

## Is the voluntary sector any different when it comes to delivering services?

The large-scale expansion of service delivery by voluntary and community organisations over the last 25 years has been nothing short of revolutionary for the group formerly known as the third sector. Historians of welfare services will correctly argue that there has always been a mixed economy of service provision, but the role of voluntarism, mutuals, charities and now social enterprise expanded under the Conservative administrations of the 1980s and took a great leap forward post 1997.

Much of our evidence of this growth relates to the last decade. Government funding has increased year on year from £8.4 billion in 2000/01 to £12.8 billion in 2007/08, equivalent to over one third (36%) of the sector's total income. Much of this increase reflects the greater significance of earned income to the sector, and particularly its greater role in delivering services under contract. Earned income from statutory sources has increased by 128% since 2000/01 and now stands at £9.1 billion.

It could be argued that much of this growth has occurred due to sheer force of will to open up service provision to independent providers, with a raft of policy reviews and guidance to commissioners. Importantly, this has been combined with a widely held belief that voluntary and community organisations deliver better outcomes more cheaply. But with an increasing focus on delivering outcomes, and achieving greater value for money, is there any evidence that voluntary and community organisations deliver better outcomes?

The answer to such a seemingly simple question is frustratingly complex. Any answer is firstly dependent upon which field is being reviewed. A study in 2007 by the then [National Consumer Council](#) on service users' experiences found that it was difficult to generalise about the service delivery by voluntary organisations, and that the role and contribution of such organisations was distinctive in one field (employment services), but not in others (social care for older people and social housing). Indeed, there are more likely to be variations in quality and outcomes *within* sectors, a finding of a recent Office for National Statistics review from the perspective of service users. The [MOPSU](#) study also looked at social care for adults, but also looked early years' education. In both cases, variations between organisations in the same sector were just as great as those variations between sectors.

It is worth noting in passing that both these studies were positive in their evidence that service interventions made a difference, and that voluntary and community organisations were no worse than maintained or private sector providers. The latter should not be overlooked, particularly as perceptions of 'voluntary' as a euphemism for 'amateur' persist amongst some. Interestingly, there is also little evidence to suggest that the sectors are particularly different in terms of cost, though again such findings are qualified by all providers' difficulty in identifying and apportioning costs. The sector is not out of the woods though: a recent [NAO report](#) on employment services funded by the Pathways to Work programme found that all sectors offered poor value for money in tackling worklessness, albeit in a recession-affected labour market.

These findings in art reflect a second dimension to any answer, that of what outcomes are regarded as being 'in scope'. In the case of the MOPSU approach, only outcomes that could be directly attributed to the service intervention were included in the study. Whilst the advantage of such approaches can demonstrate a clear link between resources expended by commissioners and users' quality of life, the disadvantage is that such an approach fails to take account of what NCVO has previously called the 'full value' of involving voluntary and community organisations in service delivery. Some of this value might not be in the relationship with the direct service recipient: it may instead lie in often-termed 'added value' services such as advocacy or research into service design on behalf of service users in the aggregate. Voluntary and community organisations can often, though not always, fund such activities through charitable donations. If commissioners value such activity as intrinsic to service outcomes, and voluntary organisations are unique in providing such services, it is going to become more important to measure their contributions to users' outcomes.

This is not to say this is easy: it is difficult to avoid the notion that measurement problems (what; how; when; for how long) are likely to inhibit some of the new approaches to funding service delivery by voluntary organisations, such as social investment bonds. These are predicated on the voluntary and community sector's ability to deliver better outcomes than statutory providers, and as such are attracting significant interest from policy makers. Pilots taking place this summer with organisations working in offender management are awaited with keen interest.

But back to the direct user experience of services. One of the key messages to emerge from such studies is that voluntary and community organisations are no different from other providers because contractual relationships often don't allow them to be. In short, commissioning practices have arguably squeezed out the full value that voluntary and organisations bring to the table. Also, evidence suggests that while contracting arrangements and performance management systems have indeed forced some voluntary and community organisations to become more professional, they have also become more bureaucratic as a consequence. What academics have termed 'isomorphism' has resulted in voluntary and community organisations becoming more like the institutions that commissioners sought to replace.

These are difficult, though not intractable, issues for all parties. They point to a future where commissioning based purely on outcomes for service users is sector agnostic; if so, this could lead to a retraction in service delivery by the sector in some areas, but expansion in others. They also suggest a reality that for some may be an inconvenient truth: it is not a given that any one sector is better than the other when it comes to delivering services. Moreover, such findings might suggest that any 'comparative advantage' might be more related to underpinning financial or delivery models rather than softer – and harder to measure – inputs such as proximity to users. Some voluntary organisations and community organisations may in turn make a greater contribution to better public services through lobbying and advocacy. But for a sector that is above all seeking the best possible outcomes for service users through independent action, this is no bad thing.

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