

CES Response to Open Public Services White Paper

Charities Evaluation Services

Charities Evaluation Services (CES) is a charitable company. Until March 2011 we were a strategic partner of the Office of Civil Society and we also managed the National Performance Programme on behalf of Capacitybuilders. CES works with over 1,000 voluntary organisations and funders each year, strengthening their abilities in performance management, evaluation and quality, to support them to do what they do best. As an independent charity we have been working for more than 20 years, helping voluntary and community sector (VCS) organisations achieve better outcomes for the communities they serve. We are actively involved in the SROI network and we have trained Outcomes Champions in a wide spectrum of VCS organisations. CES has been second to none in raising awareness of the potential of evaluation and quality frameworks in the VC sector and in creating services to support their use.

We provide training, consultancy and publications to charities, community organisations and social enterprises to help them to improve their performance and we carry out independent evaluations on behalf of charities and funders. We also publish PQASSO, the voluntary sector's leading quality standards which is used by over 14,000 organisations. We have recently developed the PQASSO Quality Mark accreditation which we are now actively promoting as the most relevant and effective quality mark for voluntary, community and social enterprise organizations of all types. Currently over 100 charities have already been awarded the PQASSO Quality Mark.

We have recently increased our work with funders and commissioners to help them clarify their approaches to outcomes frameworks and to assist their grantees to make more effective funding applications and bids for commissions. Whilst we have been able to reach a number of commissioners and have begun to inform and influence their commissioning practice, there remains a huge challenge to get commissioners to understand outcomes and to prepare to commission in ways that can demonstrate evidence of positive change (outcomes), rather than mere activity (outputs).

Size of contracts - a real issue for the sector

The move to aggregated contracts has meant that most contracts will be far too large for VCS organisations to bid for as prime contractors. This factor will radically change the relationship between the sector and the state. Hitherto most of the VCS organisations funded to provide public services by local and national government had a direct relationship with these agencies. Instead the sector will now have to get used to building relationships with private sector or other types of non governmental agencies such as A4E, Serco, Veolia, Group 4 etc. These agencies are not so used to partnership working with and providing funding to smaller VCS organisations. They are unlikely to respect and understand the role of the sector in telling truth to power and representing clients and service users if this results in criticism by these junior partners of their larger partner's services or policies. The independence of the sector is thus in some jeopardy and the positive developments in the relationship between government and the sector that were enshrined in the Compact are under threat.

Voluntary sector partners are often expected to deal with the most challenging and hard to reach clients that the larger generalist providers are unable or unwilling to deal with. These clients are by their nature both more expensive to deal with and more difficult to get to a successful outcome. There are serious concerns about how VCS groups will be recompensed at a sustainable level for both final and intermediate outcomes with these client groups. How will the sector cope with cashflow issues caused by long waits for payments by results and the fact that much of the profitability of any contract may be stripped off at the top by the prime contractor?

Commissioning issues

Currently commissioning in the UK is a largely undervalued and under-resourced profession. Commissioners have little career structure and many arrive as commissioners without any specific training or professional development. CES is aware of numerous examples of poor and inappropriate commissioning. Whilst we welcome the drive to train and professionalise commissioners we think that there is still a very great distance to travel. Many have no understanding of the voluntary and community sector and are not used to framing and commissioning effective outcomes. Many are stuck at the level of demanding outputs and disproportional levels of reporting and monitoring. Some do not have a sound grasp of performance and evaluation frameworks or quality systems that are relevant to the voluntary and charitable sector. Some commissioners have insisted on VCS organisations adopting ISO 9001 quality

standards which are not necessarily appropriate for voluntary organisations – in comparison with our own PQASSO quality standard which is recognised and endorsed by the Charity Commission and has been recognised by the Office of Civil Society and the Scottish Parliament.

PQASSO is the leading quality standard developed for the sector, by the sector in the UK. PQASSO's flexibility means it can be used by all types of third sector organisations, including charities, social enterprises, community interest companies and community groups. It is appropriate for organisations of all sizes, from those with a handful of employees, to organisations with over 2,000 employees. Over 14,000 organisations have made PQASSO their standard of choice. Organisations can apply for the PQASSO Quality Mark (www.pqassoqualitymark.org.uk), a nationally recognised award that offers users as well as commissioners and funders external verification of the quality and credibility of an organisation.

Information, monitoring and evaluation

We agree that if people are to exercise real choice they need timely and easily accessible information about what services are available and how good they are (3.17). Evaluation frameworks and proportionate monitoring regimes are key to the success of the VCS sector in being able to enter into this process and we are convinced that the VCS sector needs substantial additional support in this area. We also believe in the importance of evaluation for learning and not just for accountability to funders. Innovation and learning will be key to success in providing appropriate and effective services both to individuals, communities and to wider society. This development will need sensitive commissioning and appropriate evidence gathering regimes that capture relevant and timely data rather than being an increasingly bureaucratic and formulaic process. The concern is that in the current climate the move towards commissioning has decreased rather than increased the sector's capacity to learn from performance evaluations so as to improve services – instead VCS organisations now concentrate more on meeting outputs rather than outcomes targets. CES' research shows that one fallout from the move towards wider commissioning has been the growth in prescriptive reporting rather than evaluation for learning and innovation. (Developing Monitoring and Evaluation in the Third Sector by Jean Ellis and Tracey Gregory)

At a time of dwindling resources, VCS agencies face an increasing volume of work to meet the demands of statutory authorities and commissioners. The CES study showed a serious inconsistency in reporting requirements across multiple funders, and even between different departments of the same local authority. There is a lack of proportionality in the treatment of organisations of different sizes and types and data is

frequently requested that does not accurately reflect the core activities of the organisation or which is entirely irrelevant and inappropriate – often based by contractors on government targets. “The research indicates that the administrative burden itself has implications for third sector workloads and value for money. In addition some respondents reported a resulting adverse effect on monitoring and evaluation practice. Externally-driven monitoring has often displaced monitoring and evaluation which might be more useful for managing the service, improving performance and wider learning”

Outcomes

We agree that the state has a key role (3.21) “in defining outcomes and in setting standards for public services and ensuring that they continue to rise.” We do have doubts about the ability of some commissioners and commissioning agencies to discharge this key responsibility effectively and we would welcome the opportunity to contribute to appropriate training and development schemes to improve their capacity to improve in this respect. We carry out extensive training programmes for both the voluntary sector and a number of funder and commissioning agencies in outcomes planning and evaluation skills. We believe that our approach could be much more widely used amongst commissioners and that our greater involvement would also sensitise commissioners to the issues and problems that face smaller VCS organisations in contributing to public service provision

Power and neighbourhood councils

The White Paper asserts the belief that “having more power will attract a diverse range of individuals to serve on neighbourhood councils”. Experience as far back as the mid 1980s when Islington Council and other local authorities set up Neighbourhood Forums of this kind was that serious and deliberate efforts are needed from within an equal opportunities framework to attract representative and diverse groups of people to serve on such councils. This does not just happen automatically but will often take the intervention of skilled community development work to ensure real diversity – especially in poorer and more deprived areas of the country.

Transfer of risk to the voluntary sector

The White Paper (5.3) admits that the Work Programme is “transferring risk to providers, who are now paid largely by results for getting people into work and keeping them in employment.” It seems to us that the largest risk is being transferred to the smallest contractors who are wrestling with the problems of getting those furthest away from the labour market into work. Larger and primary contractors (generally in the private or non charitable sector) are usually able to deal with this transfer of risk by virtue of economies of scale, ability to cross subsidise between different government contracts and their extensive reserves. By contrast, smaller VCS organisations are not in such a happy position. There is little evidence that this crucial barrier to the involvement of smaller organisations in the provision of public services has been recognised in the White Paper. If any notion of Big Society (where localism and the involvement of groups at the “microscopically granular” level) is to be fostered then this whole area needs much more thought.

Accreditation bodies

In section 5.5 the White Paper rightly states that open public services require robust accreditation of what works. We are interested in being part of the planned consultation on how to establish credible accreditation bodies for public services. We believe that our PQASSO quality framework and Quality Mark, which has been successfully developed over many years, is the most appropriate such standard for the voluntary, charitable and social enterprise sector. Sadly many commissioners are unaware of this standard and are still pointing VCS organisations in the direction of ISO 9001 and other standards that do not fully demonstrate the effectiveness of charitable and voluntary services in terms of the existing regulatory framework within which they operate (SORP, charitable governance, accountability and transparency etc.). See CES’ recent comparison of PQASSO and ISO 9001

<http://www.ces-vol.org.uk/downloads/pqassovsiso-854-862.pdf>

What new skills and training will commissioners need?

As we have already said, commissioners often require extensive training in framing appropriate outcomes as well as sensitivity to the issues facing smaller and less well resourced VCS organisations. One-size-fits-all quality assurance frameworks like ISO

9001 are not always appropriate and proportionate. They are bureaucratic and complex and do not focus on vital issues such as governance, transparency, charitable finance and user involvement that are the key feature of VCS organisations if this sector is really to add value in the way that the White Paper claims to intend. If the White Paper's intention to see greater diversity and openness throughout the public sector is to be realised then commissioning may need to be supplemented with small grants schemes to encourage smaller groups to get ready to enter the commissioning process. In some cases commissioning can invert the more traditional relationship between the VCS and the public sector. Smaller and more grassroots organisations frequently understand and can deliver more appropriate services to local and hard to reach groups compared to larger agencies. For example improvements in services to some BME, disabled and other disadvantaged communities have often come about through the understanding of the needs of these groups developed by smaller VCS organisations with small amounts of grant funding rather than by the commissioners who do not have this understanding. The role of small grants in addition to large contracts will be vital if a really innovative and responsive ecosystem of different responses to needs are to be met and innovation ensured rather than "commissioned out".

A level playing field?

A level playing field will be impossible for all independent providers given the VC sector's size, its inability to cross-finance and cross subsidise, its lack of reserves and its consequent problems with capital and cashflow. The White Paper commits itself to "looking at how to enable a level playing field for all independent providers, as well as addressing barriers for smaller private, voluntary and charitable enterprises". This is a worthy and sensible commitment but there is virtually no detail about how this might be accomplished apart from competition.

Specific experience and track record is often vitally important in the VC sector. It is the understanding of their users and their experience of working closely with and for the most marginalised sections of the population that adds value. Innovation and a more personalised service often comes from the involvement of these groups who can demonstrate a real track record at the grass roots. This dynamic and responsive ecosystem doesn't come about automatically by competition or the introduction of a range of different or new providers. Commissioning can easily edit out innovation and user involvement unless commissioners really understand the needs and circumstances of their end users. Currently there is little evidence that they do always have this understanding. The role of smaller voluntary and community groups in explaining and

advocating on behalf of hard to reach groups to get commissioners to understand their needs will be continue to be crucial.

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