

# foundations

## Partnership between government and voluntary organisations

Partnership is seen by many as the way forward for the twenty-first century, releasing a diversity of resources to tackle the demands of welfare and social inclusion. Voluntary and community organisations have the potential to bring many different resources and energies into partnership. But if the outcome is to be the 'best of both worlds', government will need to balance its own requirements with those of voluntary organisations.

Marilyn Taylor draws on research supported by the Joseph Rowntree Foundation to assess the potential of partnerships between local government and the voluntary sector and the implications for policy.

### Diversity

- A healthy and diverse local voluntary sector, which can respond to new opportunities and new demands, requires investment: in development, in core costs and in infrastructure. This is best achieved through a range of funding mechanisms.
- Although larger household name charities may be well-equipped to 'hold their own' in partnership, the majority of local voluntary organisations are relatively small. It is important for partners to recognise their fragility and the importance of the wider networks within which they operate - on which their contribution may depend.
- Partners should be aware of the distinction between voluntary, community and user organisations, and ensure that each has access to planning and policy-making.

### Effective partnership

- Effective partnership is not easy. It requires clear allocation of responsibility within partner organisations, with resources, time and incentive structures for partnership working. Partners need to be prepared to change their cultures and ways of operating to accommodate voluntary sector, community and user participants.
- Purchasers should not take accountability to users for granted, but need to ensure that appropriate mechanisms are in place.
- Monitoring and regulation need to be worthwhile for both purchasers and providers. They should be proportional to the task and to the size of the voluntary organisation.
- Central government has an important role in driving change, but must allow the flexibility for partnerships to reflect local circumstances and resources. It is essential that non-elected government bodies are encouraged and equipped to work in partnership.

## Understanding the voluntary sector

The voluntary sector contains an enormous variety of organisations (and, as used here, the term 'voluntary sector' covers voluntary, community and user organisations). As such it brings considerable resources and energies to welfare policy and practice. At best, it can offer a flexible response to the challenges that face society and give a voice to the many different communities within it.

### Some facts and figures

Broadly defined, the voluntary sector accounts for one in twenty-five full-time paid jobs in the UK and one in ten service jobs, while the total contribution of volunteers to the economy is estimated at £25 billion per annum. It has been estimated that, in 1991, some seven million people served on voluntary organisation management committees and just over a million served as charity trustees.

There are 18,809 community buildings in England and Wales, managed by local volunteers and used by some 10 per cent of the population.

Research suggests that every £1 in outside funding can release an equivalent amount in other funding; there is a return of between £2 and £8 for each £1 invested by voluntary organisations in their volunteers.

Although the voluntary sector contains multi-million pound enterprises, many voluntary organisations are locally based, small, with few, if any, staff. They often operate as part of a network of local agencies. They have unpaid management committees which may balance a range of different interests and constituencies. Their financial position can be unstable, depending on a variety of funding sources and a succession of short-term grants and contracts.

Local organisations have 'flat' structures: managers, staff and volunteers turn their hands to a variety of different activities and tasks. But it is unwise to stereotype. The strength of the sector lies in its diversity. The kind of management systems which work for a large household-name charity may not work for smaller organisations; assumptions about being close to the community which may apply to a small self-help organisation are unlikely to apply in the same way to a professional service organisation.

Volunteers vary as much as voluntary organisations. People have many different reasons for volunteering and those who are involved in community activity or self help may not see themselves as volunteers at all. Policies to encourage volunteering need to take this into account and provide opportunities appropriate to all parts of the community.

## The foundation for partnership

The effectiveness of partnership can be judged in two main ways:

- its capacity to release a diversity of resources for welfare; and
- its effectiveness for users and citizens, especially the most excluded groups.

### Developing social capital

Research suggests that local and other statutory authorities should be encouraged to develop strategies for the long-term development of the local voluntary sector, which would include:

- A comprehensive map of local voluntary organisations, both to increase understanding of the contribution they make to local welfare and to ensure that as many local organisations as possible are informed about opportunities for service delivery, consultation and partnership.
- Investment in:
  - community development with service users and excluded communities;
  - the core capacity in organisations which supports the delivery of services and projects, provides the capacity for development and supports involvement in partnership;
  - infrastructure (expertise, information, technical assistance, training, research and development, channels for representation) - this is particularly important if small and all-volunteer organisations are to survive and plug into local networks.
- Investment in organisational development and training programmes:
  - to develop the capacity throughout the statutory sector to understand and work effectively with voluntary and community organisations;
  - to support training for voluntary and community organisations.

The most effective partnerships have been those where there is a long tradition of local organising. This gives people the skills, experience, confidence and infrastructure to engage on their own terms and to gear up to new opportunities, from community care planning and the 'contract' culture to the Single Regeneration Budget and the Lottery. This 'social capital' is, in turn, most likely where there has also been a tradition of investment in the development of the sector and especially in community development, which can release capacity in excluded and marginalised areas.

While mainstream programmes and special initiatives like the Single Regeneration Budget Challenge Fund have been essential to the development of the sector, investment does not always require large-scale funding. Some successful strategies are outlined below.

#### Generating resources

- A range of funding mechanisms which allow organisations access to small amounts of money as well as contracts and project funding, and which recognise the importance of complementary services, advocacy and public education.
- An audit of in-house skills and resources which could be made available to local voluntary and community organisations, for example, mentoring, secondments and shadowing schemes, premises and equipment.
- Taking care not to impose unnecessary costs on voluntary organisations and ensuring that funding conditions and partnership demands are appropriate to the task and size of organisation.
- Support and 'seed corn' funding to help the sector develop other forms of funding, for example, community trusts.
- Brokerage: getting voluntary and community organisations onto networks; and putting them in touch with other local agencies.
- Accepting volunteers as collateral where matched funding is required.

#### Partners in service

The voluntary sector has assumed a higher profile in the delivery of welfare over recent years, with the transfer of services away from the public sector. This offers new opportunities to the voluntary sector. There have been fears that government purchasers would distort the aims and practice of voluntary organisations, and that their autonomy and flexibility would be compromised. Research suggests that these fears may have been unduly pessimistic; in many cases there has been more room for negotiation than expected and a number of authorities have taken steps to safeguard funds for advocacy and complementary services.

However, experience varies between local authority areas and there are some less encouraging signs. Organisations in our studies report that they are doing more for less and that, although administration is increasing, core costs are not being met. Support in kind from official bodies is vulnerable with tighter accounting regimes. While contracting is seen to offer security, organisations are vulnerable if they become too dependent on contracts for income at the expense of other funding strategies. There is some evidence too that regulation is imposing costs on smaller organisations that they cannot meet. Proportionality is essential if new opportunities are to be spread across the sector.

A balance needs to be struck between demands for increased professionalism and efficiency and the diversity and flexibility the voluntary sector is supposed to bring to the welfare market. The Foundation's studies report signs of increasing polarisation between: trustees and paid managers, paid workers and volunteers; skilled and unskilled volunteers; small, community-based and large professional organisations. Of most concern is the fact that while local authority managers and their voluntary sector counterparts are beginning to speak the same language, accountability to users has been found to be poor.

Partnership in service delivery requires a balancing act: between the needs of the public purchaser and the goals of voluntary organisations; between safety and flexibility; between public accountability and organisational accountability; between the voluntary principle and demands for professionalism and

efficiency in welfare delivery. The Foundation's research suggests that, if partnership in service delivery is to be successful, purchasers need to:

- Invest in market development to encourage and sustain a variety of providers both of mainstream and complementary services. This may include:
  - encouraging consortia and other mechanisms for pooling management and technical demands so that smaller organisations can enter the market;
  - retaining part of the budget for non-priority activities.
- Ensure that the procedures they develop for funding, regulation and monitoring are appropriate to the diversity of organisations in the sector, especially for small organisations.
- Develop more effective measures to ensure accountability to users on the part of purchasers and providers.

### Partners in policy

The growing emphasis on partnership has the potential to be not just a 'quick fix' but the basis for new forms of local governance that will last into the next century. But the Foundation's studies reveal considerable ambivalence about partnership among both authorities and voluntary organisations. Partnership is not easy. There are considerable tensions between the public interest and the interests of different partners, between strategic leadership and participation.

Government insistence on community, voluntary sector and user involvement has given voluntary organisations a recognised place at the partnership table and offered them opportunities to deliver new projects and get access to new resources. They have been able to influence implementation and sometimes to put social issues on predominantly economic agendas. But research so far suggests that their influence has been over delivery rather than policy. Key decisions often seem to be taken within informal networks to which most voluntary and community organisations do not have access, and partners fail to appreciate the complexities involved in representing the views of diverse voluntary

and community sector constituencies. The culture and rules of partnership are set by the more powerful partners and, however unwittingly, create barriers to genuine participation, as the box below illustrates.

#### Comments from voluntary, community and user organisations

##### Who adapts?

*In all the work I've been involved in, it's us who have to put effort into reaching the council's level ... They never come down to ours*

##### Getting to grips with unfamiliar systems

*With so many men in suits, it was difficult to find the courage to speak up. Sometimes you went along determined to say something this time, but somehow the meeting would be over and you wouldn't have opened your mouth*

##### Negative feedback

*Some never regained their confidence after making their initial comment, as they were 'made to feel' they had 'said something stupid' or 'at an inappropriate time during the meeting' or 'under the incorrect agenda item'*

##### Representation

*Representatives for organisations of disabled people ... were sometimes dismissed by social and health services officers as being unrepresentative of users because they appeared too articulate to be 'real' users*

Although there are a growing number of individuals who support partnership in local government, its success ultimately depends on the weakest link. Some studies question how far the returns of partnership have justified the effort put in by organisations whose resources are already stretched to the limit.

If one of the major challenges for partnership is to find ways of turning government 'inside out', the other is to find ways of involving users and citizens without swamping them. The growing number of opportunities for partnership today pose dilemmas for organisations on shoestring budgets. The resources and time required to learn the ropes distance them from their communities. All but the largest voluntary sector participants face a difficult choice between being co-opted by the sheer volume of work or 'throwing stones' from the outside.

In partnership, as in services, there is considerable variation: between authorities, between services, between voluntary organisations. Research suggests that, as well as the organisational and community development programmes already suggested, successful partnership requires:

- Clear targets for the involvement of voluntary and community organisations in policy and service planning - which go beyond numbers to the depth and quality of involvement.
- Commitment throughout authorities: front-line staff need to know they will be backed up if they are expected to adopt new ways of working.
- Clear allocation of responsibilities within authorities, with dedicated time and resources, to develop and service partnerships.
- Monitoring, benchmarking and review mechanisms which provide incentives for and reward partnership.
- Resources for voluntary sector partners and time to allow them to get up to speed before all the key decisions are taken.
- Mechanisms for involvement which recognise the many demands on organisations with limited resources and use their time effectively.
- A willingness to understand and accommodate the different cultures, values and resource capacities of voluntary organisations.

### Central government

Central government has played an important role in driving change. But it must allow the flexibility for local partners to implement policies in ways which reflect local circumstances and traditions. Timescales set by central government have rarely given voluntary organisations time to get up to speed and by the time they do, output measures agreed in advance limit their influence. New initiatives need to be paced, with resources upfront to allow the sector to 'gear up'.

Output measures need to recognise voluntary sector and community objectives. Cross-departmental working is as important at national level as it is at local level so that, for example, investment by one department is not outweighed by cuts from another, or policies to encourage volunteering and community enterprise are not in tension with benefit regulations.

Despite the tensions reported here, local authorities are often ahead of the game with respect to partnership. Central government could do much more to encourage non-elected local statutory bodies to gear up to partnership. As new programmes extend partnership to new parts of government at local and regional level, the recommendations made in this research to local government need also to be applied to them.

### The voluntary sector

The success of partnership does not rely on government alone. Some of the balancing acts that voluntary organisations face - between incorporation and autonomy, between participation and representation, between flexible informal structures and growth, between public accountability and their particular cause - are difficult. But the Foundation's research suggests that if voluntary and community organisations wish to make a distinctive contribution to partnership they need to make the time to be clear about their goals and the nature of that contribution. Voluntary organisations who find the expectations on them unreasonable can join together to develop standards, benchmarks and evaluation tools which can meet both their own needs and those of funders. They can support each other in developing costings which reflect the true costs of services and the added value they offer, including core and development costs.

The voluntary sector infrastructure and larger, better-resourced organisations are crucial to this endeavour. They can both play a role by:

- spreading information about models and practice which voluntary and community organisations can use both in their own development and in negotiations with funders;

- promoting accountability to users;
- working with government and others to identify and develop new funding sources;
- linking the least powerful organisations into key networks;
- developing models which allow smaller organisations to pool overheads (for example, coalitions for contracting) and to streamline their involvement in partnership.

### The best of both worlds

If partnerships are to form the basis of new forms of governance, they cannot be tacked onto the edges of existing systems. Reviewing the body of experience so far, the language of partnerships is still one of Us and Them. The ideal of autonomous and equal partners who can yet work closely within a common framework is still some way off.

The present Government has adopted the recommendation of the Commission on the Future of the Voluntary Sector to develop a 'compact' between central government and the voluntary sector. Our research suggests that where comparable exercises have been carried out at local level, their value lies as much in the process of developing a mutual understanding as in the final statement. If local compacts are seen as a dynamic process of mutual learning, used as the basis of training and organisational development and subject to review, then they may be the means through which the rhetoric of partnership gradually becomes reality.

### About the study

This review draws on research carried out by the Joseph Rowntree Foundation over the past five years to study the changing relationship between government and the voluntary and community sectors, particularly at local level. It also draws on a wider body of research on the voluntary sector also supported by the Foundation. Details of these studies are available in the full report.

### Further information

The full report, *The best of both worlds: The voluntary sector and local government* by Marilyn Taylor, is published by YPS for the Foundation. It is available from: York Publishing Services Ltd, 64 Hallfield Road, Layerthorpe, York YO3 7XQ, Tel: 01904 430033, Fax: 01904 430868 (ISBN 1 899987 65 7, price £11.95 plus £1.50 p&p).