our study suggests that organisations can achieve little without the right working relationships.

Although not always recognised as such, the choice of working partners, funders and other relationships is among the most important decisions that an organisation takes. In answer to our question in the study 'How do you implement your values?', the typical response was couched in terms of the relationships that they had forged. The issues of 'who' and 'with whom' determines much about structures adopted, tasks undertaken, resources used, and impact measured.

To take one very clear example of this, London Citizens was engaged in a campaign to raise the 'minimum wage' to a 'living wage'. Citizens would not work with agencies that conflicted with its campaigns:

> 'The LSE social policy department is interested in what we do, but we are much more interested in the LSE paying a Living Wage. We will work with them when they get their house in order. It is ridden with hypocrisy.'

From independence to interdependence

From this perspective, it is necessary to reframe the debate about independence and dependence into a framework of interdependence. Anthony Storr suggests that relationships based on equality, reciprocity, and sharing are signs of a mature personality. As human beings, we start out as dependent babies, strive for independence during

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[39] Unwin, Julia (2005) 'Dissent, Independence And Risk: The Challenge For Independent Grant Making Trusts', Allen Lane Lecture
[40] Smerdon, Matthew (2006) 'Allies Not Servants', *Working Paper 1, The Baring Foundation*, www.baringfoundation.org.uk/Alliesnotservants.pdf
[41] Blackmore, A (2004) *Standing Apart: Working Together*, NCVO, London

adolescence, and mature as adults because of the recognition of our interdependence. According to Storr, integration of the personality depends on such transition. [42] It may be useful to apply this framework to organisational development.

The character of relationships an organisation determines what type of organisation it is. This adds a layer of complexity to our analysis, but this is inevitable and cannot be simplified, since relationships themselves are complex. Julia Unwin observed in *Speaking truth to power* that relationships between voluntary organisations and government are complicated, many sided, and often reciprocally beneficial.[43] The key factor is to choose the right relationships.

Values and vision determine relationships

We found that people chose their relationships as a means to achieve the specific normative ends that were derived from their values.

Among the 14 organisations in our sample, we found three main types of such normative ends:

1. Reform of a system or structure seen to be flawed (outside)
2. Enhancement of a system or structure to make it work better (for inside)
3. Help to people to enable them to take part in a system or structure from which they were excluded (for inside)

Distinctions like these are too simple to capture the complexity of the behaviour of voluntary organisations, and there will inevitably be counter examples. Moreover, some organisations will have normative ends that fall into more than one category.

Notwithstanding these qualifications, organisations that pursue system or structural reform as opposed to system enhancement or help to people excluded from the system tend to operate from outside the system. Others tend to work within the system to enhance it from the inside.

This yields a systematic variation in the meaning of the term ‘independence’. Some see themselves as being independent from the system; while others see themselves being independent within the system. Those who saw themselves as acting outside of the system would not take money from the system.

Is independence under attack?

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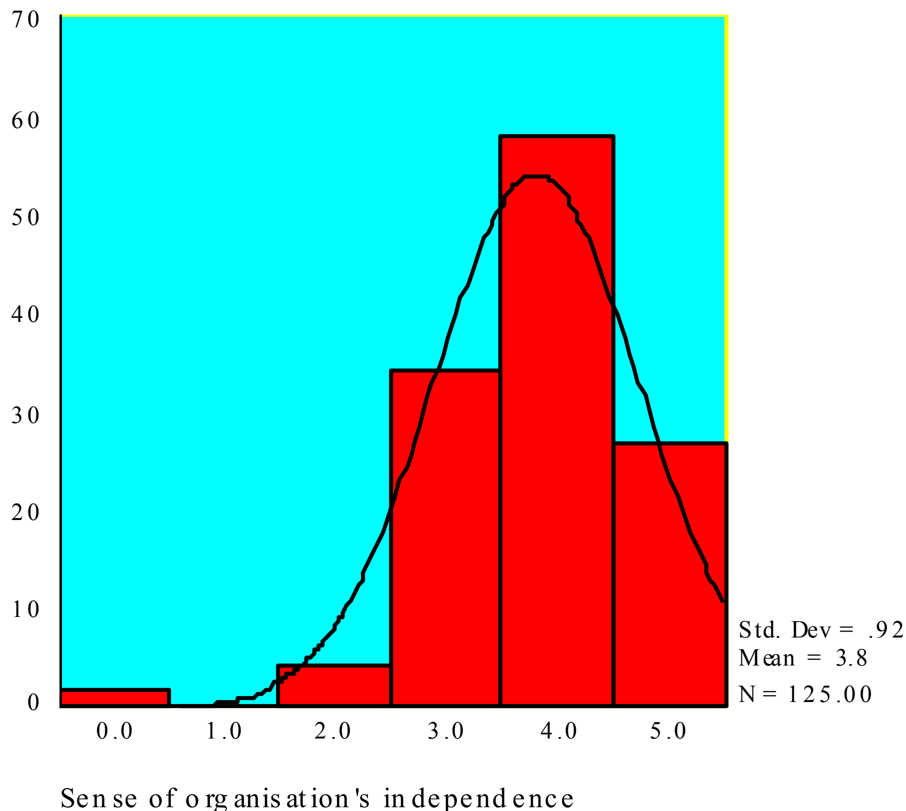
[42] Storr, Anthony (1963) *Integrity of the Personality*, Penguin Books, Harmondsworth
[43] Unwin, J (2004) *Speaking Truth To Power*, The Baring Foundation and ACEVO, London

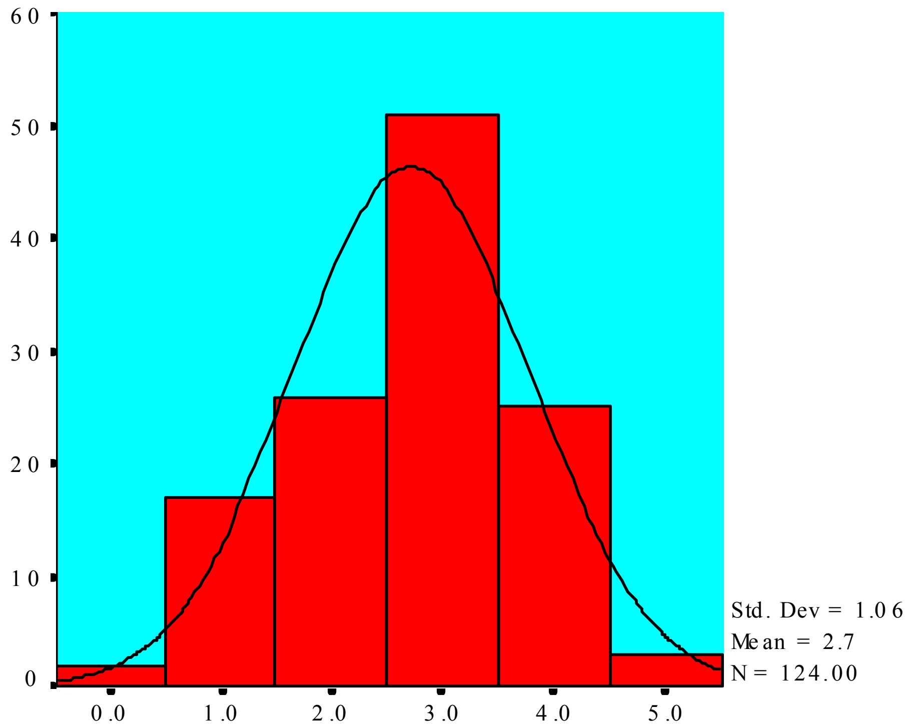
The key question for the voluntary organisations in our sample was whether they felt their independence was under attack. From the survey of 121 organisations, it appears that the answer is, for the most part, no.

Overall, the issue of independence is not regarded as a presenting problem for the voluntary and community sector. Organisations generally reported high levels of independence. In the sample survey people were asked to say how independent they felt their organisation was on a five-point scale (where '1' was 'very dependent' to '5' was 'very independent'). The distribution of results is shown below.



It is clear that this is a 'right-leaning' distribution. The commonest score in the distribution was '4', suggesting high levels of perceived independence. Only a small number of organisations gave themselves a score of '2' or less. Two organisations said the idea of 'independence' had no meaning to their work and have been given a score of '0'.

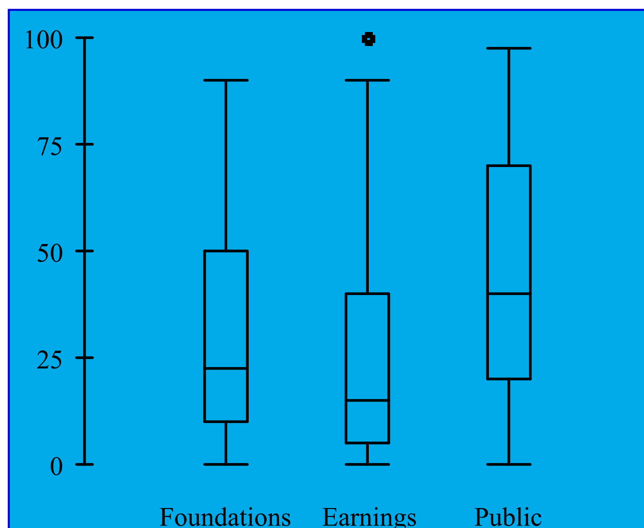
Only a minority of organisations in our survey felt that their independence was being eroded. Using a five-point scale (where a score of 1 was 'very much more independent' and a score of 5 'very much less independent'), people were asked to say whether their sense of independence had changed over the past three years. The distribution of results is shown below.



The above histogram reveals a near perfect bell-shaped curve, whose very slight asymmetry is due to slightly more people saying that independence was increasing rather than decreasing.

We wanted to know whether a sense of independence was more prevalent in organisations with different balances of funding from government and public sources, private charitable sources, and other sources particularly earnings. The distribution of these three funding sources among the sample is shown in the following box plots.

Proportion of Income from Different Sources



These box plots show the distribution of funding among the sample of organisations where 0 = no funding and 100 fully funded. To interpret the box plot, the mean is the horizontal line inside the box. The gap between the edges of the box is one standard deviation and the outer edge is two standard deviations. Dots represent outliers beyond two standard deviations.

It is clear that public funding is the commonest type of funding, with foundations coming second, and earnings third. There was one unusual organisation that had 100 per cent of its earnings as fees. Only seven of 121 organisations had no public money, 4 had no foundation money and 11 no earnings. Most organisations had a cocktail of different kinds of funds.

A high sense of independence was correlated with a high proportion of earnings from fees and a high proportion of charitable funding on the one hand and a low proportion of government money on the other. Although these results are significant statistically ($p < 0.01$), correlation coefficients are quite low (slightly less than 0.3 in all cases), suggesting that the effect is not a dramatic one.

To unravel the results from the survey, we attempted to create a linear model to explain the variance based on questions in the interview that were correlated with a sense of independence. This was done through a multiple regression analysis, and a simplified table of the results follows:

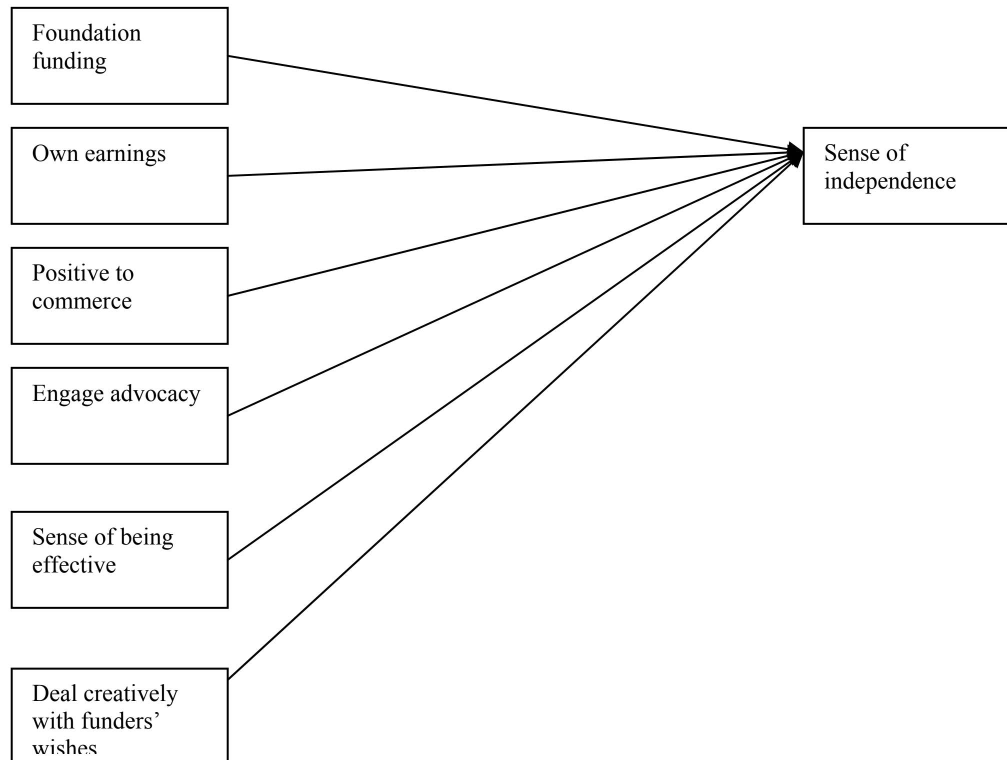
Multiple regression analysis of sense of independence

Variable	*Coefficient*	*S.E. of Coeff*	*t-ratio*	*Probability*
Foundation funding	0.01	0.00	3.08	0.003
Earnings	0.01	0.00	2.94	0.005
Positive attitude to commercialization	0.18	0.07	2.66	0.010
Engaged in advocacy	0.18	0.07	2.44	0.017
Sense of effectiveness	0.27	0.12	2.24	0.029
Deal creatively with funders' wishes	0.17	0.08	2.09	0.041

(R squared = 51.3%, R squared (adjusted) = 46.9%)

These findings suggest that six factors have an independent effect on a sense of an organisation's independence, and when combined together explain 46.9 per cent of the variance. The factors are composed of two financial ones (foundation funding and earnings), one about activities (engaged in advocacy) and three attitudinal issues (a positive attitude towards commercialisation, dealing creatively with funders' wishes, and a sense of effectiveness).

It is possible to show the results graphically as follows:



Each of the six factors contributes to the sense of independence of organisations. Each of the factors makes a statistically significant contribution to the sense of independence having controlled for the effects of each factor on every other factor. This helps us to

build a model of 'protective factors' for the independence of the voluntary sector that can be tested on subsequent research.

What we have learned so far is that, although there is no wholesale takeover of the voluntary sector by the state, the type of funding an organisation has does tend to affect the sense of its independence. Importantly, however, this is not the only factor: attitudes and activities matter too. In other words, it is not just a matter of where the money comes from, but what the organisation does and what attitudes its staff and other participants have that contribute towards a sense of independence.

The effects of different types of funding

All funding constrains organisations. Many of the comments, both in the survey and in the case studies, use the term 'our funders', rather than distinguishing between different types.

Here are some examples:

> 'We approached the funders who are funding for project that we want. It is obvious that if you get the funds the money must be spent according to the criteria.'

> 'We are accountable to funders so we have certain restrictions but we have a national voice and are not afraid to use it.'

> 'We do some things because our funders want it, and some things because it is what we want to do.'

There were complaints about funders that equally applied to public and private funders:

> 'Few funders understand the importance of core funding.'

Almost all of case studies demonstrate that funders demand upwards accountability in the form of meeting hard targets and outputs within specific timescales that is in conflict with voluntary and community sector organisations processes and values. The following are comments from different organisations expressing similar concerns:

> 'Sometimes the funding can set you up to fail. 'Right we're going to give you this money by the end of...we want x y z outcomes'. Realistically [we] would need more time'.

> '…it does not happen overnight and we are working against a culture of immediacy that wants results now.'

> 'Funding agencies tend to ask for hard facts and figures, but the value of organisations like [us] is much more subtle, the results can take a long time to

> emerge. We are dealing with intangibles, and are not necessarily dealing with performance indicators.'

There was an occasional irritation with funders:

> 'What annoys me when I read annual reports from funders is "how they achieved this" and "how they achieved that", when in reality all they did was to write the cheque.'

Funders were commonly blamed for the competition in the voluntary sector:

'Because of competition of funding, groups have become precious and territorial.'

'The range and amount of funding means the voluntary community sector is fighting amongst itself. This takes our attention away from what we should be doing.'

> 'We are only too aware that many organisations operating in the same field are competitive – which is encouraged by funders as a way of divide and rule.'

> 'The problem is we are all competing for the same funding. Even CABs are in competition with each other.'

Within the widespread consensus that all funding relies on a balance of interest between what organisations want and what funders want, there was agreement that charitable funding allowed a greater sense of independence than public funding.

Several of the organisations in the case study implied that funding from trust and foundations involved far fewer restrictions upon their work than government funding stream and enabled them to more freely pursue their values:

> 'Foundations are less likely to interfere.'

> 'Some funding is time consuming not just in producing bids but also to administer. Gulbenkian are very supportive in that they understand the value of our work and let us get on and do what we said we would do, without complicated reporting arrangements.'

> 'We have a very good relationship with the Joseph Rowntree Charitable Trust, and without them we would not exist.'

> 'We would not have existed but for the support of Barrow Cadbury.'

Government funding was seen as less conducive to independence. One case study organisation said that they had been 'gagged':

> 'Sometimes the project's hands are tied as you have to subscribe to the funder's values. There is a need to be discreet and we would not feel able to take an opposing stance on some subjects.'

The Vice Chair of another organisation said that the government's commitment to citizen involvement in the form it took (the Compact and Local Strategic Partnerships) was 'full of danger'. His organisation perceived that the government's current policies would make the voluntary sector an agent of government and thus undermine its ethos and credibility. For this case study participant, the sector should mean the voluntary organisation of individuals, in partnership with other agencies. It should not therefore part of the organised world of government and other institutions. The danger, he said, was cynicism and people seeing the voluntary and community sector simply as part of 'them', involved in some sort of state-sponsored enterprise or conspiracy.

This issue is perceived by many organisations involved in the case studies to threaten their credibility and integrity as an independent agency:

> 'Some people on seeing the list of funders would be unhappy to see government agencies involved… we have to make it clear we are a stand alone organisation.'
>
> 'We could be seen as being in a big brother role by some parties'

Some perceived that the only way of retaining the freedom to speak out about important issues and influence policy was not to accept funding from Government:

> 'We will never be able to influence policy if we are tied to the policy makers' purse strings. We need independent funding which will give us freedom to speak.'
>
> 'There are problems with measuring success in organisations like WAITS where challenging government and policy makers is the norm. One measure of success would mean that you get nothing from government'.

Government was said to be obsessed with its own targets:

> Government policy tends not to provide the incentive for people to co-operate and the political process demands statistics which get people into a way of doing things that they can count so there is an obsession with quantitative data …'

Several suggested that the government's target driven demands were leading to mission drift:

> 'Projects have got target driven and have lost something along the way.'
>
> 'Sometimes so many conditions are placed on the funding that you lose the essence.'

Some organisations stated that they were under pressure from government to deliver statutory services:

> 'Everyone is saying 'what box are you ticking for us' and this is a difficulty for The Derwent Initiative, particularly as the Government is asking more and more for the voluntary and community sector to do more statutory work and they want to be able to own and control it.'

One funder from the statutory sector expressed concern about how the distinctiveness of the voluntary and community sector processes could be captured in a statutory service-commissioning model:

> 'How does Young Disciples click and how does it work? Can this be replicated and when it is so close to the edge, how does it keep from falling over? Where is its safety net?'

A concern about being perceived as a statutory service was expressed by one of Young Disciples staff:

> 'It is non-statutory and when you mention authorities to young people it sets up barriers in their hearts and minds, due to intergenerational non-trust.'

The Chief Executive of Circles Network expresses fierce resistance to changing their processes to fit with the way statutory services are delivered;

> 'We are not seen as mainstream because we refuse to pigeon-hole disabled and disadvantaged people to match the statutory funding streams and until people wake up to the way we work we are forced to remain on the margins.'

Refusing money

Seven of the 121 organisations canvassed did not receive any government funding. Some of our case study organisations made a strategic choice not to take certain kinds of money. This was a reflection of the kinds of partners that organisations chose and whether they decided to enter or stay out of certain systems to achieve their goals.

A trustee of INQUEST noted:

> 'We choose to work with funders who have a history of dealing with difficult issues. We have good relationships with our funders who understand the politics of what we are doing. Our funders have a history of doing groundbreaking work.'

However, a staff member pointed out that even sympathetic funders:

> '… may reduce how radical you can be…it doesn't gag you but it may make you wary.'

INQUEST would take money from government and from other public sources including local authorities. It would not take money from the Home Office, however, because it

felt this would give the organisation a conflict of interest and destroy its credibility with the client group, many of whom see the Home Office as a large, impenetrable and unsympathetic organisation:

> 'It would be quite difficult for us to take funding from the Home Office as a voluntary sector organisation that is funding families who are actually wanting answers from them. If someone saw one of our leaflets and it said 'funded by the Home Office', just after dealing with an unhelpful coroner, or having received news of a death of a relative in prison, they would probably just throw it in the bin'.

Bid would not take money from government. All staff interviewed pointed to the value of financial independence.

> 'We aim to be fiercely independent of the government especially the Home Office – financially, politically, morally, philosophically – everything.'

The reasons given were practical:

> 'How can we challenge what they do?' and for credibility: 'How would the detainees see us if we had government money?'

A second member of staff noted how BID's financial independence gained it respect with partner agencies:

> 'Our integrity is a huge asset. We have no government money so we do not have to worry about criticising them. Our reputation is one reason why other organisations seek us out.'

Another staff member pointed to the hazards of dependency:

> 'If the government funds you, the government can withdraw that funding. This means our services would go.'

London Citizens does not receive government money but instead relies upon dues paid by member organisations proportionate to their budgets, and by funds from foundations and individual donors.

The lead organiser explained the principle behind this fundraising strategy:

> 'From the beginning our principle has been we had to raise local membership dues – every group has to pay - we never waver from that. The theory we started on was that everyone should pay enough to avoid the recourse to Foundation money. Foundation money is OK but we call that "soft money. The "hard money" for our organisation, which I think makes us stand out from other organisations, is the dues that we raise from our membership.'

The reason behind this is:

> 'Because if we are teaching people about power, one thing they have to understand is the power of money, and whoever pays the piper calls the tune. Therefore you can't and you shouldn't take government money to challenge government. Not that we do that often, we mainly challenge corporations. But by taking government money and then saying "thank you, I've got this money and now I am powerful is rubbish". Our model is saying I am contributing to my own destiny with my own money. That is very powerful. You can't say that with a government grant.'

London Citizens now raises between £60,000 to £70,000 from its membership. Members pay according to size, ranging from £600 a year to £1,800, with an average payment of £1,000. This represents about a quarter of the turnover. Some find it very difficult to pay the sums, which imposes an responsibility on the organization at large: 'we are taking the widow's mite, so we have to work very hard to make sure the widow benefits'.

Waits sees work as 'issue based' so does not receive council or other public funding for delivering services, though it did get money from a local Crime and Safety Partnership to deliver workshops on domestic violence.

Organisations that refused to take government money were those that campaigned against controversial aspects of government policy, were highly specific in their ambitions, and had a strong value base of social justice in the sense of righting specific 'wrongs' in government systems or practices, such as bail for immigration detainees, deaths in custody, or gaps in the minimum wage legislation. Such organisations selected their partners with care, saw themselves involved in a passionate struggle, and avoided government funding because they felt that this gave them a conflict of interest. Some, but not all, of these organisations delivered services to individuals and used the intelligence from casework in their campaigning. These organisations provide good counter examples to the thesis of an exclusive dichotomy between services and advocacy.

Hard road or easy ride?

None of the organisations in our sample see themselves having an easy ride. All saw themselves struggling to achieve their mission with too few resources. This perspective applied equally to those voluntary organisations with long track records, large budgets, and political connections with the establishment.

There is, nevertheless, a clear division between those organisations that would not take certain types of funding and others. Among organisations that would not take government money, there was a belief that those that pursue a transformational agenda cannot stand on the solid ground of the establishment. The consequences, however, are difficult financially. A trustee of one of the organisations who did not take money from government said:

> 'It's a long hard road if you don't take government money; you have to scratch around to find the right type of funder.'

On the flip side of this, an organisation that did take government money, the Derwent Initiative, pointed out:

> 'It's not a question of whether you take government money or not. If voluntary organisations didn't, there wouldn't be a voluntary sector. The key question is how you use the money.'

This comment was typical of many such comments made by members of our sample who took government money. Organisational growth depends not only on attracting money from government, but also on many different sources of funds. All of the larger organisations within our sample had a cocktail of funding sources, and often these included more than one government department, local authority money, and other public funds as well as charitable foundations and individual donations. In many cases, organisations were selling services to boost income too.

Such growth inevitably means bringing in funders whose prime interest is in supporting enhancements to the system or helping individuals marginalised from it, rather than root and branch reform of it. This inevitably means compromise with a large number of funders and this means that, as the voluntary sector grows, it is likely to become more mainstream in its values.

Coping mechanisms for retaining independence

One of the things that the voluntary sector has learned to do very well is to cope with the vagaries of funders. A key factor in the independence felt by a large part of the sector is range of measures it has adopted to protect itself against continually changing funding regimes. As one director put it:

> 'It would be great if funding programmes could stay constant in their approach rather than keep giving them new names and new initials.'

However, funding arrangements have been subject to frequent change and there are a number of commonly occurring tactics that organisations used to retain their independence.

The most popular is core funding. This is present in a number of organisations where public funders recognise that someone needs to pay for general operating costs and someone else could pay for projects. The Director of TimeBank commented:

> 'The great thing about the core grants is that they give us the flexibility to do what we need to do and to focus on our priorities…in terms of project funding, we have not been compromised at all in how we want to deliver activities. We are very independent in terms of driving forward the projects we want to do. We are not

> afraid of grabbing opportunities for funding. We are very flexible about what we do as long as it fits in the concept of volunteering. This means that we maybe have access to more funding than many other charities…we are just here to support volunteering and that gives us a huge range of opportunities...there is a danger that organisations become donor led, but we have avoided that.'

The head of operations felt that, as far as independence was concerned, while TimeBank was moving from what he described as basically an outgrowth of a government department (the Active Communities Directorate) towards becoming an independent charity, the relationship with the government being more of an equal partnership than it had been because, of TimeBank's growing expertise and experience. Although feeling they would always be dependent on government funding to some degree, TimeBank now have more confidence in approaching other funders.

A less popular but more common method is to embark on a continual repackaging of core programmes to meet the criteria of new funding programmes.

As one Director put it:

> 'We spend a lot of time recycling our programmes to conform to the new buzz words.'

And another:

> 'Most often we have to make our projects meet funding requirements. Restrictive funding requirements mean we have to be flexible.'

A third method is to develop a large number of funders so that, should one pull out, the organisation would not fail and fold up. Almost all the organisations used this tactic. It was particularly noticeable among the larger ones, though a trustee from one of the smaller organisations commented that:

> 'Yes, I'll take the government's shilling…as long as we're not perceived as being funded out of only one pocket.'

A fourth approach is to develop a 'cash cow', in the shape of a good project that brings in money. Although a small number of organisations have tried this, they typically did not increase their sustainability much because of their tendency to give away their intellectual capital.

A fifth approach is to follow what Charles Handy called the 'shamrock organisation'. Here there is a professional core, a contractual fringe, and a flexible labour force.[44] Such arrangements keep core costs low yet enable capacity to expand when there is money and demand for work. Many voluntary organisations use volunteers as part of their outer edges, and keep costs low because they are unpaid. Some of the organisations in our

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[44] Handy, Charles (1988) *Understanding Voluntary Organisations*, Penguin Books, London

sample were able to create very good input: output ratios because of such arrangements. For example at the Weardale Railway, in response to having to slash staff revenue budgets volunteer hours increased from 8,629 voluntary hours in 2005 (an average 719 per month) to 10,288 (1,143 per month) carried out by 106 volunteers, with an estimated value of £109,227.

A sixth tactic is the use of partners who deliver work under franchise to the centre. This meant that the centre can vary its workflows and reduce payments out if need be.

A seventh tactic is low pay. In the case of many organisations, workers were willing to sacrifice the rate for the job because of the passion for the cause. For example a Charities Aid Foundation cited in one of the case studies found that:

> 'According to the three year budget 2005/9 which is described as 'stand still' staff are currently paid less than their experience and qualifications deserve…'

Most often, this was a form of self-exploitation, though there were some cases where people felt exploited by their employers too. In one case, staff said that they often worked over and above the hours they were supposed to, to the point where it impinged upon personal lives:

> 'Long term this is not sustainable nor should it be. People come into this sector with passion that should be channelled and given some structure.'

In another case, this situation was though to have contributed to a high labour turnover and a reliance on short term and temporary staff to conduct casework. Passionate commitment often comes with a high price for both the organisation and the individual. Staff in one organisation spoke of the emotional impact of the work, which involves 'taking desperate decisions on a day to day basis'. In many of the case studies there was a sense of fragility arising from relying upon the passion and energy of key individuals, for example:

> 'The [organisation] is 'fragile' in the sense that just a few key people have taken it to its present position and its continued success depends on adequate core funding to ensure other staff [with the same] quality, drive and enthusiasm can be recruited to provide a suitable succession mechanism for without the Project Manager, I think it unlikely the [the organisation] would survive in its present form.'

Mission drift

These tactics were, for the most part, successful. There were, however, times when they did not work. A key question is: at what point does compromise become mission drift?' In other words, at what point do the funding arrangements distort what the organisation is trying to do?

We noted earlier that there has been no wholesale takeover of the voluntary sector by the state and that, for the most part, voluntary organisations felt themselves to be independent. However, there were examples where state funding had distorted what an organisation was trying to achieve.

Among the 14 in-depth studies, there were signs that really innovative approaches, which depended on 'being on creative and risky edge' were being inducted into service level agreements in ways that might mean that this creativity and risk essential for success would be lost. Commissioners were highly interested for example in some of the work, but wanted to package it in ways that would mean that it would be safe and bureaucratically sound. Organisations showed themselves adept at avoiding the trap of falling into acting at the behest of their funder, and developed 'workarounds' to enable them to do this. At the same time there was evidence that incorporation could happen slowly and that organisations could lose their radical edge by being offered contracts to deliver services that public funders wanted delivered.

Leeds Racial Harassment project found it difficult to raise money for its core purpose, but is attractive to the Home Office because of its work on hate crime, which is wider than race and includes crimes motivated by homophobia, hatred of different faiths, and crimes against disabled people.

The Derwent Initiative has developed a successful scheme for monitoring prospective sex offenders in swimming and games areas - Leisurewatch -and the success of that project has drawn efforts away from the core purpose of building partnerships between agencies working with sex offenders.

The Southern Uplands Partnership was originally meant to play a strategic role in bringing partners together to identify interventions to enhance a neglected area of Scotland, but what happened in practice was that there was no one else to deliver them. SUP was asked to deliver projects, sometimes for a project management fee, and increasingly became a deliverer of projects rather than purely a strategic body. The project manager pointed out that it was difficult to raise funds for co-ordination, rather than delivery.

Just as serious was the continual change to target-driven programmes that meant that voluntary organisations were continually having to find project funding that commonly bore little relationship either to their core purposes or to any readily understandable theory of change underlying public service reform. The never ending changes to public service delivery (e.g. the seven major transformations of the National Health Service since 1992) was a constant refrain among voluntary and community organisations who wanted to see some consistent approach that might stand a chance of actually delivering on change. At present much of the change is just seen in terms of the transaction costs.

Other support

None of the organisations said that they received any support from any of the main mechanisms of support coming from the government: Compact, ChangeUp, Futurebuilders, Charity Law Reform, or the Office of the Third Sector. Equally, the organisations in our sample made little or no use of councils for voluntary service or similar development agencies.

Efforts to support independence

We have so far addressed the factors that support or undermine independence. Despite all the talk about the value of independence, we found few examples of efforts to boost it. From the case studies, we found three specific examples where funders' investment appeared to be designed to support explicit efforts to increase independence. These were in community development, investment in assets, and in tools to measure success.

Investment in community development

A strong example in practice is Carnegie's funding of the 'Communities on the Edge' (COTE) project at Southern Uplands Partnership. The COTE project builds capacity in communities by listening to local people and encouraging them to think through what they want. For the Project Manager, this is a different way of working to a service delivery model wherein communities are consulted about a range of options. In the capacity building model the 'process is the journey' and this is perceived to have long-term sustainable impacts upon communities whereas a service delivery model *'just furthers dependencies.'* All of the staff team members that spoken to in the case study were very excited about the potential of the community development model to the COTE project. Carnegie UK is evaluating COTE as a model of good practice in asset based community development.

Investment in community assets

Although Young Disciples is still in the stages of exploring the possibilities of contracting with state to deliver statutory services, they have recently secured capital funding from the Drug Action Team to refurbish premises in the heart of Lozells where many young people regularly 'hang out'. The premises are rented from a landlord, a leading Black entrepreneur, who charges a reduced rent. The investment has had a dramatic impact upon the Young Disciples ability to respond to young people potentially involved in drugs, crime and gang culture:

> 'This new central location has and will continue to make a huge difference in terms of the number of individuals, groups and organisations accessing Young Disciples service.'

> ‘Having this resource has now changed the dynamics of our capacity which will enable us to do more work and grow in a different way.’

The new premises also allow for Young Disciples to promote their organisation to other agencies because there is room to hold meetings there:

> ‘Increasingly we use our building for meetings so people have to come here. It helps people understand what we do and that we are a positive project.’

Investment in tools to measure success

Circles Network are in the process of developing their own tools to measure quality standards. They have received funding from Barrow Cadbury Trust to kick-start this process.

The first phase of the quality standard will enable individuals to measure quality. 23 tools have been developed that can be used without needing to read and write. The tools will be on an interactive DVD and consultants are in the process of writing up the first phase. The tools are designed as a self-assessment process for Circles Network projects and organisations based in the community as well as parents and carers. Each of the tools is designed to fit on a page of A4 and to use visual interpretations such as graphic equalisers.

Phase two will develop organisation project management tools. Circles Network is collaborating formally with the Learning and Skills Council in its development of the model as they believe it will be relevant for the Investors in People programme.

Chapter 3: How the findings contribute to the debate

Key findings of Chapter 3

In reviewing the findings of this study, we need to acknowledge two limiting factors. First sample sizes mean that we need to be cautious. Second, the limited use of knowledge management and evaluation within the voluntary sector means that it is hard to unravel the outcomes of voluntary organisations. We hope that the research will stimulate further research to test the hypotheses developed here.

There is no suggestion of a state takeover of the voluntary sector, but it is a concern that should be kept under constant review. Most organisations feel themselves to be independent, and, although it is clear that public funding does diminish the sense of an organisation's independence, freedoms are diminished at the margin, rather than in a wholesale way. Yet the study also encountered cases of exciting and risky voluntary ventures, which worked because they did not accept state funding, as well as examples where public funding of a voluntary body was causing mission drift.

The voluntary sector is particularly good at working with individuals. It can help the hardest-to-reach, challenging stereotypes and scapegoating among people who are disadvantaged or discriminated against.

Feisty organisations with a vision of change well beyond what the state will fund remain vital. It is impossible for charitable foundations to manufacture organisations to play radical roles since such organisations depend on the efforts of citizens to develop such initiatives. However, encouraging these groups should be considered further by a new grouping of foundations thinking and acting strategically together.

Summary of findings

We set out to assess the value and independence of the voluntary sector. We studied 14 organisations in detail and supplemented this with a survey of 121 other voluntary and community organisations. With sample sizes like these, our findings offer insight and hypotheses for further investigation, rather than validity or reliability. We hope that the research methods pioneered here can be reproduced by other researchers to generate greater knowledge and understanding. Notwithstanding these qualifications, it is possible to set out some factors that appear important in the current debate about the future of voluntary action.

From our results, there is no suggestion of a state takeover of the voluntary sector. Most organisations feel themselves to be independent, and, although it is clear that public funding does diminish the sense of an organisation's independence, freedoms are diminished at the margin, rather than in a wholesale way. The study found that voluntary organisations are highly skilled at using money from all sources and have developed a number of characteristic 'workarounds' to ensure that they remain as independent as possible in the face of money that comes in categories that is less than ideal for their purposes. Having said that, we encountered cases of exciting and risky voluntary ventures, which worked because they were 'on the edge', attracting the interest of public sector commissioners whose safety-first approach to funding risk taking away essential features that make the ventures a success. We encountered other examples where public funding of a voluntary body was causing mission drift.

'Independence' in the voluntary sector is as much a feature of attitude and behaviour as a set of funding relationships. The independence of an organisation is best seen as freedom to pursue its values, and a key choice is the choice of partners including funding partners. There is a systematic difference in approach between those organisations who will not take certain types of money, for example from government or particular government departments, and the majority that will take money from any reasonable source. The size of the voluntary sector inevitably means that there needs to be state money involved or else the sector would have to be much reduced in size and in scope. Organisations that pursued structural change were those that did not take government money for fear of compromising their objectives.

We were able to develop a statistical model of factors that increased a sense of an organisation's independence. These were a combination of funding from trusts, earnings, positive attitudes towards commerce, a high sense of own effectiveness, low sense of compliance with funders, and engaging in advocacy. There were few examples of funders taking special measures to increase the independence of the organisation through their funding. The key issue identified by the organisations themselves was access to money not tied to restrictive conditions.

Turning to the question of the value of the voluntary sector, the main characteristic appears to be its irregular quality. It has an ever-changing shape and shifts into spaces between structures. Pursuing its values with passion, it develops knowledge that bridges 'thinking' and 'feeling'. At the same time, most organisations are not well equipped to describe the knowledge they have and the impacts they have made.

The voluntary sector is particularly good at working with individuals. It reaches those that who are hard to reach, and challenging stereotypes and scapegoating among people who are disadvantaged or discriminated against. Voluntary organisations are commonly highly effective in working with other agencies, providing a quiet leadership based on competence rather than formal power, and developing change to systems from within. Some organisations offer potent approaches to changing policy and creating real changes, almost always because they stood outside the structures that they were trying to change

and refused to take funding from those systems. In contrast, save for one example, we were struck how weak the connections with 'community' were.

Our research is the first empirical investigation of the added value of the voluntary sector in the UK. Edwards points out that what we know about this comes almost exclusively from the United States.[45] There are essentially three schools of thought. The first, represented by Robert Putnam, suggests that membership of voluntary groups affects 'civic culture' and builds 'social capital', which in turn brings all sorts of political and economic benefits.[46] The second, represented by Theda Skocpol, suggests that the organisation of voluntary groups, particularly in coalitions, pressures public authorities to change laws in favour of the public good.[47] The third, represented by Nancy Rosenblum, suggests that it is impossible to isolate general benefits flowing from voluntary and community groups and that any benefits are specific to particular circumstances. It is the precise context that matters and sometimes voluntary groups can deliver public benefits and in other circumstances cannot.[48] She even suggests that public benefits can flow in inauspicious circumstances such as youth gangs that can teach loyalty and leadership.

In our research, we are not able to confirm the 'social capital' thesis advance by Putnam. We have found traces of the 'civic participation' thesis set out by Stockpol. Our study is closest to confirming Rosenbaum's idea that the benefits from voluntary groups are specific and depend on particular circumstances. In part, this reflects the particularity of what each voluntary body is trying to achieve. However, we have to admit that our assessments have been hampered by the sporadic use of evaluation within the voluntary sector and the tendency of organisations to hoard knowledge about what they do, rather than making this knowledge explicit and public.

These findings are relevant to the debate on the future of the voluntary sector and hold some clues in taking the issues forward. First we summarise the debate.

Government support

Never before has a government intervened so much in the voluntary and community sector. The Labour Governments since 1997 have offered panoply of support to strengthen its capacity. At the centre of this is the Compact. Signed in November 1998, this is an agreement between the Government and the Voluntary and Community Sector to improve their relationship for mutual advantage. The Compact provides a framework

[45] Edwards, M (2004) *Civil Society*, Polity Press, Lonond
[46] Putnam, R (2000) *Bowling Alone: The Collapse and Revival of American Community*, Simon and Schuster, New York
[47] Skocpol, T (1999) 'Advocates without Members: the Recent Transformation of American Civic Life', in Skocpol, T and Fiorina, M (eds.) *Civic Engagement in American Democracy*, Brookings Institution Press, Washington DC
[48] Rosenblum, N (1998) *Membership and Morals: the Personal Uses of Pluralism in America*, Princeton University Press, Princeton

to guide relationships based on shared values and mutual respect. This was a central recommendation of the Deakin Commission Report.[49]

Futurebuilders England is the government-backed £125 million investment fund to help the third sector deliver better public services. The fund provides a combination of loans, grants and capacity building support for organisations that deliver public services. Organisations repay the loan element of the investment by earning revenue through forming contracts with public sector agencies such as local authorities or primary care trusts.[50]

ChangeUp, run by Capacitybuilders, is designed to build capacity through strengthening physical facilities, structures, systems and relationships, as well as the people, knowledge and skills that help frontline organisations achieve their aims.[51]

The Charities Bill received Royal Assent on 8th November 2006. This means that the Bill has become the Charities Act 2006 and is now law. The Act provides a more modern framework for charities and a clear role for the Commission to strengthen accountability. The Office of the Third Sector has published an implementation plan outlining when each part of the Act will come into force.[52]

The Office of the Third Sector has been set up to drive forward the Government's role in supporting a thriving third sector, and brings together sector–related work from across government. The Office works as an advocate for the third sector across government, as well as delivering its own policy programmes. For instance, it works closely with the new Department for Communities and Local Government (DCLG) on embedding the role of third sector organisations in communities and decision–making at a local and regional level; and with the Department of Trade and Industry (DTI) on promotion of enterprise and creating the environment for business success.[53]

The Chancellor’s Pre-Budget Report on 7 November 2006 set out further measures. These included the ‘Partnership in Public Services’ action plan from the Office for the Third Sector, intended to remove barriers for voluntary and community organisations and social enterprises wishing to extend their involvement in designing and delivering public services. Government commitments include a review of contracting principles to ensure that smaller organisations can partner larger contractors, alignment of commissioning frameworks, and streamlining arrangements where organisations work with more than one government body.[54]

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[49] Commission on the Future of the Voluntary Sector (1996) *Meeting the Challenge of Change: Voluntary Action into the 21st Century*, The Report of the Commission on the Future of the Voluntary Sector, NCVO Publications, London

[50] www.futurebuilders-england.org.uk/content/About.aspx

[51] www.capacitybuilders.org.uk/what/default.asp

[52] www.charity-commission.gov.uk/spr/charbillprog1.asp

[53] www.cabinetoffice.gov.uk/third_sector/about_us/index.asp

[54] www.cabinetoffice.gov.uk/third_sector/public_service_delivery/

The Chancellor's Pre-Budget report announced a £30m Community Assets Fund and an expectation that three year funding should become the norm for third sector organisations. The accompanying interim report on the future role of the third sector in social and economic regeneration sets out further work for the review, including how to strengthen commitments on commissioning and procurement and engagement of smaller groups and organisations.[55]

In the Foreword to the interim report, Dawn Primarolo and Ed Miliband set out government policy:

> 'We want to work to strengthen the relationship between the state and sector, how we can match up the different strengths of the state and the third sector so that we can better enable people to change society in five key areas. First, campaigning and voice. As we recognise the pioneering and culture changing role you play, we want the sector's voice to be heard more loudly over the coming years. Secondly public services, through greater third sector delivery and reforming the way the state delivers itself, to focus on the users of public services. Thirdly to build strong and active communities with the sector's ability to reach out, engage, provide support and networks for people who often find themselves isolated and alone. In a world where people are more mobile and traditional institutions have broken down, this is more important than ever. Fourthly social enterprise. The Government's vision is of dynamic and sustainable social enterprises, contributing to a stronger economy and fairer society. This is critical to the successful economic and social regeneration of many communities. Finally, the Government needs to create the right environment in which organisations are empowered and enabled to achieve these changes.'[56]

Reaction

Independence and effectiveness have become hot issues in the voluntary and community sector. At the recent annual conference of the National Council for Voluntary Organisations (NCVO), the Chair of the Charity Commission issued a 'wake up' call to charities and commissioners about the risks to independence of public service contracting.[57] On the same day, the Charity Commission published research based on a survey of more than 3,800 charities, which reported that those that delivered public services were significantly more likely than others to be influenced by their funders.[58]

Only the day before on 20th February 2007, the Baring Foundation launched the latest version of its Strengthening the Voluntary Sector (STVS) Grants Programme. This supports organisational development activities in 22 voluntary organisations to help them

[55] www.hmtreasury.gov.uk/pre_budget_report/prebud_pbr06/other_docs/prebud_pbr06_odthirdsector.cfm
[56] Cabinet Office and Treasury (2006) *The Future Role of the Third Sector in Social and Economic Regeneration: Interim report*, HMSO, London
[57] Leather, Dame Suzi (2007) 'Speech to the NCVO Annual Conference', Wednesday 21 February 2007
[58] Charity Commission (2007) *Stand and Deliver: The Future for Charities Delivering Public Services*, London: Charity Commission

to maintain their independence from government, and is based on a thorough analysis of the risks to the sector from government contracting leading to a belief that voluntary organisations should be 'allies not servants'.[59]

A month earlier, in January 2007, the Public Administration Committee announced its inquiry into 'Third Sector' public services. The Committee plans to examine the growing trend toward Government buying or commissioning services from the 'third sector' and has asked for interested organisations and individuals to submit evidence to the inquiry.[60] Its 'Issues and Questions Paper' gives a succinct summary of the division of thinking within the voluntary sector:

> 'Although many third sector organisations, particularly the larger national charities and the membership organisation ACEVO, have seen these signals from government as an opportunity to help shape and improve public services – 'transformation not transfer' - their enthusiasm is not universal. Many third sector organisations, particularly the medium-sized and small, regional and local operators, fear an increasing 'polarisation' of the sector between large national players operating as government contractors, and smaller, marginalised organisations engaged in a struggle for shrinking amounts of grant funding. Opponents of the 'public service delivery agenda' see it as a threat to the sector's independence and ability to campaign: they ask how likely it is that organisations that are dependent on government contracts will 'bite the hand that feeds them' by criticising government policy.'

The three responses - from the Charity Commission, the Baring Foundation, and from the Public Administration Committee – are the latest developments in a debate that has been present for some time. It has come about because government policy since 1997 has emphasised the role of the sector in helping to develop and deliver better public services. The government's push to do this is part of a wider policy agenda of contestability, of opening up markets for public services to new suppliers from the private and third sector. Competition dictates that no supplier will have a permanent or assumed right to public contracts, and that key attributes of service providers are quality and cost effectiveness. The Government is attracted to the third sector because of its unique benefits: expertise in its specialist areas; its ability to connect with groups which are difficult for state organisations to reach; and innovation to develop new forms of public services. The government has looked to overseas models – for example, employment training services in Australia, where third sector organisations are the largest contractors with government – as a potential model of the future for UK public services.[61]

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[59] Smerdon, Matthew (2006) 'Allies Not Servants', *Working Paper 1, The Baring Foundation*, www.baringfoundation.org.uk/Alliesnotservants.pdf
[60] www.parliament.uk/parliamentary_committees/public_administration_select_committee/pasccommissioning.cfm
[61] See documents from the Public Administration Committee already cited

Divisions of view

Government policy has divided the sector. On the one hand, there are those, led by ACEVO, that consider that at last recognised the power of voluntary action has been recognised. In a piece entitled, 'GO, GO, GO', Stephen Bubb, the Chief Executive of ACEVO, suggests:

> 'The political environment could hardly be more favourable. Politicians from all three political parties, particularly the two ministers who write in this supplement, are now seeing the huge potential of the third sector – both as allies in public service reform and as the most effective way of building representative voices for communities.' [62]

ACEVO's position is that the prospects for the voluntary sector in this opportunity are more money, financial security, the potential for building larger scale organisations, recognition, and a seat at the table as equals.

Others within the voluntary sector have been more critical. There are three rather different strands of argument. The first is that support for voluntary action masks deeper intentions about privatisation; [63] [64] the second is that government will neutralise opposition and contain control of the agenda; [65] and third is that public services contracting will distort the voluntary sector and divert it from its primary roles of association and participation. [66][67]

In his Foreword to *The Voluntary Sector Delivering Public Services: Transfer or Transformation?*, Richard Best, formerly Director of the Joseph Rowntree Foundation, offers a warning based on the experience of the voluntary housing movement:

> 'The biggest example of a shift of public service provision to the voluntary sector is in the housing field: first, funding for new social housing was switched from councils to housing associations in the 1980s; then large-scale transfers of council stock followed wherever tenants voted for this. JRF's research suggests that few tenants or staff would wish to reverse these trends.
>
> But the story has now moved on: in place of a plurality of organisations offering choice and flexibility, government is concentrating its funding, through the Housing Corporation, on a smaller and smaller number of very large Registered Social Landlords. The latest plan is to achieve further 'efficiency gains' by switching social housing grants for new housing to unregulated, profit-making,

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[62] Available from http://www.acevo.org.uk/uploads/pdfs/Routesper cent20toper cent20Enterprise.pdf
[63] Cater, D (2006) 'Opinion: Beware of Brown and his plans for the Sector', *Third Sector*, 29th March 2006
[63] Loake, J (2005) 'How The Greens Were Choked To Death', *New Statesman* 25th April

[66] IVAR (2006) *Servants of the Community or Agents of Government?*, Bassac, London
[67] Wittenberg, Ben (2007) *The Interplay Between State, Private Sector, and Voluntary Activity: A vision for the future*, Directory of Social Change, London

> housebuilders and developers. This suggests that the agenda may ultimately be propelled by the Treasury with an eye on short-term savings. And talk of the inherent advantages of a strong, non-profit, socially motivated voluntary and community sector – which locks in government grants for public benefit in perpetuity – is no protection against onward transfer of services to the private sector if that pays quicker dividends.'[68]

Divisions are not confined to within the voluntary sector. There is evidence that some parts of the private sector are concerned about new competitors.[69] Public Sector Unions are edgy too, suggesting there is no evidence that the voluntary sector is any better than the public sector in delivering job services.[70]

Right-wingers also have concerns. Richard Smith, founder of the Martha Trust Hereford, and Philip Whittington, a member of the Tory party's social justice policy group, say that as the charitable sector becomes more dependent on the state there is 'a danger that the vitality and voluntary nature of the sector could be irretrievably undermined'.[71] Using figures from NCVO's *Voluntary Sector Almanac* (2004) the authors note that, while donations from the general public grew by just 7 per cent in three years (up to 2004), government funding over the same period rose 38 per cent. State funding now accounts for 38 per cent of charities' total annual income of £26.3bn, compared with 27 per cent from donations.[72]

Both ACEVO and the NCVO have denounced the report as 'flawed'. However, it is now clear that there is a growing case to answer from a variety of perspectives both from the left and from the right. For example, in a recent *Guardian* article, Annie Kelly notes the need for the voluntary sector to rebut the persistent accusations about financial mismanagement and inefficiency.[73] She cites Ian Theodoreson, financial director of Barnardo's, who admits that the Centre for Policy Studies report reinforces the fact that charities have been unable to debunk recurring attacks on how they raise and spend money. There are no good accounts of the 'additionality' of voluntary action, and this is a key stumbling block in the debate.

Without that, the voluntary and community sector will always remain vulnerable to accusations of inefficiency and ineffectiveness. An article published in the Daily Mirror this summer was headed *Charity helping itself*.[74] As a one-off article, this is probably not too damaging, but a tabloid campaign could change individual donations to charity forever.

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[68] Best, R (2005) in Paxton, Will and Pearce, Nick and Unwin, Julia and Molyneux, Peter (2005) *The Voluntary Sector Delivering Public Services: Transfer or Transformation*, Joseph Rowntree Foundation, York
[69] Economist (2006) 'A Question Of Trusts: When Charities Compete With Businesses', 3rd August
[70] Davies, S (2006) *Third Sector Provision Of Employment-Related Services*, Report for the Public and Commercial Services Union (PCS). See at www.pcs.org.uk
[71] Smith, R and Whittington (2006) *Charity: The Spectre Of Over-Regulation And State Dependency*, Centre for Policy Studies, London
[72] *The UK Voluntary Sector Almanac* (2004), NCVO, London
[73] Kelly, A (2006) 'Questions Of Accountability', *Guardian*, 16th August.
[74] Maguire, K (2006) 'Charity Helping Itself', *Daily* Mirror, 5 July

A recent assault on the effectiveness of charities has been made by the director from New Philanthropy Capital, Martin Brookes. He has recently gone on record to say that he was frustrated that so few charities could articulate their performance:

> 'When our analysts go in and say to charities - of all shapes and sizes – "Tell us about your results and demonstrate your effectiveness," all too often they are met with quizzical stares because no one has ever asked them that. There is a shocking lack of evidence in a shockingly large range of charitable endeavours.'[75]

The debate shows that the issues of the independence of the voluntary sector and its value are closely intertwined. What can our study contribute?

The contribution of this study to the debate

In this section we set out a number of propositions based on our research that can add to the debate.

1. The terms of the debate are too polarised and extreme

There has been no great takeover of the voluntary and community sector by the state. The sector feels itself independent, and there is no great problem of nationalisation or incorporation of the voluntary sector. There are issues of state incursion into the sector that are leading to mission drift, but for the most part, voluntary organisations have developed 'workarounds' to ward off the demands of funders.

Our findings suggest that finding an appropriate relationship with the state is a question of balance. On the basis of our evidence, there is no need, as Nick Seddon suggests, to reclassify charities into other kinds of organisations because of the prevalence of state money.[76] On the other hand, there is little justification for a headlong rush into public sector contracting, since that would undoubtedly take away some of the creative and risky edge.

A better course of action, it seems to us, is to keep the matter under review. The voluntary sector has been managing the issue of independence for a long time. This was an issue that much preoccupied Sir William Beveridge in his post war deliberations on the welfare state.[77] Thirty years later, in 1978, the Wolfenden Committee Report on *The Future of Voluntary Organisations* included a chapter on 'Independence, Responsibility, and Effectiveness', warning about the dangers of voluntary organisations taking too much money from the state.[78] Commenting on the report, Colin Ball, a consultant to the

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[75] Butler, Patrick (2007) 'It's All About Results', *The Guardian*, 17 January
[76] Seddon, N (2007) *Who Cares? How State Funding and Political Activism Change Charity*, Civitas, London
[77] Smerdon, Matthew (1998) *William Beveridge and Social Advance*, Foundation for Civil Society, Birmingham
[78] Wolfenden Committee (1978) *The Future of Voluntary Organisations*, Croom Helm, London

Voluntary Services Unit, asked ‘Whatever happened to voluntary bodies?’ [79] He argued that a surfeit of state money had undermined the independence, ingenuity and innovation of the sector.[80] Our study is reassuring on this point, since the organisations in our sample do their level best to score on all of these points, even when the funding environment constricts them. The key issue from the study is that, although people feel independent, they are constrained by the money supply, not just how much, but the restrictiveness of the categories it comes in. Given that it is unlikely that we are going to see a wholesale reverse of the tendency for funding to be driven by specific targets, it may be a better use of energy to argue for more money to be set aside for interesting and useful experiments to build social capital which, as we have seen from the present study is in need of attention.

2. Government is doing its best

Government is doing its best to reassure the sector of its intentions. There is a commitment, say Ministers, to encourage campaigning and advocacy among those voluntary organisations funded by the public purse. Ed Miliband, Minister for the Third Sector, has been active in making speeches to this effect and wants to capitalize on the third sector's perceived strengths, in particular its capacity to innovate and to reach out to engage with users of services. In this, says Miliband, the third sector could plan a part not just delivering services, but also about transforming them. Partly, Miliband says, ‘it's about the public sector becoming more like the third sector.’[81]

Despite these good intentions, many people we interviewed did not believe the government. Many people had mixed attitudes towards the government. There was commonly a combination of suspicion and mistrust on the one hand and a desire for support and recognition on the other. People complained that the government did not understand the sector, and this was most marked when it came to short-term funding, disproportionate demands for auditing, and a lack of grasp for the social issues at state. Such views were not helped by the government failing to observe the compact [82] and suggestions that government does not really mean it when it says it wants charities to campaign.[83]

3. Voluntary organisations are well placed to deliver public services.

It is evident that voluntary organisations are skilled and accomplished in delivering services. The particular strengths of person centredness, innovative and equal relationships, transforming people’s lives, and reaching people who are hard to reach,

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[79] The Voluntary Services Unit was formed in 1974 and located in the Home Office as part of all party commitment to supporting the voluntary sector. It is the forerunner to The Office of the Third Sector.
[80] Ball, Colin (1979) ‘Whatever Happened To Voluntary Bodies?’ *Community Care*, 10 February
[81] Miliband, Ed (2006) ‘Marking out the Territory’, *Guardian*, 28 September
[82] NCVO (2007) ‘Home Office is worst offender in list of broken agreements with charities’, NCVO Press Release, 28 March
[83] Little, M (2007) ‘Revealed: Minister’s Threat to Sideline Critical Aid Charities, *Third Sector*, 4 April

combined with the challenge to stereotypes, adds up to a potent mixture. At the root of this lie passion, knowledge, and cultural competence that not only confer legitimacy, but also offer a necessary blend of 'thinking' and 'feeling'.

The voluntary sector offers a profound difference in culture from the state or the private sector. This is an area that has been neglected and, so far as we are aware, the first serious attempt to address this in the UK was made by Community Links in their work on *Living Values*.[84] This report offers an important clue to the added value of the voluntary sector: the bold pursuit of values.

These qualities, and particularly the blend between thinking and feeling could have enormous significance. In his study of American development, he demonstrates an inverse correlation between material progress and subjective satisfaction or, as he puts it: 'How life gets better while people feel worse'.[85] There is similar evidence of a mismatch between objective progress and people's feelings in the UK. Chris Wormald, Director General of Local Government and Communications in Communities and Local Government, has noted a 15 per cent improvement in local authority performance between 2001 and 2005, yet public satisfaction with services has declined by 10 per cent.[86] Such a phenomenon has been observed in crime statistics for many years: as crime falls, fear of crime rises. This phenomenon was marked in a recent study of the first 10 years of the Labour Government. A poll of more than 2,000 adults shows that people believe the country is a more dangerous, less happy, less pleasant place to live, though many of the more objective indicators revealed this not to be the case.[87] Such findings have prompted the government to take an interest in the new fashion in economics, namely happiness research.[88] Key deficits are people's feelings of association and participation, and these components are added to the way that the voluntary sector delivers services. This is the comparative advantage of the voluntary sector, according to our research, and to build this into service delivery may begin to address the progress paradox.

In devising arrangements for services to be organised differently, as others have pointed out, it is not just a question of transfer, but of transformation.[89] To do this effectively, will not just be a matter of governance, management, capacity, technical competence, resources, monitoring, evaluation, and accountability, and all the other technical factors that condition successful contracting between commissioners and contractors. Nothing less than a cultural revolution is called for. It will require a different vision of society in which public benefits are delivered in ways that are protean, ever changing, based on need rather than the strict dictates of service level agreements. To involve the voluntary sector properly will involve quite a different form of service contracting, since a top-

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[84] lake, G., Robinson D. and Smerdon M. (2006) *Living Values: A Report Encouraging Boldness In Third Sector Organisations*, Community Links, London

[85] Easterbrook, Gregg (2003) *The Progress Paradox; How life gets better while people feel worse*, Random House, New York

[86] Wormald, Chris (2007) 'Setting the Context Policy and Evidence', DCLG Seminar, 9th February

[87] Hinsliff, G (2007) 'Britain delivers damning verdict on Blair's 10 years, *The Observer*, 8 April

[88] Layard, Richard (2006) *Happiness; Lessons From A New Science*, London, Penguin

[89] Paxton, Will and Pearce, Nick and Unwin, Julia and Molyneux (2005) *The Voluntary Sector Delivering Public Services: Transfer or Transformation*, Joseph Rowntree Foundation, York

down dirigiste model will not get the best out of the voluntary sector, which engages in a hybrid range of activity that is commonly wider than the term 'services' usually connotes. To get the best out of the voluntary sector, particularly the importance of the blend of thinking and feeling, the leitmotif should be what Ivan Illich called 'conviviality'.[90]

In pursuing the agenda of encouraging greater involvement of the voluntary sector in public services the government will need to address the problem of unequal distribution. As successions of epidemiological studies have shown, voluntary organisations tend to spring up where they are least needed.[91] This is because they tend to be driven by initiative, rather than need, and tend to be more prevalent in middle class areas than poor areas.[92] This is precisely the problem faced by Nye Bevan 60 years ago when he was setting up the National Health Service. As Bevan put it: 'The essence of a satisfactory health service is that the rich and the poor are treated alike, that poverty is not a disability, and wealth is not advantaged.'[93] However, the distribution of voluntary hospitals was uneven, and in Bevan's words, 'unreliable'. He nationalised voluntary hospitals and aimed for equal access to services.

It is questionable, according to our research, whether the current methods of building the capacity of the voluntary sector are the most efficient to deal with these issues. None of the organisations said that they received any support from any of the main mechanisms of support coming from the government: Compact, ChangeUp, Futurebuilders, Charity Law Reform, or the Office of the Third Sector. This chimes with a forthcoming Audit Office Report that finds that Whitehall policies have not filtered through to the bulk of the voluntary sector or to the local authorities that support them in their day-to-day work.[94]

Equally, the organisations in our sample made little or no use of councils for voluntary service or similar development agencies. Another recent study by Alison Harker and Steven Burkeman has found that many second-tier organizations, including councils for voluntary service, face difficult issues of quality, credibility, conflict of interest and overwork, and a number of CVSs seem to have lost their sense of purpose and focus.[95] A critical review of 'infrastructure provision' in the North East found mixed results. Although councils for voluntary service were well positioned strategically, well connected, and represented grassroots organizations, they were blinkered, self satisfied and competitive with narrow horizons.[96]

Our views accord with Steve Wyler of the Development Trusts Association and Ben Hughes of Bassac, who have suggested that a different and more imaginative approach is needed if resources are not to be caught up in a plethora of consortia, intermediaries and

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[90] Illich, Ivan (1973) *Tools for Conviviality*, full text at http://todd.cleverchimp.com/tools_for_conviviality/
[91] Hatch, S (1980) *Outside the State*, Croom Helm, London
[92] Knight, B (1993) *Voluntary Action*, Home Office, London
[93] Bevan, N (1952) *In Place of Fear*, Quartet Books, London (1979 edition)
[94] Reference to be added
[95] Harker, Alison and Steven Burkeman (2007) *Building Blocks: Developing Second-Tier Support Fro Frontline Groups*, City Parochial Foundation, London
[96] Shenton, Felicity (2006): 'An Analysis of Infrastructure Provision in Tyne and Wear', ChangeUP Consortium

infrastructure with uncertain methods of cascading resources, capacity and know-how through the system.[97]

Part of the problem is that the approaches towards strengthening the voluntary sector take what Ann Blackmore called an 'instrumental approach'.[98] This involves thinking of the sector as a thing that can be shaped to certain policy purposes, when it is clear that the value of the sector is that it shapes itself. Such an approach suggests that, rather than having top-down than 'top-down' engineering with a trickle down philosophy, there needs to be 'middle-in' intervention of money. It is, as we observed earlier, the money supply that shapes the sector, and is most valuable to organisations because they can shape themselves with it, rather than submit to some piece of 'capacity building' that may or may not be of use to them.

In our view, the key issue is to get good organisations a good supply of good money. Organisations need money that can be spent on the goals of the organisation, they need it over the long term so that they can deliver on good plans, and they should be rigorously evaluated on their stated impacts. This is what organisations say that they do not have.

4. The importance of feisty organisations that stay outside the system

We found that parts of the voluntary sector have an important part to play in developing structural or systemic change. Contrary to the thesis in the CENTRIS Report of 1993, some of these organisations were also delivering public services.[99] However, organisations delivering on structural or systemic change from outside the system were scrupulous about the sources of their funding, and some would not take money from the state because they felt that it would compromise them.

In deciding to stay outside of the state contracting arrangements, these organisations immediately restricted the sources of money available to them. We have seen from the examples in our study that these organisations played really important roles in questioning the dominance of the state, bringing in new policies that simply could not have been conducted from the inside, and pioneering a sense of 'transformation' that it hard for established structures to understand. Barry Gaberman, until recently Senior Vice President of the Ford Foundation and the Council on Foundations Distinguished Grantmaker of the Year for 2006, recently reflected:

> 'We live in complex times -- and must always guard against the concentration of power and the abuse of power that follows. The traditional separation of power into legislative, executive, and judicial is not enough anymore. An independent press helps, but it is still not sufficient. It is here that civil society as a whole, in its generic role, adds another layer or safeguard against the abuse of power.'[100]

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[97] Rickets, A (2007) 'Heat Goes up a Notch for ChangeUp', *Third Sector*, 4 April
[98] Blackmore, A (2004) *Standing Apart: Working Together*, NCVO, London
[99] Knight, B (1993*) Voluntary Action*, Home Office, London
[100] Gaberman, Barry (2006) 'Foundations for Peace', Speech at UN Plaza, New York, 27th June

Some of the organisations in our study were doing a remarkable job in working on issues that were unpopular with government, that condemned them to long hours and low pay, but nevertheless are vital for a civil society based on justice and equality.

These organisations would not have existed without the support of independent charitable foundations. Whatever else such foundations do, they play a vital role in funding feisty organisations with a vision that goes beyond what the state can fund.

Alison Harker and Steven Burkeman reported that many charitable foundations felt that the voluntary sector had lost its ‘fire in the belly’, and there were insufficient proposals to pioneer new radical forms of action or to campaign for greater equality.[101] It is impossible for charitable foundations to manufacture organisations to play radical roles since such organisations depend on the efforts of citizens to develop such initiatives. However, this is a topic that could be taken up by the Woburn Place Collaborative, a new grouping of foundations thinking and acting strategically together.

[101] Harker, A and Burkeman, S (2005) *Stepping up the Stairs*, Carnegie UK Trust, Dunfermline