

Institute of Public Care
Website: <http://ipc.brookes.ac.uk>
Email: ipc@brookes.ac.uk

8 Palace Yard Mews
Bath BA1 2NH
Tel: 01225 484088
Fax: 01225 330313

First Floor Midland House
West Way, Botley
Oxford OX2 0PL
Tel: 01865 790312
Fax: 01865 248470

Registered in England 2299189
VAT Registered 490 9430 29GB

Yorkshire and the Humber Joint Improvement Partnership

Volunteering for change: Challenges and opportunities for the voluntary social care market

A report for commissioners

February 2011

Acknowledgement and copyright

This paper has been funded by the Joint Improvement Partnership in the Yorkshire and the Humber Region. It has been prepared by the Institute of Public Care, Oxford Brookes University to whom all copyright issues should be addressed. It should not be reproduced in full or in part without permission.

Yorkshire and the Humber Joint Improvement Partnership

Volunteering for change: Challenges and opportunities for the voluntary social care market

1 Introduction

This paper aims to explore, in the context of national policy, the future role of the voluntary sector in the social care market. It suggests a framework by which the value a voluntary sector organisation might offer could be assessed and on which funding decisions could be made. It is intended to promote discussion within the Yorkshire and Humber region between voluntary sector organisations and local authorities.

2 The policy context

It must be a strange and somewhat schizophrenic time to be working in the voluntary sector. On the one hand government pre- and post election has pushed the role of the voluntary sector and communities to the forefront of public attention with its concept of 'The Big Society' and its desire to reduce the role of the state as a provider of services. On the other hand reductions in local government funding potentially threaten the future of many voluntary organisations. NCVO boss Sir Stuart Etherington highlighted the dilemma as follows:

"Local authorities will have a key role to play in determining whether the rhetoric of the Big Society matches the reality. Therefore, while I welcome the commitment to devolution, I fear that if the Government simply leaves it to local councils, many will squeeze out the sector at this level – reducing the size of both the state and civil society at a time when both are needed most"¹.

In essence the 'Big Society' concept is an off shoot or further manifestation of the government's desire for personalisation. It aims to use the concept to redistribute power from the state to people and communities. There are three themes at the heart of the policy.

1. **Empowering communities:** *Giving local councils and neighbourhoods more power to take decisions and shape their area.*
2. **Opening up public services:** *The Government's public service reforms will enable charities, social enterprises, private companies and employee-owned co-operatives to compete to offer people high quality services;*
3. **Promoting social action:** *Encouraging and enabling people from all walks of life to play a more active part in society, and promoting more volunteering and philanthropy².*

¹ Cass Lecture: "Building a Better Society" Stuart Etherington 3rd November 2010

² Building a Stronger Civil Society, HM Government 2010

'Building a Stronger Civil Society' outlined a number of reforms designed to stimulate the voluntary sector, including help for businesses to support the sector, the creation of 5,000 community organiser jobs, and a big society bank designed to grow social investment. The Spending Review³ whilst announcing cut backs across local government also outlined a variety of ways in which the voluntary sector would be supported other than through local government funding.

- £470 million will be allocated over the Spending Review period to support capacity building in the voluntary and community sector.
- A transition fund of £100 million will be set up to provide short term support for voluntary sector organisations providing public services.
- Private and voluntary sector providers working in the field of offending will be paid by their ability to deliver reductions in reoffending.

Of course 'Big Society' is not only about social care but the full range of voluntary and community activities across sectors such as the arts, health and religion. Nonetheless, the new Coalition government's policies will clearly have a major impact on the care sector.

The recently published 'Vision for Adult Social Care'⁴ also gives frequent mention to voluntary and community organisations although it ascribes them no particular role distinct from other providers, except to say that in contracting arrangements the local authority should ensure its *"rules are fair, proportionate and enable micro and small social enterprises, user-led organisations and voluntary organisations to compete to deliver personalised services"*.

Much of the shift in thinking is summed up in the most recent policy paper from the Cabinet Office '*Modern Commissioning: Increasing the role of charities, social enterprises, mutuals and cooperatives in public service delivery*'. It reiterates the desired shift in provision from the state to the not for profit sector and continues the theme of empowering local communities. However, there are clearly caveats that the voluntary sector will need to take into account.

- Voluntaries will be expected to compete against other elements of the sector. This includes 'mutuals' and social enterprise organisations.
- There will be an increased emphasis on outcomes and payment by results.
- There will be a need to show that other sources of investment are being brought to the process by voluntaries.
- The government also looks to have recognised the barrier that TUPE arrangements are to voluntaries taking on local authority services, in offering a review of the process. However, their room for manoeuvre may be limited by European legislation.

3 Positioning the voluntary sector

In most local authority areas the voluntary sector is already a significant provider of resources, that role may range from traditional service provision in terms of;

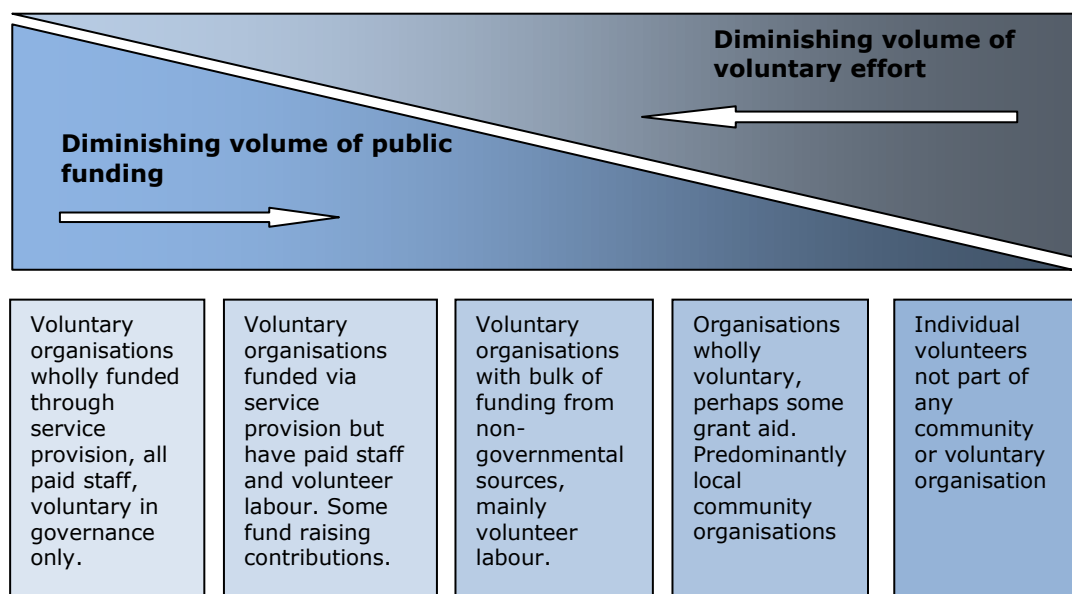
³ Spending Review 2010, HM Government, 2010

⁴ A Vision for Adult Social Care: Capable Communities and Active Citizens, Department of Health November 2010

housing, care homes, day care and home care; community based services, such as transport, toe nail clipping, visiting services; or acting as a local pressure group. Some voluntary organisations may not describe themselves as being social care organisations yet still deliver services that offer a considerable social care benefit, eg, University of the Third Age.

The term voluntary or third sector is used so much it would imply that there is clarity and unanimity about what is meant by the terms. In reality, as Figure 1 illustrates, voluntary can encompass a wide set of relationships between funding and voluntary effort.

Figure 1 Funding and voluntary provision



The examples above are only presented as illustrations, designed to show the range of what might be considered 'voluntary', yet in reality the distinctions are rarely as clear cut. For example, some voluntary organisations have a large paid labour force but fund services themselves rather than receiving state funding, conversely some small, local voluntary organisations may still be highly dependent on a local authority grant for their existence. The point is that voluntary may encompass a range that varies by size, focus, funding mechanisms and staffing. Finally, as the last box suggests a considerable amount of voluntary endeavour is not organised and represented, for example, by neighbours or friends being helpful.

4 The impact of change

Building a Stronger Civil Society, The Vision for Social Care and the accompanying partnership agreement, 'Think Local, Act Personal'⁵(developed by local authorities but signed up to across a range of state, private and voluntary organisations), indicates some of the changes that will affect the social care market and impact on the voluntary sector. Six particular issues stand out:

Personal budgets and direct payments: Many voluntary organisations see their role in the social care market as expanding once social care clients have greater control over their care budgets and can choose who will provide services. There is also the potential for voluntary organisations to act as care brokers or assessors. However, there is also a recognition that change may cause additional cost pressures through:

- Greater transaction costs in managing individual payments
- Uncertainty about the take up of services and hence problems in planning for the future.
- A need for voluntary organisations to advertise what they can offer if they are to compete effectively for business against other parts of the market.

A change in the local authority role: Part and parcel of more service users purchasing services will be a diminution in the role of the local authority as a purchaser and commissioner of services. Instead the partnership statement sees the local authority as a facilitator of the market, guaranteeing the availability of a choice of services. However, there is still much uncertainty as to how this role will operate. The government is clearly looking to the voluntary sector to innovate new approaches yet with a shortage of funding it may be hard for voluntaries to manage the risks involved in developing new provision without guarantees of take up. In addition, the Localism Bill proposes to give community organisations the right to run local authority services and to take over local authority assets.

Adding value: Give the straightened financial times there is likely to be an increasing emphasis on added value. There are a number of ways that the voluntary sector can demonstrate this. For example; voluntaries can offer reduced delivery costs and overheads, they can improve value by avoiding problems for users through their speed of response which diverts from more expensive alternatives, as well as the obvious case of volunteer labour being cheaper than paid for endeavour. What is likely to be important is that this additional value is quantifiable and framed in terms of what benefits or outcomes can be delivered at the given price. There may also be benefit for the care sector in looking at what arrangements can be 'brokered' between voluntary organisations and other providers. These may be other charitable bodies, but equally could be Social Enterprises, Registered Social Landlords or private providers.

Galvanising volunteers: Demographic change tends to get presented negatively and as a problem. Whilst this may well be accurate in terms of the oldest old segment of society if the period of morbidity prior to death remains uncompressed, there is potentially a growing source of voluntary effort from

⁵ Think local, Act personal: next steps for Transforming Adult Social Care, November 2010, SCIE

amongst the younger retired population. This may be further encouraged for some people by less need for paid employment given increased affluence through occupational pensions and housing equity. However Nfp Synergy in their survey of volunteering in general found that this trend is not so clear.

"Over the past six years volunteering levels increased from 2001 to 2003 (from 16% in 2001 to 20% in 2004) and then have hovered around the 19% level since then – with the peak at 20% in 2004. This small increase overall however masks some much more pronounced increases and decreases in volunteering across different demographic groups:

- *Women are still more likely to volunteer than men (16% vs. 21%) and there has been little change in this gap since 201.*
- *Among different social grades, Abs are still the most likely to volunteer, though other social grades have begun to catch them up –with CDEs having shown greater increases in volunteering from 2001 to 2007 than Abs.*
- *Volunteering has increased among 16-44s and levels have remained flat among 45-54s and 65+s. Notably 45-54s is the only age group among which volunteering has shown an overall decrease".⁶*

Galvanising communities: However, perhaps what is called for, is not just a bigger volunteer labour pool but an attitudinal change amongst communities, where all feel responsible for their neighbourhoods and localities and the people that live within them. Such a change should not only influence local volunteering but also the sense of responsibility that private companies demonstrate towards the communities from which their labour force is drawn. The Prime Minister reflected this view in a speech in the summer of 2010.

"The Big Society is about a huge culture change, where people, in their everyday lives, in their homes, in their neighbourhoods, in their workplace don't always turn to officials, local authorities or central government for answers to the problems they face but instead feel both free and powerful enough to help themselves and their own communities...We need to create communities with oomph – neighbourhoods who are in charge of their own destiny, who feel if they club together and get involved they can shape the world around them".⁷

In addition, there is not only the challenge of encouraging volunteers to join organisations or just to be good neighbours but also to wean people away from the belief that the state will provide, to one of where the state will support voluntary endeavour.

Gift aid or the gift relationships: In poorer countries and in poorer times in Britain, voluntary help invariably meant giving time and labour. Whilst the nature of that help may have varied based on people's skills and wealth, except amongst the very rich, it invariably involved more than a financial transaction. As more of people's time has been spent in paid employment and as modern communications have revolutionised charitable giving and a greater awareness of worldwide issues, cash has increasingly become a substitute for voluntary effort.

⁶ Who volunteers? Volunteering trends: 2000-2007A briefing from nfp Synergy January 2008

⁷ Transcript of a speech by the Prime Minister on the Big Society, 19 July 2010.
<http://www.number10.gov.uk/news/speeches-and-transcripts/2010/07/big-society-speech-53572>

Whilst not diminishing the benefits that such money can bring, it creates a separateness of the giver from the recipient, a distancing of responsibility. In future voluntary organisations may wish to redress this balance through making the giving of time and effort easier for more people. Alongside this could be a greater degree of reciprocity or exchange within communities. Most older people in particular state that the things they most wish to receive are less tangible concepts such as company, or people's time and their views being accorded dignity and respect. These in effect come through human to human contact rather than through cash donations.

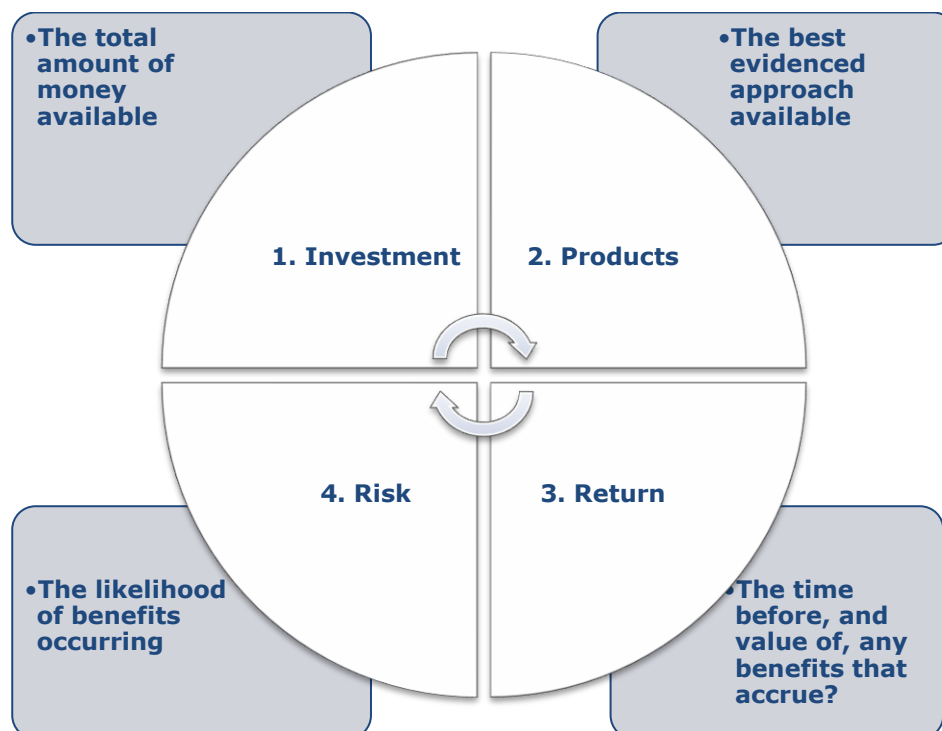
5 The future basis of funding

The impact of the spending review as suggested in the policy section above, despite the efforts to protect the voluntary sector, is nonetheless going to have a major impact on the volume of state funding available. Where grant funding comes from statutory bodies there is increasingly likely to be a shift from measuring results by the volume or nature of services delivered to the outcomes achieved and the overarching funding model moving from one of funding as a public good to one of funding on the basis of does this make a sound investment.

Outcomes: Delivering outcomes and payment by results is becoming an increasing part of the government's rhetoric around care services with experiments in offending and addiction services. In effect outcome based funding means being able to quantify the impact of service provision in terms of the benefits they deliver, being clear about the relationship between outcomes and costs and the ability to demonstrate the overall gain as compared to other forms of service provision. However, whilst the impression is given that the voluntary sector would support such initiatives there is still much work to be done in establishing agreed outcome measures to which funding / price can be attached.

Investment: Establishing what outcomes are deliverable at a given price is one part of the overall challenge of where do public care sector commissioners apportion the money that they have choices about, in order to achieve maximum benefit. Whilst some elements of discretion will reduce with the growth of individual payments and direct budgets, conversely the expenditure on prevention and early intervention is likely to increase and with greater budget consolidation across housing, health and social care. Here decision making is much more likely to be on the basis of what makes a sound investment and what return on that investment should public care funders expect, over what time period. Figure 2 illustrates a potential model.

Figure 2: An investment model of preventative social care funding



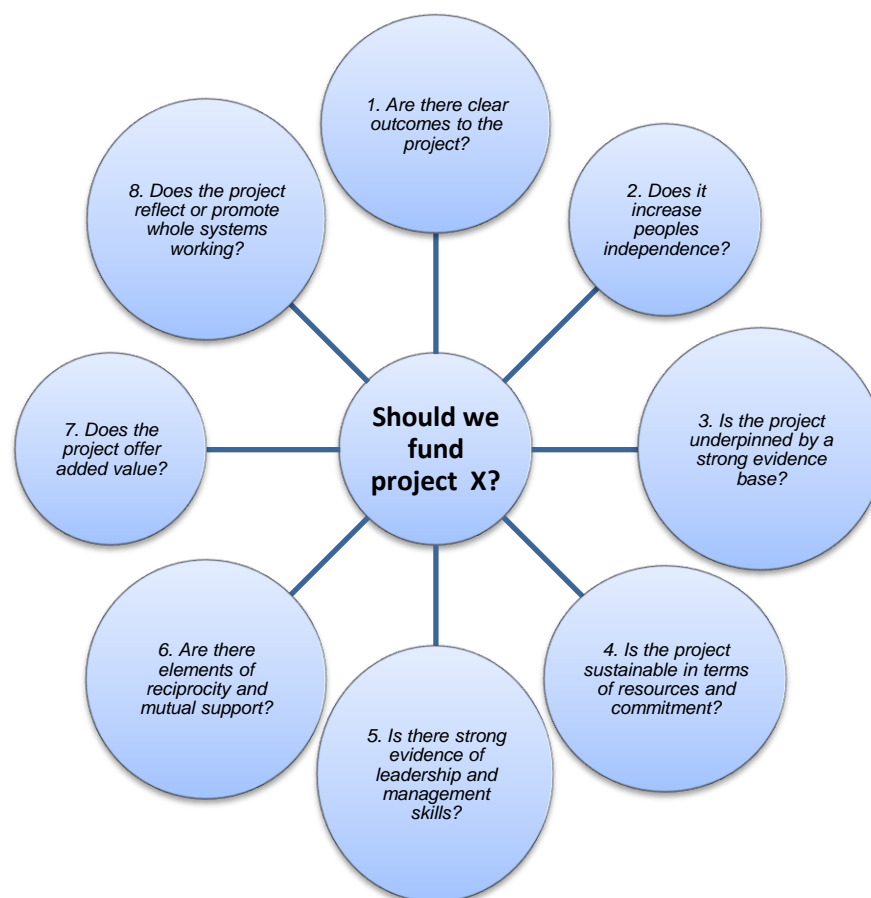
The four elements can be described as follows:

- **Investment:** What is the pool of funding available, drawn not just from public care organisations but across the local authority and the contribution the voluntary sector might make.
- **Products:** What is the evidence and what is the quality of that evidence that; a) there are approaches available that will work, b) a discrete target audience can be identified, c) that it is possible to identify an optimum time to intervene and d) that the approach(es) available, service users will welcome.
- **Return:** Different approaches will not only require different levels of investment but also may deliver results over a different time period, eg, funding broad based carers centres may deliver a return in terms of reduced carer breakdown but it may be two to three years before that return on investment is identifiable. Targeting and intervening to change the circumstances that lead to immediate carer breakdown and reception into care of the service user may produce a return over a much shorter time period, but may not alleviate those circumstances arising in the first place. A balance of investment between long and short term return may be needed.
- **Risk:** The final part of the process is trying to assess how likely it is that the return on investment will be achieved.

6 What good might mean for a voluntary sector organisation.

So if elements of state funding are to be allocated on the basis of what makes a sound investment, are commissioners of services and managers of voluntary sector organisations clear about how this might be tested? The following diagram and discussion, based predominately on a literature review conducted by IPC for a local authority, suggests eight tests of viability. Using such a set of questions could well be fruitful for commissioners and voluntary sector managers alike and form the basis for a funding framework which may help commissioners decide on their investment decisions.

Figure 3 The eight tests of viability



1. Are there clear outcomes to the project?

The project / organisation should be described in terms of the outcomes or benefits it delivers rather than in terms of what services it provides or the volume of that provision. The outcomes or benefits should be backed up by researched evidence that they are appropriate and needed.

2. Does it increase people's independence?

Interventions should lessen peoples need for care and support and promote their well-being, which again should be evidenced.

3. Is the project underpinned by a strong evidence base?

Evidence not only supports the outcomes to be achieved, but should demonstrate that the methodologies or approaches to be used are the most appropriate available, that the service is targeted at an amenable and appropriate audience and suggest why any intervention is timely. For example, successful projects are not just able to target the most appropriate group of users with the most appropriate methods or approaches but also know when it is best to intervene and do so with an engaged group of service users.

4. Is the project sustainable in terms of resources and commitment?

Does the project have sustainable funding and commitment from those who manage and govern the organisation? Some of the tests that might be used here are is the voluntary organisation heavily dependent on one income source? Is that income source consistent or is it dependent on factors which may be outside the organisations control? Are there other resourcing issues like difficulties in appointing staff (particularly if it is for a time limited project), or a short term leases on premises? Will the project or organisation be expected to take on staff that are TUPE'd across on terms and conditions which may not be sustainable?

5. Is there strong evidence of leadership in addition to the necessary management skills?

Projects that work well have a good balance of leadership, ie, the ability to motivate staff / volunteers and give the work a clear vision and 'mission' and organisational skills to make sure people and resources are appropriately managed and that the organisation has good business planning. These skills may not necessarily be embodied in one individual but if they are in more than one person the different personalities should at least not work against each other.

6. Are there elements of reciprocity and mutual support?

Some of the best schemes diminish the distinction between the helped and the helper. Relationships might not be equal but a degree of reciprocity can still be achieved within many schemes.

7. Does the project offer added value?

It is increasingly likely that those who purchase services will be looking for the added value that the voluntary sector can bring to service provision. This may not only be in terms of lower overheads but also in terms of identifying what additional value does the use of volunteers offer.

8. Does the project reflect or promote whole systems working?

Most social care and health services are highly fragmented, not based around the service user but around a discipline, eg, physiotherapy, condition eg, stroke, dementia etc, or services, eg, home care, care and repair assistive technology. There is a strong desire for this to change. At a wider level this may be about place shaping – what are the range of services that go to serve an area or group of people and can these be streamlined or amalgamated. However, this also applies at an individual level. Can one agency work across a range of disciplines in order to ensure that a single set of outcomes are achieved for an individual?

Is the voluntary sector organisation offering an approach that considers a whole person or problem or does it only deal with part of an issue or problem?

7 Conclusion

Even without the Big Society and the Localism Bill, the voluntary social care sector was clearly entering a time of major change, driven by an ageing population and reduced state expenditure. There are some obvious threats; in terms of greater expectations about what the sector can deliver, greater competition and a changing basis to funding from outputs to payment by results from public good to sound investment. In delivering change clearly the government does not see a state bureaucracy being substituted by a voluntary and community sector bureaucracy.

However, there are also greater opportunities for the voluntary sector to take over local authority services, to develop a partnership relationship with service users through individual payments and personal budgets and to use the value that the sector brings to public care in order to provide greater choice and quality. Some of that benefit is clearly in terms of price. However, it is also about added social capital, through projects which encourages reciprocity in care and develops communities and community leadership.