

# ***Advice in the future***

Scenarios and issues  
for the future of the  
advice sector

# Advice in the future: scenarios and issues for the future of the advice sector

NCVO Third Sector Foresight  
Natalie Williams and Megan Griffith

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# Contents

Introduction	2
1. The need for advice	4
2. Funding of the advice sector	10
3. Delivering advice services	17
4. The advice sector workforce	23
5. Scenarios for the future of the advice sector	28
So what? Now what? Analysing strategic implications	36
Authors and acknowledgements	39

Whatever plans we make, changes in the external environment constantly influence our organisations: reducing or expanding funding streams, changing government and regulatory priorities or policies, shifting social attitudes, new technologies, and so on.

All third sector organisations can become more successful by spending some time improving their understanding of the likely future shape of external changes and using this to make a stronger organisational strategy. Some view this as a luxury: “It’s only for rich charities”, or as impossible: “It’s stargazing! You can’t predict the future!” or think that it is just an intellectual exercise that won’t change what their organisation does. Others appreciate that it is one of the critical tasks of the Chair, the Board, the Chief Executive and managers.

This report provides an analysis of the future changes that are most likely to affect advice organisations in the next ten years.

## How to use this report

The report outlines important **drivers for change** in the advice sector operating environment.<sup>1</sup>

### *What are drivers for change?*

*Drivers are major forces or trends that could positively or negatively shape the future of your organisation.*

It is often easier for organisations to recognise risks than opportunities when thinking about the future. However, many drivers could have both positive and negative effects. We have tried to be objective in our discussion of the implications of drivers.

The first four chapters explore drivers in four key areas:

1. The need for advice services
2. Funding of advice services
3. How advice services will be delivered
4. The advice sector workforce

Each of these chapters outlines how the operating environment for advice organisations is changing, and the opportunities and challenges that may arise. The ‘Moving Forward’ panels suggest ways for you and your colleagues to put strategic actions and decisions into effect.

The fifth chapter presents some **scenarios** for the future.

<sup>1</sup>To learn about other drivers for change, visit [www.ncvo-vol.org.uk/3s4](http://www.ncvo-vol.org.uk/3s4) or read the latest version of NCVO Third Sector Foresight’s annual publication – Voluntary Sector Strategic Analysis [www.ncvo-vol.org.uk/vssa06/07](http://www.ncvo-vol.org.uk/vssa06/07)

## What are scenarios?

*Scenarios are visions of alternative futures. They can help organisations to think creatively about future opportunities and challenges.*

Making the most of this report depends on relating it to your own organisation. The final chapter, *So what? Now what? Analysing strategic implications*, can help you to do just that. You can use the tools suggested with your staff, management team or board to stimulate a strategic conversation about the future of your organisation. If you would like to develop further skills in understanding the external environment and integrating this into strategic plans, read our accessible guide.<sup>2</sup>

## A note on terms and definitions

In this report we generally use the term ‘**advice sector**’. However, we use the ‘**voluntary advice sector**’, when it is necessary to distinguish it from the private advice sector. These terms encompass registered charities, community groups, social enterprises and other independent advice providers that do not make a profit from the services they provide. We use these terms to refer to both dedicated advice agencies (what might be viewed as the ‘core’ of this sector) and to other third sector organisations that deliver advice as one of their functions or services.

We define **advice** as one-to-one support tailored to meet a particular individual’s needs, distinct from ‘one-to-many’ forms of information provision.

The terms **third sector** and **third sector organisations** are used to refer to the broader sector of which the voluntary advice sector is a part, encompassing charities, social enterprises, voluntary organisations and community groups.

<sup>2</sup>Looking out: how to analyse your organisation’s external environment (Performance Hub, 2007) [www.performancehub.org.uk/foresightskills](http://www.performancehub.org.uk/foresightskills)

# The need for advice

Changes to the demographic, cultural, social and economic composition of the UK, combined with increasing legislative changes, are likely to significantly affect the need for advice services. Advice organisations will need to take these changes into account when planning and securing funding for future services.

## At a glance

### Key drivers

- Rising life expectancy and falling birth rates leading to an ageing population
- Global population movement leading to new immigrants settling in the UK
- Decline in some support structures (e.g. religious membership, traditional families)
- Increasing debt and rising cost of housing
- Increase in the amount of new and changing legislation
- Increasing awareness of individual rights and growing assertiveness

### Opportunities



- Understanding changing needs allows organisations to provide appropriate and effective services
- Understanding changing needs helps organisations to access funding and to influence how services are designed and prioritised at a national and local level

### Risk



- A lack of awareness or understanding of changing needs can have a negative effect on the effectiveness of services and the ability to access funding and influence service design

## The UK population is ageing...

As life expectancy continues to rise and birth rates fall, the ratio of economically active workers per dependent is decreasing. The large 'baby boomer' generation, born in the 1950s, mean that by 2031 a quarter of Britain's population will be of pensionable age. The elderly experience higher than average rates of poverty and as a result are one of the groups most in need of advice. Older people, though, also remain one of the hardest groups for advice organisations to engage with (because of, for example, mobility challenges or an ethos of self-reliance). As life expectancy increases, and retirement ages rise, what it means to be elderly is changing with many baby boomers expected to enjoy unprecedented wealth and independence in their retirement. However, over time, drivers such as the increasing financial burden of long-term care for some individuals and pension shortfalls are likely to increase pensioner poverty.

## ... and becoming more diverse

Immigration into the UK is currently at its highest ever levels, partly driven by the expansion of the European Union in 2004 and 2006. A range of factors including globalisation and the continuing relatively strong performance of the UK economy with its high employment levels suggest that high levels of immigration will continue. Many immigrant groups experience marginalisation, isolation and high levels of poverty. This is particularly acute amongst asylum seekers who face barriers to employment and decreasing benefits. Advice will continue to be needed in a wide range of areas from accessing services and housing, to legal support with asylum applications – whilst changing legislation and benefit entitlements will increase confusion. Hostile media and public attitudes towards immigration, exacerbated by perceived links between immigrant communities and crime, and ongoing debates around multiculturalism and social cohesion, are likely to drive the continued marginalisation of many groups.

As the UK becomes more diverse, advice may need to be delivered in an increasing number of languages, either through volunteers or paid translators. This will be particularly challenging for organisations in geographical areas that are not traditionally ethnically diverse but which absorb new immigrant communities.

## Traditional family support structures are changing...

The classic extended family consisting of three generations living under the same roof is now almost extinct. Increased personal and social mobility also mean that it is less likely that generations of the same family will live in the same geographical area with exceptions amongst some ethnic minority communities.

The most significant change has been the increase in single person households over the last 40 years, due to a range of factors that includes women outliving their male partners and a rise in the age of first partnerships.<sup>3</sup> An increase in relationship breakdowns and births outside of marriage are also leading to more one-parent families. Changes to

<sup>3</sup>Changing household and family structures and complex living arrangements – ESRC Seminar Series

family structures may reduce a traditional source of stability, informal support and advice though, for many, friends now take on elements of this role. Lone parents in particular are more likely to need advice as they experience more problems linked to family relationships, housing, welfare, work, debt and mental health related problems<sup>4</sup>. Informal support structures are particularly important for young people, who also have a high need for advice services<sup>5</sup>, though young people are more likely than others to turn to their peers and may also be more comfortable interacting with online communities than older generations (see page 19).

### ...and religious affiliation is falling

Religious groups have traditionally provided a source of support to large sections of the population. Although religious belief still remains relatively high and new forms of personalised spirituality have developed, recent decades have seen a marked decline in religious membership and practices amongst the British population (particularly evident in attendance at Christian churches). A continued reduction in access to the support structures that religious groups traditionally provided may mean an increased need for more 'formal' or secular advice services. However, there are higher levels of religious practice amongst many ethnic minority groups (for example, 95% of Poles are practising Catholics<sup>6</sup>) and religious groups continue to play an important role in supporting marginalised immigrant communities.

### The performance of the UK economy has a significant impact on the need for advice

The economy is currently strong, but high levels of personal debt mean that the slightest change could significantly increase the need for advice in the areas of debt, welfare benefits, housing and employment. Although the economy is forecast to remain stable, there are signs that money could become increasingly tight for British consumers. Interest rates are rising and are predicted to rise again in an attempt to curb rising inflation and stabilise the property market. Unemployment has been consistently low over the past decade but it looks set to increase slightly in the coming years.

### Personal debt is growing...

Consumer debt in Britain is at record levels and double that of continental Europe, largely driven by easy access to credit and loans as well as the rising cost of housing. A rising 'have it now' culture has encouraged people to take on debt, which is more socially acceptable than it was for previous generations. Recent evidence has shown there are 8 million adults in debt with an average debt of £50,000 per household.<sup>7</sup> Debt is the most common subject about which individuals seek advice, with new debt advice agencies regularly emerging, especially as vulnerable people who are more likely to need advice (for example, those with a history of drug and/or alcohol abuse, or that hold a criminal record) are more than twice as likely to get into serious debt than the average person<sup>8</sup>. However, there are signs that debt is beginning to grow more slowly with some in the advice sector claiming that media stories about Britain's 'debt culture' are exaggerated.

<sup>4</sup>Causes of Action: Civil Law and Social Justice – Legal Services Research Centre

<sup>5</sup>Young People and Civil Justice: Findings from the 2004 English and Welsh Civil and Social Justice Survey – Legal Services Research Centre and Youth Access

<sup>6</sup>English Church Census

<sup>7</sup>Breakdown Britain – Social Justice Policy Group Interim Report

<sup>8</sup>Breakdown Britain – Social Justice Policy Group Interim Report

## ...partly driven by the ever increasing cost of housing

Housing-related issues are one of the most common topics of advice and this looks set to continue. House prices are still rising, though at a slower rate than previously, and large proportions of the population are now priced out of the housing market, placing greater pressure on the private and social rental sector. Rising prices are driven by increased demand and insufficient stock in some areas of the country, which is likely to continue given the changes to family structures and increasing immigration described above (the number of households in Britain is expected to rise by almost a quarter over the next twenty years)<sup>9</sup>. As first-time buyers increasingly stretch their financial capacity, any negative changes in the economy will have serious knock-on effects such as increased debt, repossession and, potentially, homelessness.

## Legislation is increasing and constantly changing...

Legislative changes, and in particular those relating to social welfare, increase the need for advice as the public seeks to understand their new entitlements, rights and responsibilities. Since 1997, the Blair government has created more new legislation than any other and at any time a snapshot is likely to show a number of new legislative developments on the horizon that could change the demand for advice services (for example, on the horizon at present are the Welfare Reform Bill, the Disability Discrimination Act, the Mental Capacity Act and the Single Equality Act). This puts pressure on advisors to keep up to date in order to provide accurate advice, and additional resources are also required to purchase up-to-date information, as well as access to training and specialist support. Much of the new legislation is related to a decreasing tolerance of anti-social behaviour as shown by the creation of 3,000 new offences in nine years. This may increase demand for legal advice, as well as advice relating to anti-social behavioural problems such as welfare, debt and mental health advice. These changes may have a disproportionate effect on those sections of the population who are already predisposed to need advice.

## ...and the public are becoming more assertive and knowledgeable about their rights

Much of the public is becoming increasingly empowered and assertive in relation to their needs and rights. This can be seen by the increase in compensation claims during the last decade, termed the 'litigation society' (although there is evidence to suggest this trend is starting to reverse<sup>10</sup>). The Commission for Equalities and Human Rights is extending the scope and raising the profile of discrimination, although there are concerns that marginal groups may be less well represented by a single equalities body. The last decade has also seen a rise in human rights institutions, frameworks and legal conventions. These are likely to lead to more awareness amongst the public of individual rights and more people seeking advice to resolve legal problems. The increasing rationing of public services by government and the choice agenda will also increase the need for advice.

<sup>9</sup>ODPM now Communities and Local Government quoted in *The Guardian* – 'Homes crisis feared as households projected to rise by nearly a quarter'  
<sup>10</sup>Better routes to redress – Better Regulation Taskforce



## *Moving forward*

- Is your organisation clear on how the needs of your users are changing? What role does monitoring and evaluation play in your strategic planning? How could an understanding of changing need help you to develop more effective services in the future? You could think about this in two ways:
  - Opportunities to **improve**: Could you change how you work or be more responsive?
  - Opportunities to **innovate**: Could you serve new or different users?

## Further reading

- *A Helping Hand: The Impact of Debt Advice on People's Lives* (Legal Services Research Centre, 2007)  
[www.lsrc.org.uk/publications/Impact.pdf](http://www.lsrc.org.uk/publications/Impact.pdf)
- *Ageing population: Facts behind the fiction* (BBC News, 2004)  
<http://news.bbc.co.uk/1/hi/programmes/if/3493352.stm>
- *Better routes to redress* (Better Regulation Taskforce, 2004)  
[www.brc.gov.uk/downloads/pdf/betterroutes.pdf](http://www.brc.gov.uk/downloads/pdf/betterroutes.pdf)
- *Causes of Action: Civil law and Social Justice* (Pascoe Pleasence, Legal Services Research Centre, 2006)  
[www.lsrc.org.uk/publications.htm](http://www.lsrc.org.uk/publications.htm)
- *Changing household structures and complex living arrangements* (ESRC, 2006)  
[www.esrcsocietytoday.ac.uk/ESRCInfoCentre/Images/ESRC\\_household\\_tcm6-15384.pdf](http://www.esrcsocietytoday.ac.uk/ESRCInfoCentre/Images/ESRC_household_tcm6-15384.pdf)
- 'Consumer Indebtedness' in *Breakdown Britain* (Social Justice Policy Group Interim report, 2006)  
[http://povertydebate.typepad.com/home/2006/12/breakdown\\_brita\\_1.html](http://povertydebate.typepad.com/home/2006/12/breakdown_brita_1.html)
- *Demographic aspects of population ageing* (ESRC, 2006)  
[www.esrcsocietytoday.ac.uk/ESRCInfoCentre/Images/ESRC\\_population\\_ageing\\_doc\\_tcm6-15714.pdf](http://www.esrcsocietytoday.ac.uk/ESRCInfoCentre/Images/ESRC_population_ageing_doc_tcm6-15714.pdf)
- *Globalisation, population mobility and the impact of migration on population* (ESRC, 2006)  
[www.esrc.ac.uk/ESRCInfoCentre/Images/ESRC\\_Seminar\\_Global\\_tcm6-16062.pdf](http://www.esrc.ac.uk/ESRCInfoCentre/Images/ESRC_Seminar_Global_tcm6-16062.pdf)
- *Housing crisis feared as households projected to rise by nearly a quarter* (Guardian, 2006)  
<http://society.guardian.co.uk/communities/news/0,,1731060,00.html>
- *Older People, Poverty, Poor Health and Wealth* (Ipsos Mori, 2006)  
[www.ipsos-mori.com/publications/mco/older-people-poverty.shtml](http://www.ipsos-mori.com/publications/mco/older-people-poverty.shtml)
- *Will house prices rise in 2007?* (Money Scotsman, 2002)  
[http://money.scotsman.com/scotsman/articles/articledisplay.jsp?section=Home&article\\_id=5713911](http://money.scotsman.com/scotsman/articles/articledisplay.jsp?section=Home&article_id=5713911)
- *Unemployment rates* (ONS, updated quarterly)  
[www.statistics.gov.uk/cci/nugget.asp?id=12](http://www.statistics.gov.uk/cci/nugget.asp?id=12)
- 'Social exclusion and social cohesion' in *Voluntary Sector Strategic Analysis 2006/07* (NCVO, 2006)  
[www.ncvo-vol.org.uk/vssa06/07](http://www.ncvo-vol.org.uk/vssa06/07)
- *Young People and Civil Justice: Findings from the 2004 English and Welsh Civil and Social Justice Survey* (Legal Services Research Centre and Youth Access, 2007)  
[www.youthaccess.org.uk/news/loader.cfm?url=/commonspot/security/getfil.cfm&PageID=3687](http://www.youthaccess.org.uk/news/loader.cfm?url=/commonspot/security/getfil.cfm&PageID=3687)

# Funding of the advice sector

Securing funding is essential to an organisation's survival and success. Growing pressures on public spending and changing funding for advice services will have significant implications for organisations. Successful fundraising begins with planning and a good understanding of how the funding environment is changing, and the opportunities and risks that might arise.

## At a glance

### Key drivers

- Public spending under pressure
- Increasing emphasis on value for money and efficiency
- A shift from grants to contracts and towards competitive tendering
- Growing pressure from funders to demonstrate distinctive value and/or value for money
- Proposals for increased rationalisation of and/or collaboration between advice service providers
- Government interest in devolving power to the neighbourhood level
- Interest in potential for charging for advice services

### Opportunities



- Growing recognition of third sector organisations as the voice of communities and opportunities to influence spending through Local Area Agreements (LAAs)
- Potential for improvement in procurement practice
- Potential to increase levels of individual and corporate giving from their current low base

### Risks



- Reduction in funding for advice as public finances come under pressure
- Competitive tendering and fixed fees may negate progress made on full cost recovery and favour large organisations or the private sector
- Performance indicators that are not adapted or appropriate, and fail to capture the 'soft' outcomes of voluntary advice services
- Devolved services may reflect the voice of the majority and ignore those of marginal groups

## Government spending is being squeezed...

With the voluntary advice sector receiving the majority of its income from local authorities and other statutory sources, any changes to government finances could have a serious impact on the sector. The recent period of higher public spending is coming to an end with tighter budgets expected over the next few years. The forthcoming Comprehensive Spending Review 2007 is not expected to be generous, and any spending increases are likely to be targeted at core services such as health and education. This means that services such as advice, which the government does not have a statutory obligation to provide, may be the first to suffer the knock-on effects. Public perception that recent increased spending on public services has not led to improvements means that tax rises to increase spending are extremely unlikely.

## ...leading to increasing pressure to deliver efficiency savings and value for money

These factors have put increasing pressure on the government to deliver better public services for less money, which has in turn led to a growing pressure to rationalise services through centralised funding arrangements and more collaborative working. The government believes that increased rationalisation will achieve a more efficient allocation of resources (for example, they can fund one large organisation instead of four small ones), as well as higher quality services. This is driving the current Legal Services Commission (LSC) proposals for CLACs (Community Legal Advice **Centres**) and CLANs (Community Legal Advice **Networks**)<sup>11</sup>.

Procurement practices that favour larger contracts, economies of scale and competitive tendering look likely to continue. This presents a challenge for small and medium-sized organisations, which may lose out to larger organisations. Fixed fee contracts may help the government to plan and drive down costs; there is a risk, however, that some suppliers will deliberately select the 'easier' cases and users, at worse leaving some users without help. This may also mean increased pressure to complete difficult cases more quickly – risking a lower quality of service.



### *Moving forward*

- What strategies can your organisation put in place now to manage potential future changes in funding?
- Can you diversify your income sources or work in partnership with other organisations?
- Being clear about what you offer commissioners could put you at a competitive advantage.
- You may wish to think about your position in relation to other players. Do you want to stay small and cover niche markets, or work towards targeting high volumes of clients to benefit from economies of scale?

<sup>11</sup>For an explanation of LSC proposals of CLACs and CLANs visit [www.asauk.org.uk/fileLibrary/pdf/Carterv2.pdf](http://www.asauk.org.uk/fileLibrary/pdf/Carterv2.pdf)

## Services are increasingly delivered under contract

Statutory funding for the advice sector is moving away from being delivered through grants to more formal contracting arrangements (e.g. through Service Level Agreements). This reflects a broader trend across the third sector; in 2003/04 for the first time, more money from the state came in the form of contracts – 53%, than grants – 47%. The procurement of services through contracts means that services are increasingly delivered according to the desired outcomes and terms of the statutory funder. Contract funding is also increasing complexity for financial managers who, particularly in small organisations, are often responsible for many other roles.

## There is potential for improvements in procurement practice

There is growing recognition of the role of the third sector. Reports from the National Audit Office (NAO) and the Public Accounts Committee advocating fairer procurement and sustainable funding arrangements have had significant impacts on government rhetoric on procurement practice, though implementation on the ground is still patchy – only 12% of organisations report achieving full cost recovery<sup>12</sup>. There are a number of sector initiatives to help organisations to build negotiation skills and confidence when negotiating contracts.

However, moves towards full cost recovery across the third sector could be hampered in the voluntary advice sector by the spread of competitive tendering and fixed fee contracts for services. Competitive tendering and fixed fee processes may place pressure on organisations to reduce their costs and average case times. This, in turn, may favour private sector or larger third sector organisations who can achieve economies of scale or those that have the better skills and capacity to win contracts. The result of this may be private sector organisations increasingly winning contracts, and then sub-contracting to voluntary advice organisations. This could be positive (e.g. more diverse range of organisations funding advice) or negative (e.g. higher overall overhead and transaction costs).



### *Moving forward*

- Recovering the full costs of a service could help to make your organisation more financially sustainable. Do you understand the true cost of new projects to your organisation?
- How can you develop your negotiating skills to improve your discussions with funders (potential and actual), and your chances of securing a good deal? There are a number of sector initiatives to help you build your negotiation skills and confidence (e.g. the Association of Chief Executives of Voluntary Organisations (ACEVO) full cost recovery template).
- Sometimes it is not possible to recover the full costs of a service. What strategic questions do you need to consider before deciding whether to deliver a service for below (or potentially above) cost?

<sup>12</sup>Stand and Deliver: The future of charities providing public services – Charity Commission

## It will become increasingly important to be able to demonstrate the value of an organisation's work

Due to growing competition for funding, it is becoming increasingly important for voluntary advice organisations to be able to demonstrate the outcomes of their work and the 'distinctive value'<sup>13</sup> of their services, particularly when competing with private sector providers. However, the advice sector is currently weaker at assessing outcomes<sup>14</sup> than the rest of the third sector. This is partly due to problems in quantifying and measuring performance; the outcomes of advice are 'soft' and difficult to assess because people who seek advice often have existing, interlinked problems. Finding the time, skills and resources to assess outcomes are also a challenge, particularly for small organisations. The introduction by the Legal Services Commission of a peer review system for preferred suppliers is part of a drive to achieve higher quality standards amongst organisations with legal aid contracts.<sup>15</sup>



### Moving forward

- There is growing pressure from funders to demonstrate the 'distinctive value' and/or value for money that voluntary advice organisations provide. Organisations that are able to demonstrate the lasting benefits, and distinctive value, of what they do will be more likely to secure funding.
- Do you have good systems in place to assess your outcomes, and the broader value you create (social, economic and environmental)?
- Does your organisation need to improve how it assesses and demonstrates the change it makes?

## Increasing local control of services and funding is 'in fashion'...

Government interest in neighbourhood governance, and recognition of third sector organisations as the voice of communities, has continued since David Milliband's (former Minister for Communities and Local Government) idea of 'double devolution' was floated in 2006. The recent Local Government and Public Involvement in Health Bill and the Lyons Review both place a heavy emphasis on devolution and flexibility of services at a local level. The bill sets out a clear expectation that councils must work in partnership with the third sector in order to recognise its 'expertise and enterprise' in shaping their local communities through involvement in Local Area Agreements. These policies offer an opportunity to further strengthen the role of the third sector in designing services and setting funding priorities, in addition to delivering services. However, setting funding priorities locally can cause particular challenges for those representing marginalised or niche groups – the 'voice of the majority' can often win through.

<sup>13</sup>**Distinctive value** – the distinctive benefits – of a service – being delivered by a third sector organisation as opposed to a private sector or public sector organisation

<sup>14</sup>**Outcomes** – the changes, benefits, learning or other effects that happen as a result of services and activities provided by an organisation

<sup>15</sup>From 2009, the LSC will only contract with 'preferred suppliers' who will be subject to a peer review rating and can offer a service from advice to court representation that covers all aspects of social welfare law

## ...yet the drivers for centralisation remain

However, there is a tension between a shift towards setting funding priorities locally, and central government's desire to improve efficiency and value for money (which has driven the LSC proposals discussed above to centralise funding and suggest new models for delivering advice). The implementation of these proposals depends on local authorities deciding to pool their resources with the LSC, and commission a single CLAC or a CLAN in an area. This would mean removing their freedom to fund other organisations to deliver advice according to local priorities, though recent developments by the LSC suggest more flexibility in designing local solutions than expressed in the original proposals.



### *Moving forward*

- What role do you currently play on local partnerships which determine local priorities and funding? How is your voice currently heard (or not?) in these forums?
- What impact would a CLAC or CLAN or similar delivery model in your area have on your organisation?
- Do you need to reconsider your position in relation to other players in your area?

## Individual giving and corporate giving remain low...

The advice sector receives a low percentage of its income from individual giving compared to the rest of the third sector. This may be due to the perception that advice is a service that should be, and often is, provided by the government (for example, 32% of the public do not know that Citizen's Advice Bureaux are registered charities<sup>16</sup>). A number of new organisations<sup>17</sup> are using the internet to make more information about the activities and impact of third sector organisations' work available to the public, in an effort to promote a more effective and rational allocation of available funds. There may be an opportunity for advice organisations to promote the value of their work and to increase individual giving through these channels.

There may also be an opportunity to increase corporate support for advice services. Although interest in corporate responsibility is increasing, corporate giving (e.g. donations and grants) to the third sector continues to be low and is falling (now just 1% of the third sector's income). This is due to a shift from corporate philanthropy (i.e. the giving of money) to broader notions of responsible business practices. However, there has been an increasing amount of money coming into the advice sector from the finance industry and most major banks now have a corporate social responsibility arm. This is partly due to recognition that they have a responsibility to tackle indebtedness; debt advice has been proposed as a potential use of funds from the release of unclaimed assets.

<sup>16</sup>MORI poll for Citizens Advice, 2005

<sup>17</sup>For example, New Philanthropy Capital – [www.philanthropycapital.org](http://www.philanthropycapital.org), and Intelligent Giving – [www.intelligentgiving.com](http://www.intelligentgiving.com)

## ...but charging for services may increase

There is a growing interest within the third sector and the funder community in trading or charging for goods and services, particularly in order to enable organisations to be more financially independent and sustainable. The idea of charging for some advice services has previously been perceived to be at odds with the third sector's principles but recent debates suggest that the idea is moving up the agenda, partly as a response to predicted reductions in income. It remains to be seen how these ideas will play out in practice and whether individuals or other indirect beneficiaries will foot the bill (e.g. insurance companies who get referrals as a result of advice).



### *Moving forward*

- Could you develop a new relationship with a private company? This could require extensive research into the activities and corporate responsibility practices of local businesses.
- Can you demonstrate that your organisation's mission fits with their social aims, and can you take advantage of non-cash support (e.g. in-kind support or employee volunteering)?
- Are you exploiting websites and online services such as [Guidestar UK](#) to promote your services to the public and to encourage them to consider donating money to your organisation?
- Could charging for services play a role in your funding mix in the future?

## Further reading

- *Carter, the future of legal aid and the Nfp sector* (ASA policy briefing, 2006)  
[www.asauk.org.uk/fileLibrary/pdf/Carterv2.pdf](http://www.asauk.org.uk/fileLibrary/pdf/Carterv2.pdf)
- *Estimating the Size and Nature of the Civil Legal Advice Sector in England and Wales* (Matrix Research and Consultancy, DCA Research Series 4/06, 2006)  
[www.dca.gov.uk/research/2006/04\\_2006.htm](http://www.dca.gov.uk/research/2006/04_2006.htm)
- *Local Government and Public Involvement in Health Bill* (NCVO policy briefing, 2006)  
[www.ncvo-vol.org.uk/policy/index.asp?id=3769](http://www.ncvo-vol.org.uk/policy/index.asp?id=3769)
- *Full Value* (Performance Hub, pending publication)  
[www.performancehub.org.uk/fullvalue](http://www.performancehub.org.uk/fullvalue)
- *Stand and Deliver: The future of charities providing public services* (Charity Commission, 2006)  
[www.charity-commission.gov.uk/Library/publications/pdfs/RSI5text.pdf](http://www.charity-commission.gov.uk/Library/publications/pdfs/RSI5text.pdf)
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- *UK Giving 2005/06* (CAF & NCVO, 2006)  
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- 'Chapter 7: Income' in *UK voluntary sector almanac 2006* (NCVO, 2006)  
[www.ncvo-vol.org.uk/almanac06](http://www.ncvo-vol.org.uk/almanac06)
- *Voluntary Sector Strategic Analysis 2006/07* (NCVO, 2006)  
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# Delivering advice services

Growing pressure to collaborate, advances in technology and changing public expectations are affecting how advice services are accessed and delivered. Advice organisations will need to respond and adapt in order to continue to deliver effective and innovative services.

## At a glance

### Key drivers

- Increasing government emphasis on partnership working and collaboration
- Growing sector recognition of the need to work in partnership with other providers in order to achieve more joined-up services
- Rising user expectations and assertiveness
- Increasing public access to and use of the internet as a source of information and support
- Efficiency gains in a range of customer-facing industries through the use of ICT

### Opportunities



- Better and more holistic services for users as a result of greater collaborative working
- Opportunity for organisations that work well in collaboration, or partnerships to access funding
- New online communities can provide new sources of peer-to-peer advice and support
- Webcams and live video links could improve access to advice for those in remote locations or with access difficulties
- Potential to make efficiency gains through use of ICT

### Risks



- Barriers to effective collaboration, particularly a lack of capacity (resources, skills and time)
- Risk of a 'one-size-fits-all' approach and a decline in specialist services
- Rising expectations of quality and access to services from users could present a risk if expectations are not met
- Increase in remote advice (delivered via the telephone and internet) could risk excluding some groups
- Potential for private sector to exploit efficiency savings offered by the 'offshoring' of services or alternative business models (e.g. the help desk model)
- Limitations of the web as a diagnostic tool, and the potential for users to seek advice with a preconceived idea of 'the answer'

## Collaboration and partnership working is increasing...

A rise in collaborative working can be seen as a consequence of the increasing government focus on achieving value for money and efficiency (see Chapter 2). However, there is also a growing recognition within the advice sector of the benefits (to both organisations and their users) of working within a network. With many organisations delivering advice, individuals are often overwhelmed by too much choice or 'referral fatigue' (where too many referrals can mean that a case is 'lost' between organisations). The message coming from government funders and independent infrastructure is unambiguous; collaboration of some form or another is increasingly seen as best practice. However, it is unclear where along the spectrum of models of collaboration (from mergers to collaborative networks) reality will play out in practice, and different areas are likely to find different solutions.

### ...though this presents many challenges

There is already a large amount of informal collaborative working within the advice sector due to the high numbers of referrals undertaken. However, collaboration on a more formal level is challenging and can often fail due to a lack of capacity, resources, skills and time invested by both advice organisations and local authorities<sup>18</sup> (as shown by the failure of previous attempts by the LSC to encourage collaborative working through Community Legal Services [CLS] Partnerships). These barriers are common to collaborative working across the third sector but are even more challenging in a sector comprised of small organisations, like the advice sector. Collaboration presents many challenges, including managing differences in organisational cultures and aims. As collaborative and partnership working increases, it will be important for the current diversity of services to be protected. A 'one-size-fits-all' model, or rationalisation with fewer but larger organisations, may have serious implications for the future well-being of vulnerable groups.



#### *Moving forward*

- Working in collaboration may be essential to secure funding in the future. Do you need to reconsider your position in relation to other players in your area?
- What questions does your organisation need to consider before entering into a partnership with another organisation (e.g. you may want to think about differences in organisational life cycles, cultures and aims)?

<sup>18</sup>Partnerships and the Community Legal Service: A summary – Advice Services Alliance

## Public expectations of services are rising...

Individuals increasingly approach public services as consumers. Expectations of services are rising, both in terms of quality and choice. Individuals are increasingly difficult to please and more assertive in voicing their expectations of services. People are less concerned about whom they receive a service from and more concerned by the quality of the service they receive. It is therefore increasingly important for voluntary advice organisations to differentiate themselves from advice services offered by the wider market.

The abundance of information now available online about the third sector is empowering citizens and also leading to reputational risks for organisations. Although the advice sector does not benefit from much individual giving, public trust in its services is still essential.

## ...particularly in relation to around the clock access

The last decade has seen the emergence of a '24/7' or 'always on' society with longer hours of commercial trading, and services offered over the internet and the telephone which are accessible anytime and anywhere. People increasingly expect organisations to be platform or channel-neutral (i.e. they expect to be able to interact by phone, web or in person). The future is likely to see increased pressure on advice services to adapt and reflect these changing expectations with significant implications for resources and skill sets.

There has already been an increase in telephone advice offered mostly through call centres (e.g. CLS Direct). However, this is primarily used for signposting and referrals and varies widely dependent on subject. An increase in telephone advice may result in a two-tier advice service that uses some form of triage or initial diagnostic process. However, there are potential risks in the efficiency and effectiveness of the service if a diagnosis is not carried out to a sufficient standard with highly qualified members of staff.

## The internet is increasing access to information (and advice...?)

Access to the internet has increased rapidly over the last decade, though growth is beginning to slow. 57% of UK homes now have an internet connection, with two thirds of these using broadband connections.<sup>19</sup> Internet access has dramatically increased access to information. In particular, a new generation of websites, which allow individuals to easily create online content and to network with each other, has increased the prominence of peer-to-peer information sharing and advice. 'Experts' no longer have the status that they once had and individuals are increasingly inclined to trust their peers rather than traditional sources of authority. There is a generation of 'digital natives' emerging; these are people who feel comfortable working, interacting and sharing information online with each other. Over time, this may result in an increase in online advice by email, file sharing and online communities of interest. This may be a particularly favoured method of access advice for certain groups of advice seekers. Use of the internet as a first point of access has risen by 11% in the last five years<sup>20</sup>; as internet access and use continues to rise, it is likely that it will increasingly provide a first point of access to advice, supplying initial information, diagnosis or referral.

<sup>19</sup>Internet access statistics – Office for National Statistics

Causes of Action: Civil Law and Social Justice – Legal Services Research Centre

## ...though remote advice provision has limitations

Online remote advice, through webcams or live video links, may provide an opportunity for advice organisations to reach dispersed rural communities or those with access problems such as the elderly or disabled. However, the extent to which remote advice services will flourish in place of face-to-face services is dependent on both technological and cultural factors. There is still strong evidence of a digital divide amongst the population (i.e. between those who are excluded from ICT use for reasons of skill competency or failure to see its relevance, and those who make regular use of it). A shift to advice offered through the internet may mean that those lacking in the skills, confidence or will to engage with ICT may become further marginalised. The government has recently shown that it continues to value the importance of face-to-face advice for certain groups by allocating £45 million for face-to-face debt advice.

It is also unclear whether the internet will change what is essentially a very personal, confidential exchange of information (as indicated by the slow success of telephone advice). Quality is another barrier to success; the variation and reliability of online information is a well-debated issue but of particular significance for the advice sector. Low-quality advice could have potentially serious consequences for vulnerable people. There are also associated risks with the web being used as a diagnostic tool and the potential effectiveness of users carrying out an initial diagnosis themselves. There will also be risks around data protection if advice is shared across online networks.



### *Moving forward*

- Can your organisation reach new audiences through ICT? Can you tap into the expertise of your users to build new knowledge communities, and host and moderate online peer-to-peer services?
- As online information (of varying quality) increases, what role can your organisation play as a trusted source of advice?
- Online services risk excluding some groups that access advice, and it is therefore important that the advice sector continues to support and combat any possible marginalisation that may occur. Does your organisation have a policy or strategy in place that ensures it accounts for any possible exclusion that online services might bring?

## ICT offers the potential to make efficiency gains

The use of ICT is also presenting the advice sector with the potential to make strong efficiency gains in the 'back office', and in overhead and workforce levels. The use of web-based forms, internet telephony and the electronic distribution of information materials all mean that use of ICT presents an ideal opportunity for organisations to deliver more efficient advice services and place them at a competitive advantage. It is becoming cheaper to implement an ICT strategy, with falling hardware costs and more

sophisticated and usable software. But the cost of developing a web-based access strategy, and the training costs this will incur, can still be too high for small organisations. Increased web access to advice services may place a strain on organisations in terms of capacity, resources and skills. As demand for services increases, the speed at which organisations are expected to deliver these will also increase.

The government is also championing ICT implementation through e-government targets which specify compulsory online working. With the majority of advice organisations funded by statutory funders, engagement with ICT will soon become an unavoidable requirement. In the last decade, the internet has made it possible to 'offshore' customer support services in order to save money (e.g. in the banking sector), although there has been a recent backlash against foreign call centres with companies moving back to the UK and exploiting the marketing potential of current public discontentment. The private sector may sense a profit-making opportunity in providing large-scale outsourced (and 'offshored') advice services via telephone and the internet.



### *Moving forward*

- How can your organisation use ICT to deliver advice services in a more efficient way and save your organisation money? Does your organisation have an ICT strategy in place?

## Further reading

- *Causes of Action: Civil law and Social Justice* (Pascoe Pleasence, Legal Services Research Centre, 2006)  
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- Collaborative Working Unit microsite, NCVO  
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# The advice sector workforce

Staff and volunteers are the lifeblood of voluntary advice organisations. A buoyant labour market, changing motivations of volunteers and an ageing population are presenting challenges and opportunities for recruiting and retaining a skilled workforce.


## At a glance

### Key drivers

- Continuing competition for skilled staff
- No clear career structure or qualifications for advice work
- Increasing public interest in work-life balance
- The 'professionalisation' and 'consumerisation' of volunteering
- An ageing workforce and rise in retirement ages

**Opportunities** 

- Importance of organisational values for employees can bring new people into the advice sector
- Integration of volunteering in the education system and career development structure
- Development of National Occupational Standards for legal advice will strengthen opportunities for training and career development
- Larger pool of active workers due to later retirement
- Government interest in volunteering produces increased investment and initiatives

**Risks** 

- Continuing recruitment and retention difficulties leading to skills gaps and shortages
- Growing competition for volunteers and trustees as 'experiential' volunteering increases
- Volunteers become more risk averse
- Unbalanced, ageing workforce due to high levels of graduate debt

## Competition for skilled staff remains high...

Competition in the labour market remains strong and this is especially the case for skilled employees. This is unlikely to change in the immediate future, even though the labour market is not as buoyant as it used to be with indicators of unemployment and joblessness recently on the rise. The voluntary advice sector experiences a higher labour turnover than the rest of the advice sector with 40% of voluntary advice organisations losing between one and three paid employees in the last year, in comparison to 29% in private practice firms and 33% for statutory organisations.<sup>21</sup> The prevalence of temporary contracts in the third sector, due to short-term funding arrangements, is a likely contributing factor. This presents challenges as the voluntary advice sector is largely made up of small organisations that are less able to absorb the high costs that staff turnover and recruitment difficulties can incur.

Competition for skilled staff leads to skills needs in the sector. The advice sector requires a workforce with a high level of specialist knowledge, and the voluntary advice sector experiences specific and generic skills gaps particularly in comparison to the private advice sector. ICT skills have been identified as the single biggest skills gap which may pose a barrier to organisations trying to secure funding as electronic working increases (see page 20). There is also a severe shortage of management skills such as planning and organising, project management and strategic planning in the sector, which can affect an organisation's ability to plan effectively for the long term.<sup>22</sup>

## ...and opportunities for training and career development remain low

The lack of secure funding in the voluntary advice sector and the reluctance of funders to pay for capacity-building means there are scarce resources for training and development in the sector. The result is that the majority of the workforce progress through work-based learning. One third of workers express some degree of dissatisfaction with the opportunities for promotion or career development offered by the advice sector.<sup>23</sup>

The low level of membership of professional bodies in the voluntary advice sector is also indicative of the lack of professional recognition that advice work holds in this sector.<sup>24</sup> The recent introduction of National Occupational Standards shows the sector is starting to address these problems, mirroring the increase in professional standards across the third sector (e.g. National Occupational Standards for fundraising and managing volunteers). Training and career development are playing an increasingly important role in staff retention in all sectors. This makes it difficult for the voluntary advice sector to recruit employees and, in particular, young graduates in debt. However, the third sector has some advantages when competing for skilled staff. The current trend in 'downshifting' shows that employees are increasingly motivated by the better work-life balance that the third sector can provide. In addition, the desire to experience a sense of purpose at work and to work for an organisation that puts organisational values into practice is becoming

<sup>21</sup>Advice Forward:  
Developing skills for the  
future – ADP  
Consultancy Ltd.

<sup>22</sup>As above

<sup>23</sup>As above

<sup>24</sup>As above

increasingly important to growing numbers of individuals. The voluntary advice sector needs to ensure that it retains its competitive advantage in this area.



### *Moving forward*

- As competition for skilled staff continues, can you attract staff by emphasising the flexible working opportunities, work-life balance, and strong organisational values that your organisation provides?
- Investment in training and career development are playing an increasingly important role in staff retention. What training and career development opportunities can you provide for your staff? These could include less expensive options such as shadowing or mentoring.

## **Motivations for volunteering are changing...**

Volunteers are increasingly motivated by experiences, personal fulfilment and development and their expectations will continue to rise in terms of quality and choice, reflecting common trends associated with consumerism. However, there is a risk that volunteer commitment to a particular organisation will become increasingly difficult to harness. Third sector organisations are reporting falling volunteer levels as a result of risk aversion and a perceptions of a 'litigation society'<sup>25</sup>. With the workforce of the advice sector predominantly comprised of volunteers, such trends could have a significant effect. This could be the case, particularly if bad advice is increasingly seen as a reason to sue an organisation or individual. Recruiting volunteers and trustees (both in terms of numbers and diversity) will remain a challenge for many advice organisations.

## **...but interest in volunteering is growing**

The government's recent interest in civil renewal and active citizenship have raised the profile of formal volunteering although tensions – between volunteering as a way of delivering services, and encouraging volunteering as a participative activity – remain. Raising the level of volunteering and community participation, especially youth volunteering, is now a key target for the government with several government initiatives being launched as a result (e.g. V, the youth volunteering charity). The government is seeking to create a volunteering ethos that will be embedded throughout the education system. Employee volunteering is another growth area with individuals increasingly seeking to engage in more varied and fulfilling activities than they experience at work. As volunteering becomes increasingly embedded in career progression, both during education and working life, there will be opportunities for the advice sector to present volunteering as a valid career path into the sector.

<sup>25</sup>On the safe side –  
Volunteering England



### *Moving forward*

- How can your organisation present volunteering as an entry point into the advice sector? Should you invest in volunteer recruitment and marketing?
- Outlining clear roles, responsibilities and opportunities for progression for your volunteers or introducing internship schemes could draw in a new generation of volunteers and lead to a rise in the status of advice as a professional career.

## **Rising retirement ages will present opportunities and challenges**

The ageing population (see page 5) will bring about changes to the advice sector workforce in several different ways. In the short term, the ‘baby boomer’ generation may provide a rise in the number of newly retired able volunteers. However, in the long term, as retirement ages rise to reduce the cost of state pensions, and more people are able to work longer if they choose due to age discrimination legislation, the age at which individuals stop paid work will rise. This could increase the pool of skilled paid staff, but could decrease the number of able volunteers. The advice sector workforce has an older age profile than the working UK population as a whole<sup>26</sup> and with a lack of younger people entering the advice sector, there are going to be more workers leaving the sector than entering it. This will lead to further pressures on the workforce.



### *Moving forward*

- Can your organisation offer more flexible working to attract older people who still want to work part-time or who want to combine volunteering with a longer working life?
- How can you attract younger staff to your organisation?

<sup>26</sup>Advice forward:  
Developing skills for the  
future – ADP  
Consultancy Ltd.

## Further reading

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- Workforce Hub  
[www.ukworkforcehub.org.uk](http://www.ukworkforcehub.org.uk)

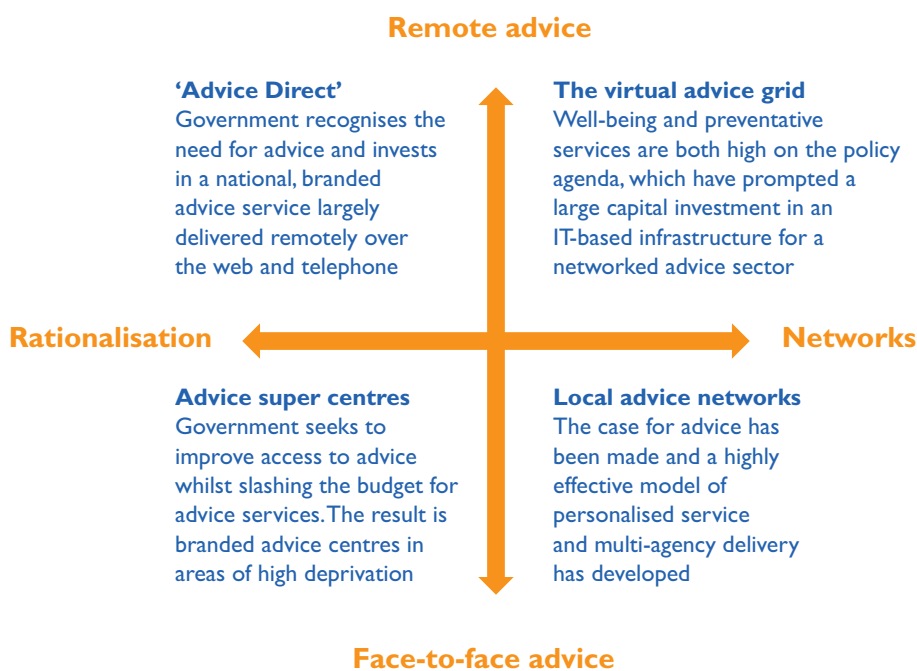
# Scenarios for the future of the advice sector

Scenarios are descriptions of alternative plausible futures. Using scenarios can be incredibly powerful. They can be particularly useful for organisations that find their environment is changing rapidly and in unpredictable ways. They can help you to think creatively about the future rather than just about the 'here and now'. Scenarios offer a way of making the potential effects of the drivers we have discussed feel real. However, it is important to note that this is a process of **anticipating** possible futures, not **predicting** what the future will actually look like.

The following scenarios draw out the possible implications of the drivers discussed into four extreme, but plausible, visions of the future of the sector. The four scenarios are based on two drivers around the funding, delivery and accessing of advice services. These drivers have been selected because they are both **important** and **unpredictable** (they could go one way or the other):

**The configuration of the advice sector:** Will funding drive the sector towards rationalised generic services? Or will the sector adopt more collaborative approaches and form effective networks to meet specialised needs?

**Modes of delivery:** Will the focus be on using the internet and the telephone to deliver remote advice? Or will face-to-face advice still be the primary mode of delivery?



## Four representative organisations

For each of the four scenarios, we have considered how the new operating environment would impact on four ‘representative’ advice organisations. In 2007 these four fictional organisations would look like this:

1. **Petercastle Advice Agency** is a large city-based agency formed from the merger of several smaller agencies. The organisation has 30 paid staff, 60 volunteers and an annual income of £1 million.
2. **Wellham Action Centre** is an action centre located in a deprived inner-city area that provides a range of services, help and support, including advice. The organisation has two members of staff, 17 volunteers and an annual income of £70,000.
3. **Tannelbridge Youth Advice Centre** is a youth advice centre located in a small market town, providing a range of advice and services to young people. The organisation’s workforce includes two dedicated advice workers supported by eight volunteers and an annual income of £450,000.
4. **Barnshire Community Advice Centre** is a small advice agency located in an affluent rural area. The organisation has one member of staff, five volunteers and an annual income of £30,000.

For each of the four scenarios above we have developed a narrative. These were developed with a group of advice sector experts (see page 39 for details). However, they do not represent a policy position or the aspirations of any of the participants or their organisations. We do not envisage any one of them materialising as they are described here. The point of them is to promote discussion within your organisation about how the drivers will create practical opportunities and threats, and help you consider what actions you can take now to help your organisation survive, flourish and meet the needs of your users in the future.

### ‘Advice Direct’: Rationalised remote advice services

**In this scenario, government recognises the need for advice and invests in a national advice service with a single brand. As funding is tight, this is largely delivered remotely over the web and telephone.**

By 2015 a two-tier advice sector has emerged. The main source of advice is a government branded service known as ‘Advice Direct’. It offers advice on a wide range of issues including advice on issues that the advice sector did not cover in the previous decade (e.g. advice on food safety and selecting schools). There is a wealth of online information via the service and a public at ease with using the internet is happy to look for solutions online and self-diagnose up to a certain point. When one-to-one advice is required, there is a secure online messaging system and a telephone helpline.

Some face-to-face advice is still available; however, government money for this is limited and many advice organisations have to charge fees for face-to-face consultations to sustain themselves. Fees vary around the country depending on the additional support that organisations can access, and whether they can secure deals with third parties (e.g. insurance companies) to cover costs.

Although a single brand, Advice Direct is delivered by a number of organisations (though far fewer than received public funds in 2007) selected through competitive tendering in 2013. Those delivering the service include: private sector organisations that have identified ways to make a profit from this work; and larger voluntary advice organisations (many of which formed through mergers as plans for Advice Direct emerged around 2010).

The public is reasonably happy with the Advice Direct service and there is high awareness due to large government investment in marketing. There is some mistrust of this big faceless government provider, and concerns about the independence of the advice. Cases of individuals suing when they have received misleading advice are on the rise. Satisfaction levels decrease when individuals need complex face-to-face advice and find that they are expected to pay for it. However, as advice remains a non-statutory requirement, the government is not too concerned by this.

A two-tier workforce has emerged. A large low-paid workforce answers web-based and telephone queries through the Advice Direct service, with a smaller specialist workforce providing face-to-face advice for more complex cases. Emphasis on customer care, risk management and processing cases quickly and efficiently has put off potential volunteers; as a result, volunteer numbers have declined rapidly. Unions have moved in and are campaigning for better conditions and pay for the workforce. One of the challenges that big VCS providers have to face is the balance between keeping staff in the UK and 'offshoring'.

### *Our representative organisations*

- **Petercastle Advice Agency** merged in 2010 with three other city-based agencies and won a contract to deliver part of the Advice Direct service. It also delivers face-to-face advice in its city. It charges most users for face-to-face advice but provides free advice to some, subsidised from the small surplus they have achieved through the Advice Direct contract.
- **Wellham Action Centre** can no longer access any funding to provide advice. An outreach worker from the Advice Direct provider in their region runs a surgery once a fortnight and a small team of volunteers help users without access to the internet, or without computer skills, to access the online Advice Direct service.
- **Tunnelbridge Youth Advice Centre** merged with other similar organisations in 2011 and won a contract to provide specialist youth advice via Advice Direct. It runs a limited face-to-face service which is funded by a trust that provides grants for services for young people.
- **Barnshire Community Advice Centre** folded in 2009, as funding dried up.

## The virtual advice grid: Networked remote advice services

**In this scenario, well-being and preventative services are both high on the policy agenda. This has prompted a large capital investment in an IT-based infrastructure for the advice sector.**

In 2015 advice is provided by a large number of organisations and individuals, connected by a virtual advice grid. There are a plethora of providers, some small and some big, some private sector and some third sector. There is little central co-ordination but all providers try to serve the holistic needs of individuals and referrals to other providers are commonplace. All organisations and individuals on the grid are quality assured.

A central feature of the grid is an advice record spine, which stores an individual's records securely online so that a range of advice providers can access them easily. The standardisation of records (as required initially) caused significant problems for some organisations, especially for smaller ones with limited resources. Confidentiality of shared records and data protection is a significant concern. In 2014, a reported case of misuse of sensitive material damaged public trust and some now see advice providers as part of a growing surveillance society.

Despite learning from the problems in building an online IT records system for the NHS in the previous decade, the advice records spine was delivered late and over budget. However, by 2015 it has significantly improved the service that individuals receive as they are referred across a number of organisations.

Although competitive tendering remains, local authorities are required to consider funding voluntary advice organisations, particularly small ones where they demonstrate that they can achieve better outcomes for users than other providers. As much advice is delivered remotely, many organisations win funding in a number of geographical areas that are often quite dispersed. Collaborative working, and in particular the effective referral of individuals to other organisations, is required in the terms of all contracts.

By 2015 the use of the web is embedded in every area of life. The public expect to be able to access advice around the clock and this pressure has put a strain on organisations to respond quickly to requests for advice. The role of peer-to-peer support online has grown and the majority of people link online with others who share problems or histories with them. Therefore, the need for some areas of less complex advice is now met through informal networks and online communities.

### *Our representative organisations*

- **Petercastle Advice Agency** has become a regional centre of excellence and the base for circuit riders (advisors with particular areas of expertise) who travel around and build capacity within smaller organisations. The circuit riders are funded by grantmaking trusts and foundations interested in building the capacity of the advice sector in order to provide more preventative services.
- **Wellham Action Centre** did not meet the quality standards needed to join the advice grid due to staff retention difficulties. It is no longer funded to provide any advice.
- **Tunnelbridge Youth Advice** is an important member of the advice grid as it provides a specialist area of advice. It has grown after winning a number of contracts in different areas. Competitive tendering means that it regularly loses contracts but revenue is usually replaced by a new contract won elsewhere. A lot of time is invested in sustaining funding.
- **Barnshire Community Advice Centre** changed its focus in 2012 to hosting a number of self-help groups. Its users access advice remotely through the advice grid.

### **Advice super centre: Rationalised face-to-face advice services**

**In this scenario, government seeks to improve access to advice whilst slashing the budget for advice services. The result is branded advice centres in areas of high deprivation.**

By 2012 a combination of competitive tendering, government efforts to save money and frustration with poor collaboration between advice providers resulted in most local authorities granting one large contract for the provision of advice services in their area. In 2014, due to further pressures on public finances, the government indicated that only local authorities serving areas of high deprivation have to fund advice services, and provided some additional funding to these authorities for this purpose. In an effort to be seen to improve advice provision, without large expenditure, the government launched a rebranding exercise of these advice centres.

As a result, in 2015, the majority of government funded advice services are provided by newly rebranded advice centres. The centres have extended opening hours and are under pressure to process users quickly and efficiently. There is no funding for the more complex assessment of outcomes. Core funding is limited and most centres survive through a mixture of project funding, which changes depending on the latest policy priorities (e.g. debt advice, employment advice etc.). The vision of a holistic service is hard for most to achieve. Services are largely means tested and individuals with an annual income over a particular threshold are expected to pay towards the advice they receive. The middle classes avoid the advice centres preferring to pay for the more personalised services provided by private sector organisations.

A mixture of paid staff (on poorly remunerated, short-term contracts) and volunteers deliver services. Turnover of both paid staff and volunteers is high due to the considerable pressures to process users and high levels of bureaucracy required by the funder.

As public satisfaction with advice services decline, there is a backlash against the big branded advice centres. Local volunteer-led services begin to come up from the grass roots. Although not 'quality marked' or adequately funded, they begin to develop innovative delivery models and attract the interest of independent funders.

### *Our representative organisations*

- **Petercastle Advice Agency** was well placed to win a contract to deliver two advice centres in deprived areas of the city, though they are in constant dispute with the local authority over funding levels.
- **Wellham Action Centre** still provides advice, as there is still a large unmet need, particularly for non means-tested services. However, they signpost people to the local advice centre where possible.
- **Tannelbridge Youth Advice** is subcontracted by the advice centre to provide specialist youth advice workers at the centre two days a week. Their staff complain about conditions in the centre and the speed at which they are expected to process users. The organisation is in discussion with other youth service providers to explore alternative funding routes to develop a better service.
- **Barnshire Community Advice Centre** closed in 2014 after their local authority was no longer required to fund advice in their area and they could not secure alternative funding.

## **Local advice networks: Networked face-to-face advice services**

**In this scenario, the case for advice has been made to government and a highly effective model of personalised service and multi-agency delivery has developed.**

The focus is on face-to-face advice, with a remote (telephone and email) service confined to providing a simple triage and referral service. This was prompted by a decline in public confidence in the remote advice provided by outsourced privately run call centres in the latter part of the previous decade, and also by an increasing evidence base about the better outcomes of face-to-face advice.

Between 2008 and 2010 a localised model of planning and commissioning advice services was embedded. By 2015, all local authorities do an assessment of advice needs in their area and increasing numbers are involving voluntary advice organisations in this process.

Learning from previous reforms in health care and criminal justice (namely the care pathways and national offender management models), a tiered service has emerged, with funding prioritised for people with more complex needs. This has enabled government to continue to reduce funding for advice whilst still meeting the needs of the most at risk groups.

Advice services are provided by a wide range of providers, within local networks. Collaborative working arrangements are commonplace and diverse, though mergers are now rare. Most providers are still relatively small and specialised, providing a niche area of advice. Organisations are very flexible, often co-located with another advice organisation or another public service delivery organisation. With the more widespread use of 3G phones, video conferencing is a common way to communicate with advice workers.

A new type of advice professional has emerged – the caseworker. Just as the NHS consultant became increasingly important in the 1990s, now the caseworker is playing a very important role in managing more personalised services, taking responsibility for managing a user's case from triage to conclusion, passporting the user across a range of small specialist advice providers.

### *Our representative organisations*

- **Petercastle Advice Agency** was initially worried about the shift towards more specialist advice provision within a network. However, it promoted itself to the local authority as the simplest solution for meeting the advice needs of the area, and won a large contract. It now purchases specialist advice from a wide range of advice providers in the city on a case-by-case basis.
- **Wellham Action Centre** no longer provides formal advice. It did not have the expertise in any particular area of advice to attract funding under the new model.
- **Tannelbridge Youth Advice** is thriving. It is recognised as the expert in youth advice in the area and receives funding from both the local authority and for individual cases via other organisations.
- **Barnshire Community Advice Centre** has restructured and become a mini network of individual advice workers based around the rural community. Each advice worker receives individual commissions from the regional triage service.

## What do these scenarios reveal about your organisation's strategy?

When reading the scenarios above, you may like to think about the following questions:

- What risks and opportunities would these scenarios present for your organisation?  
Consider:
  - Needs of your service users
  - Funding (who will fund you and how will you be funded?)
  - External stakeholders (who will they be and what will be their needs?)
  - The range of services your organisation offers (what will your services look like?)
  - Systems and infrastructure (how will your organisation be arranged and where will you be located?)
  - Human resources (what core competencies and skills will you need? Who will be working for you?)
  - Competition and collaboration (how will you be working with other players? What will your relationship be with external stakeholders?)
  - Technology (what technologies will you need?)
- Are there common issues for your organisation across all four scenarios? If so, can you start planning and taking action on them now?
- What are the issues or trends your organisation will have to keep an eye on in the future?
- Are there important stakeholders in your organisation's future who you don't engage with? Who should you involve in your strategic thinking?
- Where are your opportunities to shape the future? What issues and areas can you influence now to affect what happens?

### Further reading

If you would like to find out more about scenario planning, read *Picture This: a guide to scenario planning for voluntary organisations* (NCVO, 2006)

[www.ncvo-vol.org.uk/picturethis](http://www.ncvo-vol.org.uk/picturethis)

# So what? Now what?

## Analysing strategic implications<sup>27</sup>

**So what might all of this mean?** An early step in strategy development and implementation is to get information about potential opportunities and risks from your external environment, think about the implications, and feed this into decision making about future direction and priorities. This five-step tool will help you with this process.

### Step One: Build your own list of potential opportunities and risks (drivers)

Throughout this report you have been encouraged to think about the implications for your organisation. Revisit in particular the 'At a Glance' summary pages and the 'Moving Forward' boxes and consider the drivers from the external environment most likely to have an impact on your organisation. Consider the likelihood of them having an impact on your organisation and the level of their impact – and allocate them a table like the one below.

Impact	High		
	Low		
		Likelihood	High

Focus on the top right hand box – most likely to have a big impact. Isolate the top 6 drivers (opportunities and risks) to work on further, as they will be crucial to future strategic decision-making. Value judgements are OK at this point, but check them out with others later.

### Step Two: Your stakeholders and how these drivers will impact on them

Stakeholders are those who have an interest in what you do. They may be funders, supporters, policy makers, or other players. Make a list; rank your stakeholders in terms of those who have most *interest in you* and *power over you*.

**Consider the top 6 drivers for them** – if something is of importance to someone you are close to – then it's good to really unpick and understand the potential implications for them as well as you.

**Reconsider your Top 6 drivers (opportunities and risks) in light of this analysis.**

<sup>27</sup>Developed by Caroline Copeman, Centre for Charity Effectiveness, Cass Business School; Megan Griffith, NCVO Third Sector Foresight; and Jake Eliot, Performance Hub

## Step Three: Assess the implications for your organisation using the Strategic Implications Grid

So what might the impact be? Consider this for your top 2 stakeholders and for yourself, using the grid below as a guide:

Your Top 6 Drivers	How could each driver affect your organisation?						
	Service users	Aspirations Mission	Strategies Governance	Relationships Influence	Product/ Service Portfolio	Systems Skills Technology	
	How could each driver affect your top two stakeholders (S1 & S2)?	S2					
		S1					

Now what might you do about it? **‘So what? Now what?’** is a very simple technique to help you convert useful generic information into something that will be meaningful for your organisation. You should now have a more detailed analysis of how the drivers in the external environment could impact your key priority stakeholders and your organisation.

### Step Four: Involve others to really mobilise thinking and get results

A big benefit of strategic thinking and planning is the alignment, integration and consensus that comes from doing this kind of thinking with other people. If your efforts so far have been pretty much on your own, think now about who you need to involve to mobilise effort, focus thinking and get the right decisions made. Make a list of the individuals you need to involve from your organisation and wider network:

Decision makers	Influencers (of opinion)	Activists (those who get things done)

Aside from this being a really useful networking list (people you need to pay attention to), these are the people you need to **get involved** with to talk about the strategic choices and issues you’ve prioritised, widen their scope and get more input. Call them in and get them thinking too – maybe in a workshop<sup>28</sup>. Get them to add to the **‘So what? Now what?’** challenge.

### Step Five: What options do we have? What’s the best response?

The response your organisation makes will be dependent upon a wealth of other things: e.g. your capacity/ability to respond; what else is already on your agenda (and remains vital) and so on. It’s important to mobilise your resources to consider how to make the most of the opportunities that present themselves and minimise the effect of the risks. You will be faced with a number of strategic options – different paths to take. No tool can help you develop these but you can use Force Field Analysis, Risk Analysis and Cost Benefit Analysis to sort the wheat from the chaff. The strategic planning toolkit, *Tools for Tomorrow*<sup>28</sup> will help with all these vital tools.

<sup>28</sup>As well as providing tips on how to set up strategy workshops, *Tools for Tomorrow* (NCVO, 2005) gives lots more tools and information about the strategy development and implementation process [www.ncvo-vol.org.uk/tools](http://www.ncvo-vol.org.uk/tools)

# Authors and acknowledgements

**NCVO Third Sector Foresight** helps voluntary and community organisations to identify and understand the strategic drivers that may impact on them, and provides tools to help organisations transform this understanding into robust strategies that can directly improve their effectiveness.

NCVO is the umbrella body for the voluntary and community sector in England. NCVO works to support the voluntary and community sector and to create an environment in which voluntary and community organisations can flourish.

[www.ncvo-vol.org.uk/3s4](http://www.ncvo-vol.org.uk/3s4)

This report was developed in partnership with the Performance Hub and adviceUK.

The **Performance Hub** works to help voluntary, community and social enterprise organisations achieve more in a number of ways, including helping organisations to think ahead.

[www.performancehub.org.uk/thinkahead](http://www.performancehub.org.uk/thinkahead)

**adviceUK** is the UK's largest support network for free, independent advice centres. adviceUK was formed in 1979 as the Federation of Independent Advice Centres (FIAC).

[www.adviceuk.org.uk](http://www.adviceuk.org.uk)

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\* Participants at the scenarios development workshop



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