

How can voluntary organizations help to transform care? Articulating Social Value

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Abstract

Many Western states have sought in recent years to harness the energies of voluntary agencies and charitable bodies in the provision of welfare across policy domains. In this paper we focus on the UK, where the government has put mechanisms in place to ensure that the 'Third Sector' (broadly defined as formal organizations that are not part of the public or private sectors) shares responsibility with state agencies for providing services to those in need. Caring services for older adults are perceived as ever more demanding on public resources and likely to benefit from new ways of delivery that draw upon Third Sector experience and expertise.

Claims by and on behalf of the Third Sector emphasize the 'added value' or 'diverse value' that the particular approaches of individual organizations bring to public service delivery. Success, however, can be hard to define, much less measure. For some voluntary agencies measuring performance seems like bureaucratic distraction. On the other hand, there is evidence that public sector commissioners get exasperated when voluntary organizations attempt to win funding on the grounds that they do 'good work'.

How Third Sector organizations articulate and demonstrate their value is an evolving area. This paper examines the range of added value that voluntary organizations bring to older people's services. In particular it draws upon a series of case studies from two English regions to assess the ways in which that added value can be articulated and demonstrated. The authors then reflect upon how Third Sector organisations could build the capacity (both intellectual and operational) to articulate and demonstrate their value(s) to funders, users, volunteers and wider society.

How can voluntary organizations help to transform care? Articulating 'Social Value'

Introduction

Many Western states have sought in recent years to harness the energies of voluntary agencies and charitable bodies in the provision of social care and welfare (Milligan and Conradson 2006; Ishkanian and Lewis 2007). These services are provided in developed economies by the state, the market, the household, and voluntary agencies in combinations that vary across time and place. In this paper we focus on the UK, where social care has been a 'mixed economy' since the second half of the 20th century (Glasby 2007; Billis and Glennerster, 1998). Markets and market like mechanisms introduced under the influence of New Public Management in the 1980s and early 1990s remain in place (Law and Mooney 2007). The New Labour Government that came into power in 1997 is associated with so called 'third way' politics, positioned between the new right's preference for market solutions and the public sector ethos of earlier Labour governments. Service models under this regime are said to be about partnerships, networks and trust, in contrast to bureaucratic or market alternatives (Ling 2002). One reform in recent years across the UK is heightened emphasis on delivery of social care and health by agencies that are neither state, market nor household (Cabinet Office 2006; Department of Health 2006; HM treasury 2007).

Within the academy, as in the world of policy, no single term is used to capture that part of the economy beyond the public and private sectors. It is variously called in English the 'voluntary and community sector', the 'social economy', the third sector and the more inclusive 'civil society', each of which has different nuances. 'Economie sociale' has a long history, being used since 1900, and is in vogue within the European Union. State agencies in the UK currently favour the 'Third Sector', perhaps on account of its verbal echo of the Third Way politics of New Labour (Haugh and Kitson 2007). For the sake of brevity (and consistency with current policy documents) we adopt the term Third Sector¹. Third Sector Organisations are: formal or institutionalised; separate from government; non-profit-distributing; and self-governing. Moreover they typically involve some degree of voluntary participation although many are professional organisations with paid staff (Billis and Glennerster 1998). Third Sector Organisations include charities, community groups, social enterprises (which make profits that are reinvested for social goals), and various 'umbrella' organisations that represent and support parts of the wider sector.

The role of the third sector in public services has become a key strand of the drive to improve public service delivery (HM Treasury 2007). This has been described as a revolution every bit as far reaching as the privatisation of nationalised

¹ Some commentary and reports we cite relate only to part of the Third Sector, for example charities or community groups and when this is the case we specify accordingly.

industries under Margaret Thatcher (Mathiason, 2005, quoted in Davies 2006). In recent years across the UK mechanisms have been put in place to ensure that the Third Sector shares responsibility with state agencies for providing services to those in need. Caring services for older adults are perceived as ever more demanding on public resources and likely to benefit from new ways of delivery that draw upon Third Sector experience and expertise.

The argument for mainstreaming TSOs is based on powerful claims that they can provide better service than state agencies. Grounds for these claims include: they have direct experience of the issue they seek to address; they are located in within communities; they are responsive to the needs of service users; and they can innovate. Together these are said to be important resources for the transformation of services. Many Third Sector Organisations (and umbrella organisations that speak for them) welcome opportunities to gain fee income, to improve services, and to influence policy Alcock et al. 2004; NCVO 2005; Blackmore 2006). Not all, however, concur that this agenda from central government should be wholeheartedly embraced. There are concerns within the sector that in taking up contracts for services specified by public sector funders, TSOs are likely to weaken their distinctive organisational values and become more like agencies of the state, or more like for-profit businesses. The sector as a whole, it has been argued, increasingly needs to work hard to assert its intrinsic value if it is to retain public trust and avoid becoming a stepping stone from the public to the private sector (Paxton et al. 2005; Moxham and Boaden 2007)

Against that background the aims of the paper are twofold. It attempts to synthesise the evidence from diverse academic and policy oriented sources for the main claims and counter claims about TSO contracting for the delivery of care. Then it contributes new insight from the experiences of TSOs that have had some recognised success in delivering services for older people under contract to public sector agencies in two English regions. The original data we report are drawn from case studies, and from a series of workshops in which representatives of organisations and public sector commissioners participated together.

The Third Sector as a service provider

Although service delivery by TSOs is currently high profile it is not essentially new (Blackmore 2006). Indeed there were examples of government contracting with charitable bodies 200 years ago (ibid.). The 1990 NHS and Community Care Act made voluntary organisations significant in the provision of services for disabled adults and older people. New Labour, elected in 1997, declared its intentions to boost the Third Sector's role in public services, and to improve the funding relationship with Government. The HM Treasury *Cross Cutting Review* (2002) called upon all government departments to engage more effectively with voluntary sector partners (HM Treasury 2002). Since then central government has injected money and put mechanisms in place to build capacity to increase the scale and scope of third sector involvement in service delivery at local level. It has also issued guidance to commissioners from the public sector to change practices that limit opportunities for TSOs (Audit Commission 2007). The Public Accounts Committee report *Working with the voluntary sector* (House of Commons 2006) criticized the Government's modest targets to date for increasing the involvement

of voluntary organisations in public service delivery. The Office of the Third Sector was created that year as part of the Cabinet Office and tasked with bringing about a 'a step-change' in the quality of interaction with government that third sector organisations can expect. Ongoing work by the Office of National Statistics (ONS) is trying to develop methodologies for assessing and monitoring the performance of public services delivered by third sector organisations in a way directly comparable with performance of public or private sector providers (HM Treasury 2007).

The perceived slowness of third sector take up of public sector commissions is being tackled on a variety of fronts. From the perspective of commissioners there is a need for new skills within Third Sector organisations to achieve compliance with externally defined standards. Solutions are in the form of guidance and training to address lack of expertise and produce more 'commission ready' third sector organisations, with skills to promote and sell their services (SCEDU 2008). More radical proposals are about reform of commissioning processes to ensure that the Third Sector plays a more significant role in needs assessment and service planning, as well as delivery. Although these solutions are often collated together under the headline ambition to increase the role of the Third Sector in public services, they draw on different sets of assumptions about the nature of public services and how to improve them. Mechanisms to open supply opportunities to Third Sector organisations are compatible with New Public Management in terms of supporting a plurality of providers to drive down costs, drive up standards, and increase choice. Incorporating the Third Sector as a strategic partner with public sector commissioners potentially aligns much more closely with notions of 'public value' that challenge the premises of New Public Management.

This section aims to briefly synthesis relevant evidence from UK sources. We take the main building blocks of the case for delivery of care services by TSOs and consider evidence that can help to assess the likelihood that by taking on contracts they contribute to transforming care. We consider in turn the themes of innovation and closeness to service users. Then we discuss cost and value, and introduce 'public value' as a framework for thinking about the Third Sector and public services

Innovation

The Third Sector's capacity for innovation is one of the strong claims that underpins the case for more involvement in public services. Innovation has been defined as:

Doing something new i.e. introducing a new practice or process, creating a new product (good or service), or adopting a new pattern of intra- or inter-organizational relationships (including the delivery of goods and services). Green, Howells and Miles (2001) quoted in Cunningham (2005)

Traditional social policy in Great Britain has emphasised the Third Sector's advantages in being innovative as a path finder and experimenter (Billis and Glennerster 1998). TSOs were the prime innovators of social welfare in the nineteenth century (Osborne et al 2008). There were outstanding examples of new

thinking and new ways of responding to unmet need after the establishment of the Welfare State. Children's hospices, for example, were an innovation that grew from a voluntary sector response to the closure of long-stay hospitals (Jackson and Robinson 2003). In the context of services for older people TSOs typically offer so called 'low-level' services that fill in gaps between specialist and universal public services. Small-scale local services can be innovative, especially in responding creatively to the importance older people attach to support to care for themselves, rather than being recipients of care (Clark et al. 1998).

Research by survey conducted in 1994 demonstrated that claims for innovative capacity in the third sector could be well founded although innovation was a response to imperatives from central and local government rather than an innate sectoral characteristic (Osborne 1998). A follow up study in 2006 found that innovative activity of TSOs had shrunk in that 12 year period (Osborne et al. 2008). The authors argue that this apparently counterintuitive finding is explained largely by changes in government notions of innovation, rather than changes within the sector. New Labour government pronouncements invoke innovation but it is identified with continuous improvement rather than discontinuity, as under a New Public Management framework. Osborne et al also argue that commissioning processes dominated by local authority approaches to risk management privilege the tried and tested over the innovative. Overall, however, there is little evidence for any causal relationship between innovation and different mechanisms for funding the Third Sector (Chapman et al. 2006). Retaining the innovative capacity of the sector is a significant concern for central government and the Office of Third Sector is developing a £1.2 million Innovation Exchange programme to support the sector's capacity to innovate (Audit Commission 2007)

Trust and closeness to users

In an era of growing mistrust in many public institutions, there is still at least the perception of higher levels of trust in the Third Sector (Paxton 2005). Moreover, TSOs claim to have greater ability to engage with and understand the needs of individual service users and communities than statutory or private sector providers. These are important planks in the political case for increasing the TS role in public service delivery. Billis and Glennerster (1998) proposed the notion of the 'comparative advantage' of Third Sector agencies over other sectors on account of ambiguous and hybrid organisational structures characterised by 'stakeholder ambiguity'. Stakeholder ambiguity refers to the lack of clear cut differentiation between the various roles of employer, employee, provider, recipient, volunteer, and others. This 'bewildering complexity of overlapping roles' (page 81), they contend, implies a flexible, changing and informal structure capable of responding more sensitively than the state or the market to the disadvantage of service users.

The Third Sector in England grew following the contracting out required under the 1990 NHS and Community Care Act. It also became more regulated, more competitive and more output driven (Tonkiss and Passey 1999). There is some empirical evidence in research commissioned by The UK Charity the Joseph Rowntree Foundation (JRF) on the transfer of service delivery to the sector following implementation of the Act. A study from the early 1990s reported that few TSOs that took on service delivery at that time had clear strategies to ensure

that users had a voice (Taylor 1997). A later study presented a more positive and nuanced picture of third sector practices in securing meaningful participation of service users (Robson 2004). Robson reported an important distinction between 'management-centered user involvement' - service users taking part in existing structures with the agenda defined by an organisation - and 'user-centred user involvement' - where service users' objectives and priorities became the organisation objectives and priorities of the voluntary organization (Robson 2004).

The issue of trust raises important practical concerns about Third Sector service providers' distinctive relationships with clients, and about the care of clients' personal information. In particular, the reporting requirement statutory agencies place on services they commission need to be able to respect the sensitivity of the client / organisation relationship. Public sector agencies' expectations with regard to personal information held by TSO providers they fund can become a source of significant tension (Baines 2006).

The relationship between acting on behalf of public agencies and closeness to service users remains contested. It has been claimed that at worst the delivery of public services means working towards 'a bureaucratic mandate laid down by the state' (Hodgson 2004). Moreover, commissioning opportunities may tempt under-funded TSOs to re-orient themselves from social to market goals (Haugh and Kitson 2007). The important notion of stakeholder ambiguity referred to above (Billis and Gennestrer 1998) implies that, unlike innovation, closeness to users is an intrinsic characteristic of Third Sector Organisations, but also a fragile one. They warned that contracting with public agencies, and associated organisational growth, may result in the diminution of TSOs' stakeholder ambiguity and so eventually lower their much valued comparative advantage.

Cost and value

Short term funding for TSO services was one of the barriers to government's effective working with the sector identified by HM Treasury (2002). The later Efficiency Review (Gershon 2004) recommended longer-term funding and full cost recovery as guiding principles. This is one aspect of third sector / government relations on which there is evidence from various sources that official commitments from central government have to date made little impact on the frontline. Research by the National Audit Office (2005) concluded that most TSOs had not seen any general improvement in funding practices since 2002, and in some cases they were perceived to have worsened. The Charities Commissions (2007) found that two-thirds of all funding agreements are currently for one year only. It also found that only one in eight charities delivering public services achieve full cost recovery all of the time. According to the Audit Commission (2007) the debate on full-cost recovery created a false expectation within certain sections of the voluntary sector that more money will be available for existing services.

Public sector business cases, procurements and contracting are predicated on the idea that there is a cost which can be calculated for a service. Following this logic improving the efficiency of processes which constitute a service will therefore reduce the inputs required and therefore a corresponding reduction in cost. Such notions overlook two important issues. Firstly, by framing delivery only in monetary terms only economic value is considered rather than the value of the service in a

holistic way. Secondly if the only means of measuring value is 'value for money' then the often called 'added value' (or 'values') of non-statutory provision can be difficult to ascertain (particularly when attempting to evaluate outcomes). Approaches that recognise social and environmental benefits that conventional financial returns do not fully capture are Social Auditing (Social Enterprise 2003), 'social return on investment' (SORI) (nef 2004) and impact assessment (AVECO 2008). Guidelines and templates based on these approaches are available to Third Sector Organisations but usage of them in practice is limited because for the most part only output type performance indicators are required by funders (Moxham and Boaden 2007).

Public value refers to the things that public services produce either directly or indirectly, using public money. A 'public value' framework emphasises outcomes, wider collective objectives, and reduced reliance on performance targets (Horner et al. 2006). Whereas New Public Management tried to make public sector organisations more like private ones, 'public value' declares this approach to be wrong-headed (ibid.) Service quality, according to a public value framework consists of three domains - services, outcomes, and trust/legitimacy (Kelly et. Al. 2002) Assessment of public perspective on issues of quality in all these domains is considered necessary to demonstrate the public value – and hence, quality and effectiveness – of specific public services. Public value as a theory is neutral about whether the public, private or voluntary sector provides a service (Horner et al. 2006) . Public value may strengthen the case for policies enabling the Third Sector to deliver more public services. The Association of Chief Executives of Voluntary Organisations has called for a shift in Government procurement practice towards more strategic commissioning and greater emphasis on added social value in contract design and evaluation. A recent set of practical initiatives instigated by the Office of the Third Sector is to explore the use of 'social clauses' within contracts to allow the contract to provide added social value through fulfilling a particular social aim. The use of social clauses, it is expected, will allow commissioners to consider broader social and community objectives as well as the costs and benefits of specific services. Work on such reform in the commissioning environment, however, remains at present exploratory (North East Centre of Excellence 2007).

Third Sector delivery of services for older people

In this section we turn to a series of case studies from two English regions in order to explore the range of ways in which TSOs can contribute to transforming aspects of care for older people by delivering services for state agencies. In particular we focus on claims to be user centred and innovative, and how these claims are articulated and demonstrated. The case studies were collected as part of a project entitled *Delivering public services in the mixed economy of welfare: Putting research into practice*. This was a project funded under the Economic and Social Research (ESRC) 'Impact Grants' scheme, which is intended to promote practical learning from research. The study included ten cases of TSOs delivering services for older people, five in each of two English regions, the North East and the East Midlands. Cases for inclusion in the study were selected in consultation with a 24 strong project reference group of experts from the third and public sectors. The cases were not intended to be typical, but rather instances of service delivery that

were thought to be successful and likely to offer useful learning material for others. The size and form of organisation and type of services varied widely. A summary is given in Appendix 1. Data were collected through interviews with a key informant, usually the TSO chief executive, together with consultation of documentary evidence. In order to convey the TSO's accounts of their achievements we begin by looking at the origins of the services they deliver under contract, and their rationales for entering into funding relationships with state agencies. We also held a series of workshops in which representatives of TSOs (including some of the case study organisations) and commissioners participated together and we draw briefly on these.

Entering into contracting

The age, size and history of the ten case study TSOs varied widely. Some were independent local charities allied to a large national federation dedicated to working for older people. Others began as very small groups, sometimes initially without paid staff, working for people with particular needs or for a neighbourhood. One group, for example, was originally formed by a few local women to combat the isolation of older people in their community by providing them with company and a good meal. An organisation that now has an annual turnover of four million pounds and 210 employees started as a local authority funded project for carers that became an independent charity with carers and former carers as advisors. The largest organisation (by a long way) was established 1990 as a not-for-profit company, became an employee owned partnership in 1995, and a listed PLC in 2007. It now has 4000 employees. The smallest and newest was registered as a charity in December 2006 and has only three employees.

Most typically the interviewees accounted for the origins of their public sector contracts by talking about how they first developed a service or services that addressed an unmet need. Often they spoke with passion of being driven by a conviction that people in need were not provided for at all, or offered only poor quality services by existing (usually public sector) suppliers. For example:

People with dementia were passed around like parcels; they and their carers felt powerless. Carers were frustrated with the lack of locally based services, leading to hospital and residential home admissions when what the people wanted was a 'home for life'

Initial sources of funding were often in the form of small, once off grants from charitable trusts. There were several accounts of progression from charitable grants to public service contracts. The rationale for moving in this direction was that public sector contracts are much more reliable income sources that enable valuable work to continue. As one Chief exec told us, 'because one funding stream ends does not mean the need has gone away'. One organisation, for example had started providing support for blind and partially sighted people via a small charitable grant, and continued to develop this work, which filled a gap in available services, with a series of successful bids to other charitable trusts. But all these grants were time limited and the continuation of the work always precarious:

We had spent time and energy building up expertise and it was stupid to wave all that goodbye when funding ended

The solution was seeking contracts from local authorities and health service sources. This was not a step to be taken lightly. Some other organisations, the Chief Executive told us, regarded it as 'opportunistic'. Another case study organisation took on a local authority contract when a much longer established TSO withdrew because it could not provide the service at the price the authority paid. At this stage, the Chief Exec explained, the organisation was only 5 years old and very vulnerable so it was a difficult and risky decision.

An alternative path into delivering commissioned services was formalising an existing relationship between the TSO and a local authority social service directorate, following legislation. In this case the rationale for being a supplier to the public sector was the same as those that had moved on from charitable grants, 'it's where the money is - we need reliable sources of income and this is one despite the problems'. At the same time responsiveness to users was stressed:

Through the service we can demonstrate how it can be done well and provided in a way that people want.

Service Innovation and transforming care

Most of the TSO Interviewees, whatever the origin of their service or nature of their contracts, emphasised their closeness to users, mainly older people and unpaid family carers within the local communities. Sometime formal consultation was undertaken, for example surveys or focus groups. Usually the TSOs described themselves as 'user led' in ways that reflect the notion of stakeholder ambiguity

Service users feel part of the service and many are involved in delivery
(Service for blind and partially sighted people)

The voices of people with dementia are constantly listened to and influence thinking and practice throughout [the organisation] ...the carers play a key role in developing and delivering the services, and in evaluating them
(Dementia Service)

Recurring themes in the interviews were being agents of change, and demonstrating how to do things better. Listening to older people and family carers, as illustrated in the quotations above, was closely linked to innovation and capacity to transform care. A provider of domiciliary care to dependent older people reported being able to 'change the culture' of home care services from a 'housekeeping approach' (as with in the in house provision by the Council) to a 'personal care' approach. The dementia service was described by its Chief exec as 'an innovative social care provider'. The organisation, she said, had been a 'pioneer' of independent supported living arrangements and by working with the local authority they had been able to 'lead the way – to put the city on the map'.

For some interviewees innovation was associated with new services mediated by technology. In the North East two of the case studies involved 'tele-delivery' of information services. Another reported working on a 'telecare' project to prevent falls and thought that in the future 'telecare' will become more important in facilitating older people to stay independent in their homes. Tele-mediation was not always positive and in one case had been tried and rejected. This project, run by a rural charity in the East Midlands, is a pilot specialist befriending service

providing support for people in the early stages of dementia in geographically isolated communities. The service originally began as a trial with telephone befriending but user feedback led to the pilot changing to a home-visit service.

It was commented in the workshops that the notion of the third sector as innovators - prevalent in rhetoric - does not sit well with commissioning agenda because commissioners buy what they want and won't or can't risk the untried. Not all Third Sector Organisations can or should participate in contracts with the public sector and grant funding, it was asserted, is particularly important for innovation

The case study TSOs had learned, changed and sometimes grown in response to new opportunities in an environment of policy 'churn'. Although income streams from public sector contracts were more reliable than alternatives, securing them was demanding and time consuming:

A high proportion of my time, energy and emotion is needed to deal with this constant battle to secure funding and bolster the morale of the staff
(Chief Executive).

Differentiation from other providers was important. Almost invariably the Third Sector case study organisations reported multi faceted and sometimes very close relationships with public sector personnel. Their Chief execs and other senior officers sit on partnership boards and local fora; many of them are extremely proactive in being present at high profile events. Interviewees did not use the term 'entrepreneurial' (although one of the Chief Execs we interviewed had received a voluntary sector 'Entrepreneur of the Year Award' in recognition of her pioneering work). However, almost all reported behaviour that can be described as 'entrepreneurial' - actively seeking opportunities, offering new services, energetic networking, and sometimes taking considered risks.

Demonstrating and articulating value

Despite the recognised success of the case studies in securing and delivering public sector contracts they faced a number of challenges. Most explained that they did not in practice recover their full costs from public sector contracts, although they were able to calculate their costs

Recovering the costs associated with using volunteers, for example, was reported in some cases to be particularly difficult. Volunteers, who give their time freely, are assumed to be a free resource whereas TSOs that involve volunteers have to recruit, train and organise them. Not all case study organisations used volunteers in service delivery and some were strongly opposed to the practice. For certain 'low level' support such as shopping or befriending however volunteer input was essential. During one of the workshops there was confrontation between Third Sector and Statutory participants on this subject. An assertion from one of the latter that the Third Sector perpetuates the idea that volunteering is cheap or free by not costing volunteers was countered by the argument that funders claim they sign up to Full Cost recovery won't pay. 'We have had bids rejected because we costed volunteers.'

Reasons for lack of full cost recovery were awareness of the finite budgets of public sector agencies, and the complex overlapping nature of funding arrangements which sometimes included contracts and grant income from the same source. A flavour of the pressures and compromises is captured by one Chief Executive:

[The City Council] is able to exert some downward pressure on Full Cost Recovery because of the sheer size of the contracts. They [the Council] make contributions to management costs through grant aid. In reality a price is negotiated to take into account the social services 'pot of money'; our overhead formula and differential payments for different categories of user..... We do subsidise our contacts because of our concern with quality. But if you can't make it pay you must complain, and we do. (Older people's charity providing domiciliary care)

One of the most difficult challenges reported in the case studies was giving an account of the value of their services in ways that make sense to public sector agencies. The largest case study organisation collated evidence efficiently with a central government audience in mind. Other case studies struggled with much more diffuse articulations of value. Some managed extremely complex 'jigsaws' of funding from various statutory bodies as well as, in some instances, charitable trust funding. Where there were several funders the data collection was particularly onerous.

If we work for 3 days a week in the local community and for clients of over 50 we satisfy two of our funding bodies. If those clients also live in social housing we may also satisfy a third funding body. It is for me to monitor the work to ensure that our statistics are balancing, balancing all the way through (Chief Executive of a community charity providing a 'home comforts' service)

It was also necessary to communicate this complex information to paid workers and volunteers, as the same Chief Executive went on to explain:

To demonstrate to the team the change from satisfying the requirements of one funding body to now satisfying several and each with their own client groups (geographically or by age) I have had to draw pie charts and Venn diagrams as illustrations to ensure that they have the full knowledge to develop a different way of thinking, working and dealing with the added pressure.

TSOs in the case studies reported that they provided funders with statistical information such as the service user's age, whether they have a carer, who they were referred by, whether they live in their own home, and the service received etc. They were often imaginative and resourceful in trying to evidence the 'softer' outcomes which seemed to them to better represent their real value. For example, the home comforts team said, 'we take photographs before and afterward the work is carried out which is a very powerful tool to demonstrate the type of work that our team undertake'.

According to workshop participants there are continuing dilemmas around recognising what counts, knowing something is a good outcome, and showing it convincingly.

Conclusions

The service delivery agenda in the UK is strongly driven by government and is unlikely to go away as it has widespread support across the political parties. The claims for its benefits to the sector and the wider community are often re-iterated, and a number of counter claims are made with passion by parts of the third sector. There is some work ongoing to make the commissioning process itself better able to recognise the value of Third Sector providers but this at present incomplete.

External imposition of particular quality standards or approaches to performance improvement by funders, purchasers and regulators has generated resistance in many organisations (Quality Standards Taskforce 2004). Public sector stakeholders, on the other hand, get exasperated when third sector organisations try to win arguments about funding on the grounds that they do 'good work' (Chapman et al 2007). This theme of poor communication and mutual misunderstanding was highlighted in the case studies and reiterated forcefully in the workshops. Third sector workshop participants complained that public sector bodies lack understanding of them. Many asserted that there is a gap between national policy on working with the sector, and interpretation at local level. Some want to improve understanding. There is also a perception (mainly but not exclusively from the public sector) that it is the responsibility of third sector service providers to make more effort to understand their public sector 'customers'. The metaphor of speaking and learning a 'common language' was often invoked to explain these tensions. All this is not surprising, given the evidence that Third Sector performance and value can be hard to define, much less measure, for individual organisations and for the sector. There are a number of ways in which organizations could begin to build the capacity (both intellectual and operational) to articulate and demonstrate the value(s) to funders, users, volunteers and wider society. For individual TSOs the following are important:

- Reflect upon the question, 'What's your organisation's theory of what it's for and what it does best?'
- Routinely gather evidence to understand what works and how the service improves outcomes
- Be clear about the real cost (even if they don't charge)
- Understand and manage stakeholders expectations
- Spread the risk and be creative, for example by working in partnership with others, building relationships and developing shared resources where possible

For the sector more broadly there are opportunities to work with the notion of public (or social) value in various domains, although this will not inevitably lead to the advantage of the whole sector. The private sector has a clear framework in which to articulate their 'do-gooding' in the context of Corporate Social Responsibility. The Third Sector cannot assume that just by BEING the Third Sector they qualify as doing 'good' work. More specifically, the sector needs to seize the opportunity to shape the current social clauses agenda by acting and theorising at a number of levels to distinguish their value(s).

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