

SMALL CHANGE?



A survey of small voluntary and community sector organisations working with children, young people and families

Jordan Thompson and Emilie Whitaker

**Children
England**
Charities working for
children and families

Acknowledgements

Special thanks to all of the survey respondents.

Jordan Thompson and Emilie Whitaker

February 2008

Children England

Children England is the leading membership organisation for the children, young people and families voluntary sector.

Our mission is to create a fairer world for children, young people and families by championing the voluntary organisations which work on their behalf.

We seek to achieve this by:

- Providing a range of practical resources to our members including training, events and a high-quality information service which includes e-mail news bulletins, policy briefings and our quarterly magazine Outlook.
- Promoting good practice including by bringing members together to support each other and take collective action.
- Stimulating policy debate on the issues which matter most to our members.
- Lobbying and influencing central and regional government, local authorities and decision makers on the issues that matter most to our members, using the knowledge and experience of our members.

Children England is in a unique position to influence and make a difference. Our members include the largest children's charities in the country through to small local groups working with children, young people and families in one neighbourhood. Our role is to work alongside our members and partners to achieve our collective vision of a society where children and young people are able to achieve their potential and where families and communities are supported and properly resourced.

We believe that the voluntary sector has a vital role to play in achieving this vision, both in the delivery of child-centred services and in the advocacy and campaigns required to highlight need, challenge discrimination and change public perceptions. Children England's strength is in using the collective voice of the children, young people and families voluntary sector to achieve positive change for children. Work with us to help make a difference. To find out more about the benefits of joining Children England visit www.childrenengland.org.uk

Key findings

Engaging with government initiatives

- More organisations report being ‘very aware’ of Every Child Matters (ECM) – 58 per cent, up from 36 per cent in a similar survey conducted in 2007.
- 42 per cent of organisations have noticed positive changes to the way that services are planned and developed locally; only 8 per cent felt changes were negative.
- Only 22 per cent of organisations reported being linked into their children’s trust via voluntary and community sector (VCS) networks; only 5 per cent deliver services on behalf of the children’s trust.
- Over a quarter of organisations had never heard of Local Area Agreements (LAAs).

Impact of funding changes and the move to commissioning

- 44 per cent of surveyed organisations reported a negative change in funding over the previous two years.
- 28 per cent said they have had to issue redundancy notices in the last 12 months or anticipate needing to do so by the end of the financial year.
- 40 per cent reported being in a vulnerable funding position with the potential to close if anticipated funding does not come through.
- 8 per cent said they had been growing and were stronger than they had been two years previously.
- Larger (£50k to £250k) organisations were more likely to be worried about needing to close than smaller (under £50k) organisations (55 per cent compared to 30 per cent).
- 24 per cent had a contract to deliver public services on behalf of their local authority as part of their commissioning strategy.

Influencing strategic decision making

- Those organisations that had a contract to deliver public services on behalf of their local authority were far more likely to be involved in influencing structures.¹
- Smaller and volunteer-led organisations were much less likely to be involved in influencing structures than larger organisations with paid staff.
- Of those organisations that are involved in influencing groups, only half represent the wider VCS.
- Only a third of responding organisations knew who their VCS representative on the local children’s trust was. This drops to just over ten per cent of organisations that are not involved in influencing structures that know who their representative is.
- Organisations that had a contract to deliver public services as part of their local area’s commissioning strategy were far more likely to be involved in influencing groups; 24 out of 28 organisations that had a contract were part of influencing groups.

¹ Influencing structures include groups that identify needs and plan services; groups that advise on local plans for children’s services; groups that decide on local plans for children’s services; groups that commission services; groups that evaluate and/or monitor services; groups that distribute funding.

Introduction

Over the past decade, central government has shown a commitment to greater engagement with the voluntary and community sector (VCS) in delivering public services, and recently in taking on a more strategic role in the development of user-centred services. Voluntary and community organisations (VCOs) have always played a role in giving voice to the different interests in society and shaping policy agendas. This has been recognised by the current Government, with its emphasis on voluntarism, civil society and community action as important routes to civic engagement. VCOs are encouraged not only to participate in service delivery, but now, through recent government initiatives, to engage in policy-making and development through partnerships and other forms of consultation.

The Government wants to see a diverse market of public service providers that are better equipped to meet user needs. Through its wider participation and social inclusion agendas it is also looking to the VCS in improving community engagement, civic life and community cohesion. The Government believes that including the VCS among the suppliers of public services can generate benefits for service users, communities and taxpayers. Benefits are achieved by utilising VCOs' good understanding of user needs and distinctive delivery capability, while a healthy VCS also contributes to a local area beyond the provision of public services, notably to public participation, social inclusion and community engagement.

In pursuit of its public service reform agenda, the Government has adopted two broad policy approaches to the voluntary sector: building service delivery capacity and encouraging local public bodies to commission services from voluntary organisations where they can deliver most effectively.

However, the vast majority of contact that the VCS has with statutory bodies is at a local level. There is no doubt that, as substantial funders and partners of the VCS, local government has significant influence over the environment in which the local VCS operates and therefore its capacity to grow, develop and innovate. Central government may create incentives for local authorities to engage with the VCS, and create targets to improve the capacity and involvement of the VCS through systems such as Local Area Agreements (LAAs) and children's trusts, but it is local commissioners that pose the biggest obstacles and hold the greatest opportunities for the local VCS. In their leadership role, local authorities have a responsibility to give due consideration to the way in which their funding practice (and that of their public sector partners) impacts on the local VCS. As LAAs create greater flexibility over budgets and as central government is less inclined to ring-fence resources for distribution to the VCS, local authorities have greater responsibility for addressing this crucial financial relationship themselves. Positive initiatives from central government will help to set a constructive context for discussions between commissioners and providers on the ground. However, the success of each voluntary organisation will depend on its individual ability to interact and negotiate with funders and commissioners.

The funding environment for the local VCS is a changing one, with an increasing focus on targets and outcomes and a steady shift from unrestricted grant funding to commissioning based on competition and tendering. These changes can impact greatest on the smallest VCOs which are often in a weaker position to compete for contracts. The Office of the Third Sector Review, published in July 2007, stresses the value of the role community-based organisations play in encouraging the active participation of communities in civil renewal.² Yet national and regional

2 Office of the Third Sector (July, 2007) *Third Sector Review*

research shows that funding for small VCOs is declining. The National Council for Voluntary Organisations' UK Voluntary Sector Almanac for 2007 shows the increasing dominance of a small number of very large charities, with the income share of the smallest charities declining most quickly: those with incomes of under £10,000 registered a 10.7 per cent decline.³

Under the radar

In January 2008, Children England, formerly the National Council of Voluntary Child Care Organisations, published as *Under the radar*, a report from a survey of small organisations working with children, young people and families. In addition to informing Children England's offer of support to small organisations,⁴ the report took a snapshot of how these groups were faring in the current climate of rapid policy change, including the advent of Every Child Matters (ECM) and the move from grant funding towards commissioning arrangements.

The main findings from *Under the radar* were:

Funding issues

- Most organisations (92 per cent) surveyed wanted more support and training around financial management.
- Almost 10 per cent of organisations surveyed were closing or under serious threat of closure.
- Reported funding changes over the previous 12 months included increased, more stable funding, as well as decreased, shorter-term funding, with some organisations expanding their services while others had closed down completely.

Every Child Matters

- Organisations that had paid staff or that were part of influencing structures were more likely to be 'very well' informed about the ECM agenda.
- Organisations with no paid staff or that were not part of influencing structures reported significantly fewer changes to their services as a result of ECM.
- When organisations did report changes in response to ECM, very often they were changes to how outcomes were described and reported; very few reported significant changes to the content of their services or how their services were run.

Involvement in influencing structures

- More than a quarter of organisations surveyed reported not being involved in any kind of influencing structure.
- The majority of surveyed organisations who were not involved in influencing structures were organisations with incomes of less than £50k.
- Most organisations that were involved in influencing structures only represented their own organisations in these fora.
- Organisations that represented other organisations in addition to their own were more likely to be organisations with incomes greater than £50k.

3 NCVO (2007) *UK Voluntary Sector Almanac*

4 For the purpose of this report and *Under the radar* small is defined as an organisation with an annual income of under £200k.

Just over a year on, Children England conducted a follow-up survey to see how situations have changed for small organisations. Many of the same questions were asked to allow year-to-year comparisons and new questions were added to reflect changes to policy and practice, including changes to LAA arrangements and the progression of the new Vetting and Barring Scheme.

Methodology

The survey was open to organisations with an annual income of under £250k. It was administered electronically through a variety of VCS networks. The questions were both tick-box and open-ended. They addressed:

- Background information.
- The impact of national initiatives.
- Funding.
- Training and support.

A total of 125 organisations answered the survey. While this is not a large proportion of the small organisations working within the children, young people and families VCS, and generalisations should be made with care, it is a sufficient sample to draw out some emerging trends.

Breakdown for analysis

In addition to an analysis of all responses, responses were also segmented by subgroups and examined, including by organisations that:

- Have paid (n=99)/no paid staff (n=25).
- Have annual incomes over (n=61)/under £50k (n=65).
- Are (n=59)/are not involved in influencing structures (n=53), including:
 - Groups that identify needs and plan services.
 - Groups that advise on local plans for children's services.
 - Groups that decide on local plans for children's services.
 - Groups that commission services.
 - Groups that evaluate and/or monitor services.
 - Groups that distribute funding.

When the same questions were asked, responses were also compared with those of the 2007 survey (n=107) which informed the report *Under the radar*, published by Children England in January 2008.

The organisations that responded

Children

Respondents work with a range of children and young people, including:

- Children in a set geographical area (such as a local authority area): 86 per cent.
- Disabled children: 69 per cent.
- Black and Asian Minority Ethnic children: 56 per cent.
- Refugee and asylum seeking children: 37 per cent.
- Traveller and Gypsy children: 29 per cent.
- Lesbian, gay, bisexual or trans-gender children: 33 per cent.
- Children at risk of crime or anti-social behaviour: 57 per cent.
- Children at risk of harm or abuse: 52 per cent.
- Looked after children: 49 per cent.
- Young carers: 31 per cent.
- Other: 19 per cent.

And a range of ages:

- Children under 5 years of age: 47 per cent.
- Children aged 5 – 11 years: 70 per cent.
- Children aged 11-16 years: 72 per cent.
- Over 16 years of age: 61 per cent.

Size

A total of 3,574 people work for the organisations surveyed in both a paid and unpaid capacity – 606 of whom are paid staff and 2,986 are volunteers. This means that 83 per cent of surveyed organisations' workforce are volunteers. While the majority of respondent organisations had some kind of paid staff, 25 organisations (20 per cent) had no paid staff. This draws attention to the important role volunteers play in strengthening some organisations' capacity. It is also important to take into account the many additional benefits volunteers bring to organisations and the community beyond a rough wage-replacement model of value, to encompass the contribution volunteering makes to building human and social capital.

There was a spread of different sized organisations responding:

- Under £5k per annum: 10%
- £5k – 10k: 16%
- £10k – 20k: 7%
- £20k – 50k: 19%
- £50k – 100k: 20%
- £100k – 200k: 22%
- £200k – 250k: 6%

Engaging with government initiatives

Every Child Matters

The Laming Inquiry following the death of Victoria Climbié in 2003 prompted the creation of the Every Child Matters (ECM) agenda. This heralded the beginning of a new way of creating, delivering and measuring services, marking the biggest watershed in children’s policy in over 40 years. One major aim of ECM is improving outcomes for all children and young people across every aspect of their lives, from achievement at school, to emotional well-being and the ability to partake in local life. This is reflected in the five ECM outcomes: that all children should be healthy, stay safe, enjoy and achieve, make a positive contribution and enjoy economic well-being.

The other crucial part of the agenda is to ensure that children and young people are at the heart of the decision making process. The philosophy behind ECM is to improve outcomes for children by reconfiguring services around the needs of the child. This demands an integrated response necessitating cultural change in how different professional disciplines and organisations work together. Central to this is the creation of children’s trusts.

Respondents were asked how well informed they felt about the ECM agenda. When compared to responses of Children England’s 2007 survey, organisations showed a marked increase in awareness. Fifty-eight per cent of organisations responding to this survey said they were ‘very aware’ of the ECM agenda compared to 36 per cent of those who responded to the 2007 survey. In common with the first survey, organisations were much more likely to report being ‘very aware’ of ECM if they were larger, had paid staff or were part of influencing groups,⁵ with the greatest difference occurring between those who were part of influencing groups (72 per cent said they were ‘very aware’ of ECM) and those who were not (only 43 per cent said they were ‘very aware’ of ECM).

Q: How aware are you of the Every Child Matters outcomes and the Change for Children agenda?



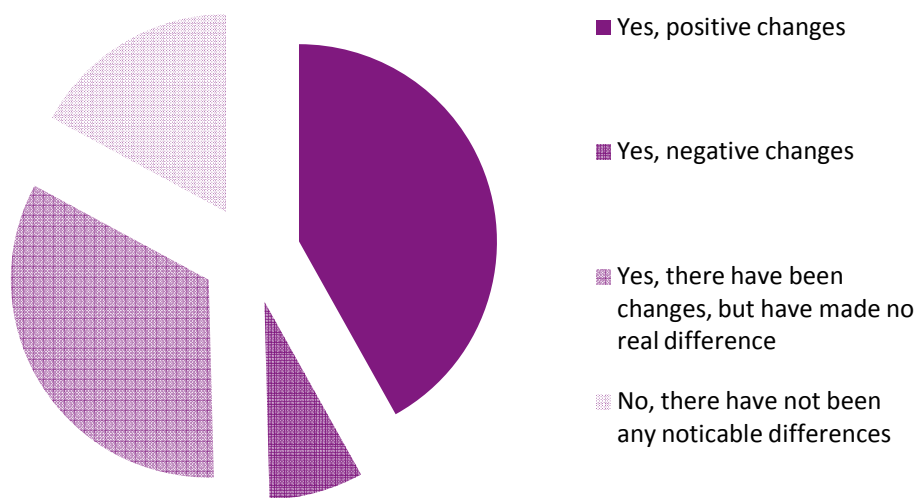
5 Influencing groups include:

- Groups that identify needs and plan services
- Groups that advise on local plans for children’s services
- Groups that decide on local plans for children’s services
- Groups that commission services
- Groups that evaluate and/or monitor services
- Groups that distribute funding

When asked whether they had noticed any changes locally over the previous two years to how services for children, young people and families are planned and delivered, most people said they had noticed changes, with 42 per cent saying those changes were positive and 33 per cent that the changes had made no difference. Only eight per cent of respondents said the changes they noticed were negative. Very few organisations said they had not noticed any changes, though if it was an organisation without paid staff or not part of any influencing groups, this number rose from 12 per cent in each case to 33 per cent and 31 per cent respectively.

Since the previous survey conducted by Children England, many more organisations reported noticing changes to how services are planned and delivered – 83 per cent compared to 52 per cent in 2007.

Q: Have you noticed any changes locally over the last two years in how children’s services are planned and delivered?



Comments from respondents included:

“There is still not enough proper joined up working. The children’s trust has brought different parties together but there is all still far too ‘virtual’ - all talk and no action. PCTs (Primary Care Trusts) and health are still not well enough engaged with [the voluntary sector]. Commissioning and the move away from grants is proving a big headache. Not enough consultation and certainly not enough joint pre-planning and co-design and when it does happen it’s often too late to make a difference.”

“We are in the midst of change to a unitary authority - this is having a negative effect as the councils are still working out their roles and responsibilities.”

“There is better liaison between services.”

“We have looked at tendering for commissioned services but the process was too onerous and we didn’t have time. The changes seem to favour larger charities with the time and experience to go through the tendering process.”

“The Children’s Plan for [our area] hardly mentions LGB (lesbian, gay and bisexual) issues. The council’s contracted out Youth Service does not support us in any way. We don’t know how the IYSS (Integrated Youth Support Services) will affect us.”

“[There is] much more awareness of the need to provide statutory services for pre-school children

(from birth) with special needs. What was an entirely charitable service has now largely been taken over by the local authority.”

“The Children’s Fund went out to commissioning but the process was very quick, very complicated and was very challenging for an organisation with a small staff.”

Children’s trust arrangements

The Children Act 2004 formed the legislative underpinning of the Every Child Matters agenda. A crucial part of this was the requirement on local authorities to make partnership arrangements with a wide range of local stakeholders to improve the well-being of children and young people. These loose partnership arrangements have now been formalised as children’s trusts (CT). A CT is a local area partnership led by the local authority which brings together key agencies to improve outcomes for children and young people through integrated services.⁶

Overall, only a third of organisations surveyed had any involvement with their local CT, from being linked in through VCS networks to actually delivering services under CT arrangements. This number drops to 22 per cent of organisations that have incomes under £50k and to only four per cent of organisations with no paid staff. The figures were similar when asked if they knew who represented them on the local CT. Organisations that were involved in influencing groups were the most likely to be involved in their CT with 55 per cent reporting some involvement. They were also far more likely to know who their VCS representative was, with 53 per cent knowing their VCS representative compared to only 11 per cent of organisations who were not part of influencing groups.

Of all the survey respondents:

- 22 per cent were linked into the CT via VCS networks.
- 10 per cent received funding from the CT.
- 10 per cent sat on the Board or a subcommittee of the Board.
- 5 per cent delivered services on behalf of the CT.

Comments from respondents included:

“[We have] excellent representation from the local VCS infrastructure organisation.”

“The fact that we are not aware of who represents us speaks volumes!”

“There are so many layers of this, that and the other, it’s hard to know who’s there to help, who’s there to monitor etc, etc...”

“No representation for the BME communities. We have urgent needs that are not addressed and young people that we work with have lobbied the Council Cabinet in an attempt to get support.”

“There are currently 25 partnerships that link in with the children’s trust. It is extremely difficult for a small organisation with two full-time and four part-time staff to keep abreast of the dealings.”

“There is an issue of the limitations of third sector representation as there is a natural tendency

⁶ DCSF (Nov, 2008) *Children’s Trusts: Statutory guidance on inter-agency cooperation to improve well-being of children, young people and their families*

to represent your own organisation rather than the sector as a whole. It has been suggested that a totally unbiased person represent the third sector, perhaps someone from the local Voluntary Action or community network to allow a more diverse view and a greater communication strand back to the sector’s workforce. This has not yet been taken up.”

“I sit on the children’s trust to represent the voluntary sector. It is hard to participate due to the large demands of the meetings and the time constraints on a small voluntary organisation that only has one full-time worker.”

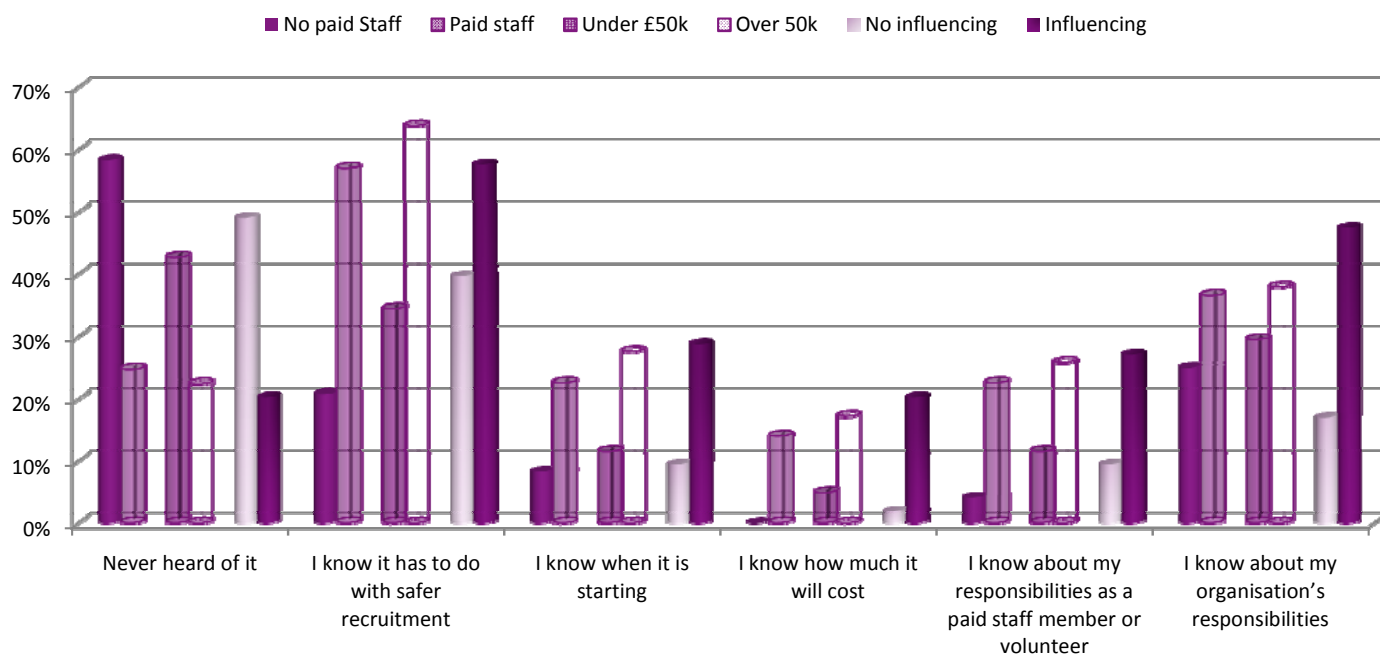
The Vetting and Barring Scheme

From October 2009, the system for checking the suitability of potential employees and volunteers will start to change. The new Vetting and Barring Scheme will require all paid employees and staff who work with children or vulnerable adults to be registered with the Independent Safeguarding Authority (ISA) before commencing work. The ISA will work with the Criminal Records Bureau (CRB), which will gather relevant information on every person who wants to work or volunteer with vulnerable people.

The ISA will be responsible for assessing this information and deciding who should be placed on barred lists, i.e. who will not be permitted to work with children, and for keeping a record of those individuals. There will be a single list of those barred from working with children and a separate, but aligned, list of those barred from working with vulnerable adults.

Awareness of the new Vetting and Barring Scheme was low, with a third of all respondents having never heard of it and only around half knowing that it has to do with safer recruitment. There was significant difference in awareness levels between organisations with and without paid staff, larger and smaller organisations and those involved or not in influencing groups, as detailed in the graph below.

Q: How aware are you of the new Independent Safeguarding Authority and the Vetting and Barring Scheme (please tick all that apply)?

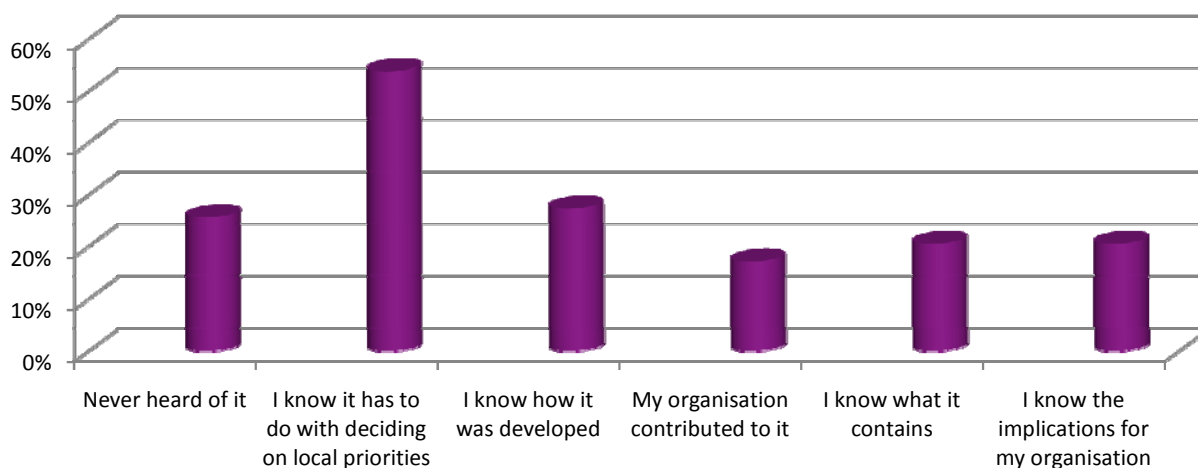


Local Area Agreements

The Local Government and Public Involvement in Health Act 2007 put in place a local performance framework based on new statutory Local Area Agreements (LAAs). The Local Strategic Partnership (LSP) sits at the heart of this framework, with collective responsibility for agreeing the improvement priorities set out in the LAA. The LSP is a multi-agency partnership operating at a local level which brings together public, private, community and voluntary sectors to work together more effectively to promote better outcomes for local people. The LSP provides the forum for setting and reviewing the strategic vision for a local area and for agreeing the priorities for improvement in the LAA and associated targets. It provides the means through which children and young people's issues can be fully integrated into those of the wider community. The children's trust should inform and influence the work of the LSP as it relates to children, young people and families, and identify and champion children and young people's interests as part of the process of agreeing and implementing targets in the LAA.⁷

A quarter of all respondents had never heard of Local Area Agreements (LAAs) and only just over half knew that they were about deciding local priorities. Only one fifth of all surveyed organisations contributed to their LAA.

Q: How much do you know about your Local Area Agreement (please tick all that apply)?

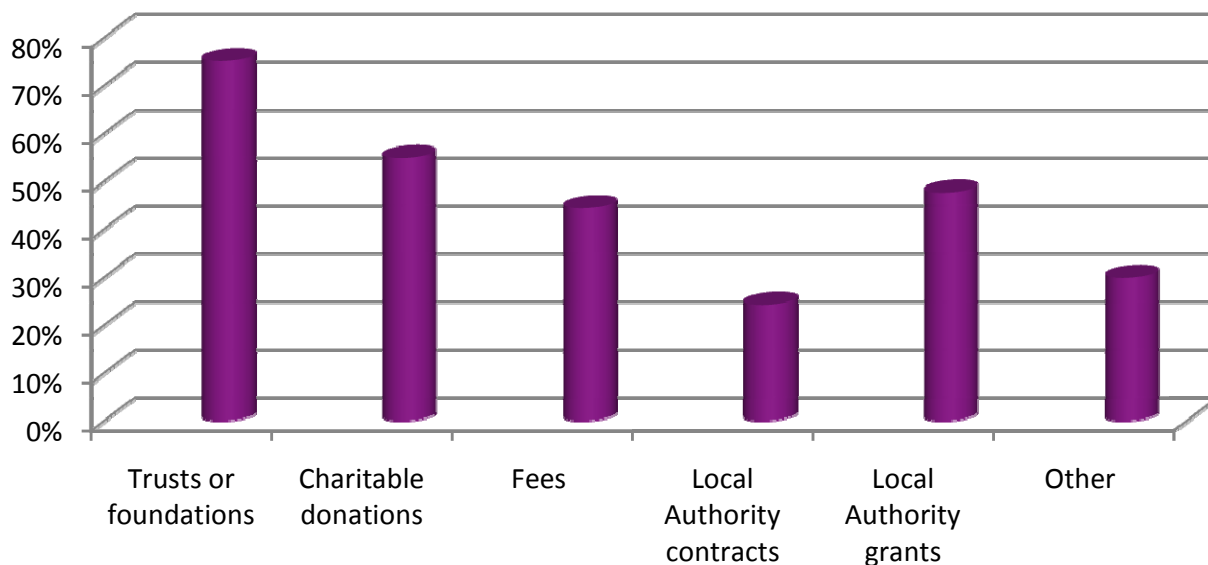


⁷ DCSF (Nov, 2008) *Children's Trusts: Statutory guidance on inter-agency cooperation to improve well-being of children, young people and their families*

Impact of funding changes and the move to commissioning

The responding organisations received funding from a variety of places. Seventy-five per cent received some grants from trusts or foundations while fewer than 25 per cent had contracts from a local authority. The overall spread was as follows:

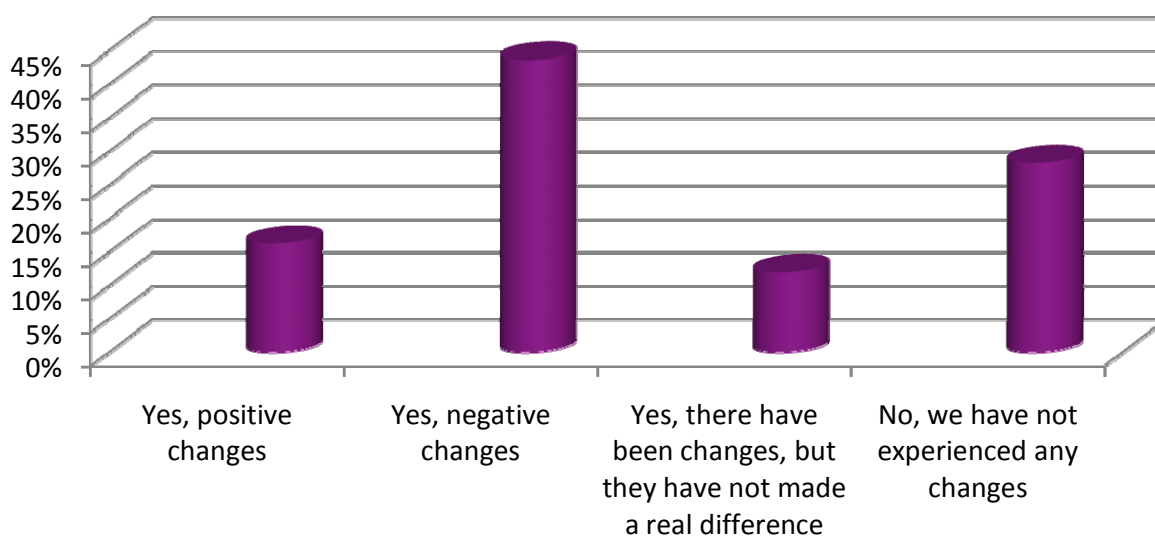
Q: What are your current sources of funding (please tick all that apply)?



Funding changes

Organisations were asked whether they had experienced any changes in funding over the previous two years. Forty-four per cent of all organisations felt there had been negative changes compared to just 16 per cent that felt there had been positive changes. There were no identified similarities between the organisations that have had positive changes in their funding circumstances.

Q: Has your organisation experienced any changes in funding over the last two years?



The only major difference between responses was that organisations with annual incomes under £50k, no paid staff, or not part of influencing groups were at least twice as likely to have not experienced any changes in funding.

Comments from respondents included:

“Commissioning is such a pain! Our children’s trust has no strategy and neither does our PCT (Primary Care Trust) and neither have commissioning managers. We have lost half our Children’s Fund support and will probably have none next financial year. We don’t know what grants will stay and what will go next year.”

“The move towards commissioning, which still has to be finalised, should have been in place for 2008-09.”

“[We are] now commissioned by the local PCT who are new to commissioning the VCS. This has been fraught with mixed and delayed messages from the PCT that are still not clear.”

“We have experienced a funding ‘crisis’ and fortunately seem to be coming out of it! The council have shut down their grant funding function and contribute little to our project. This is frustrating as we feel we deliver real benefits to our local and wider community.”

“Staff costs have escalated dramatically.”

“We have not had any funding since it ended in March 2008. We are currently seeking funding to continue beyond March 2009.”

“People just don’t have the money to give these days, and we don’t have enough time to do all the paperwork that goes with fundraising.”

“Our organisation has developed from an 80 per cent dependency on grant funding to only a 10-15 per cent dependency on grant funding. Most income is now earned, which enables us to decide how it is re-invested for the benefit of the community.”

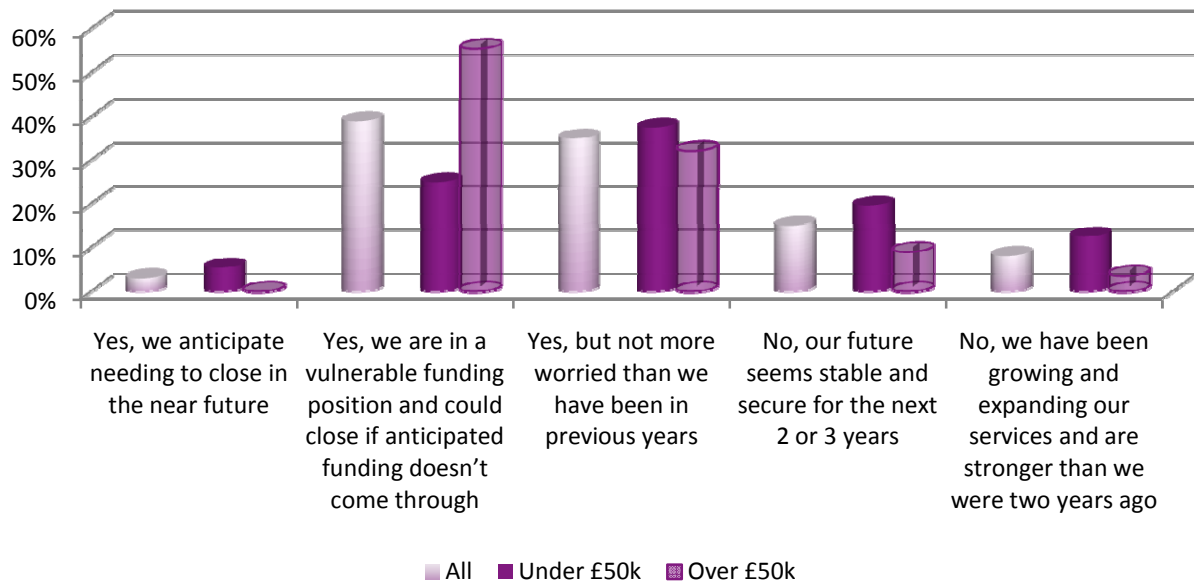
Funding future

Fourteen per cent of all organisations surveyed have had to issue redundancy notices in the previous 12 months. A further 14 per cent anticipate needing to do so by the end of the financial year (March 2009). Larger organisations were much more likely to be affected by redundancy with 43 per cent either issuing notices or anticipating needing to do so, compared to 19 per cent of smaller organisations.

Three per cent of responding organisations anticipated needing to close in the near future with a further 40 per cent reporting being in a vulnerable funding position with the potential to close if anticipated funding does not come through. This compares to 10 per cent of the organisations that responded to Children England’s 2007 survey that reported needing to close or were seriously concerned that they would need to close.

Only 25 per cent of surveyed organisations felt their future was stable and secure and only eight per cent said they had been growing and were stronger than they had been two years previously. Larger organisations were more likely to be worried about needing to close than smaller organisations (55 per cent compared to 30 per cent).

Q: Are you worried about your organisation's future?



Comments from respondents included:

“We have 5 major sources of funding expiring within a 6 month period during 2009.”

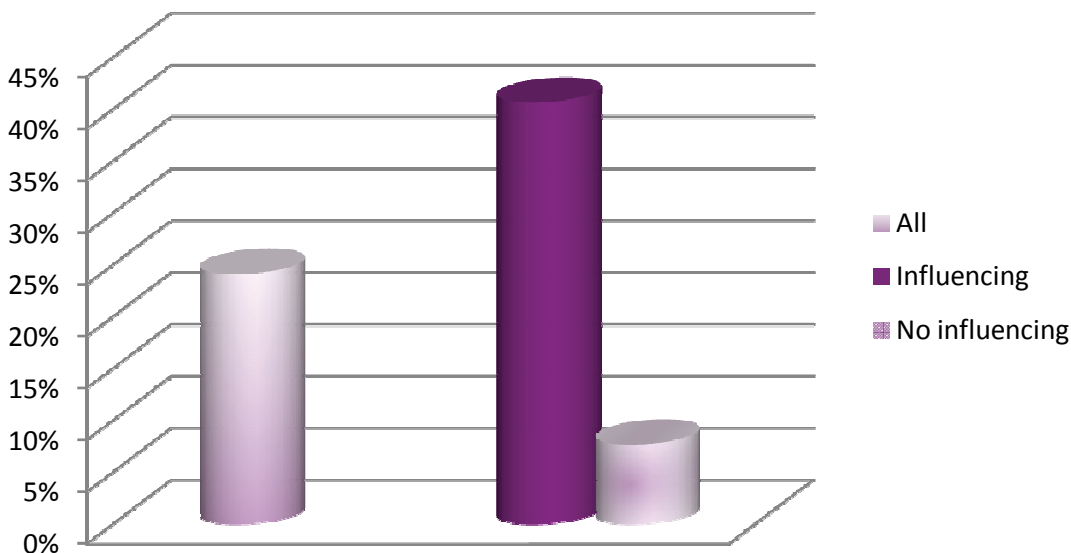
“We are used to being in a vulnerable position.”

“One project should have 3 years guaranteed funding and another project's funding is at risk due to the economy.”

“Services may have to change dramatically in order to survive.”

Commissioning

Less than one quarter of all respondents had a contract to deliver public services on behalf of their local authority as part of their commissioning strategy. Only 17 per cent of smaller organisations had contracts compared to 32 per cent of larger organisations. The biggest difference was for organisations involved in influencing groups, which were five times more likely to have a contract than those organisations not involved in influencing groups. The spread was as follows:



Comments from respondents about the effect of moving to contracting included:

“It will curtail some of the work we do unless we can fundraise to supplement it.”

“Initially it was positive as we had three years secured funding. A few months into the second year we were threatened with withdrawal of funding and had to mount a huge campaign to prevent this, which was successful but very stressful and time consuming. The Council have now said they will give us only 30 per cent of our funding from next March instead of the approximately 90 per cent we were receiving.”

“The contract has provided stability since previously we were dependent on fundraising and grants.”

“Negative – an extreme amount of monitoring forms to be completed with no additional resources to do so. The climate is very confused.”

“It is a bit of both. Negative because we got less money than we applied for. Positive because we know what we will be getting for the next three years.”

“We have a three-year service level agreement with the [local authority]. This has strengthened our working partnerships with other voluntary organisations in the borough.”

Influencing strategic decision making

Respondents were asked if they were involved in local influencing groups, including:

- Groups that identify needs and plan services: 38 per cent.
- Groups that advise on local plans for children’s services: 29 per cent.
- Groups that decide on local plans for children’s services: 14 per cent.
- Groups that commission services: 11 per cent.
- Groups that evaluate and/or monitor services: 13 per cent.
- Groups that distribute funding: 10 per cent.
- Not involved in any local influencing groups: 48 per cent.

Larger organisations were more likely to be involved in influencing groups. Of those who were involved in such groups, 63 per cent were from larger organisations compared to 37 per cent from smaller organisations. Only eight per cent were from organisations with no paid staff. An overwhelming number of comments about being involved in influencing groups addressed the difficulty of finding the time and resources to attend meetings, particularly for volunteers or part-time staff.

Of those organisations that were involved in influencing groups, half only represent their own organisations, while one third represent other organisations as well as their own. A further fifth of organisations do both, depending on the forum.

Comments from respondents included:

“We are very well networked and ensure we attend as many meetings as possible to keep it that way - it is crucial to our survival. Time is a major issue for us as staff capacity is small and we do not have funding to pay for staff to continually attend these meetings.”

“We’re often asked to ‘rubber stamp’ decisions made without initial consultation.”

“Ensuring fair consultation has been difficult - i.e. making sure it is representative and not just another ‘tick box’.”

“This involvement allows us to keep up-to-date with local plans and means that we are able to keep our own profile raised, as well as giving real ‘at the coalface’ detail about family life in [the area]. It allows us to voice the family and children’s views.”

“Structures in place are difficult – accountability is not thought through, volunteers are left vulnerable both financially and through a lack of understanding of their responsibilities and liabilities. Lots of these new structures are individuals who do not represent anyone and therefore looking at an area is difficult as people come with their own agenda and not a collective one.”

“It would help if there was feedback about how helpful our input had been.”

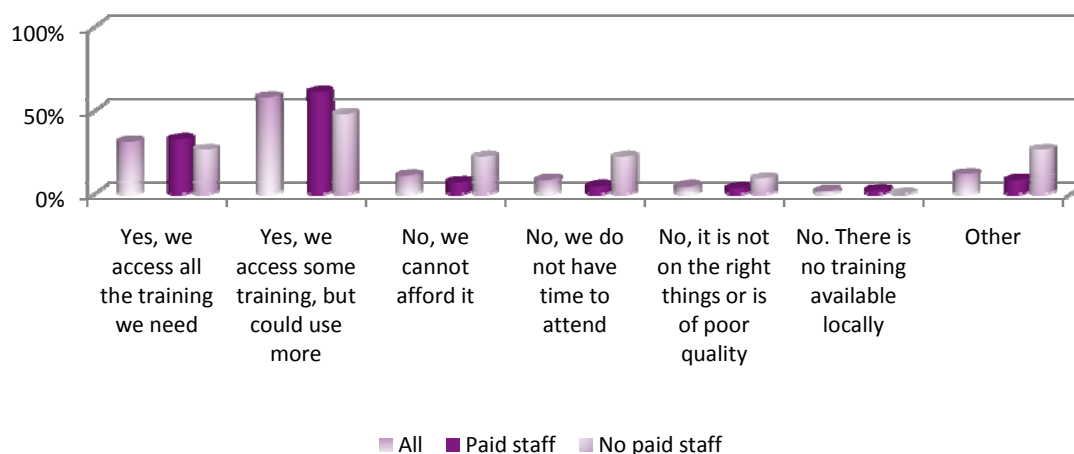
“The time involved is enormous and draining. Whilst I feel it is hugely important to have a voice and influence decision making, it is hard to ensure capacity.”

Training and support

When asked about their training needs, the majority of organisations (89 per cent) either said that they accessed the training they need or they access some training, but could benefit from more.

There was no major difference between the answers of smaller and larger organisations or between those that are involved in influencing groups and those that are not. Organisations with no paid staff, however, were less likely to say that accessible training was available locally (74 per cent compared to 93 per cent of organisations with paid staff) and were much more likely to report difficulties with the training that was available.

Q: *Do you access training?*



Comments from respondents included:

“It’s so difficult finding training which suits the flexible services we offer especially around disability. Getting bursaries or funding takes an eternity. Finding appropriate training for our volunteers is high impossible. It’s really not that great and takes far too much time to find and organise.”

“On the whole there are a lot of training opportunities available, but we need to be selective especially with staff who work only one 3 hour session per week.”

“We need short and succinct training about the new tendering process - the current training is 2 days (I think) and has case studies to write ‘test tenders’ for - could we not write real tenders? It puts me off going!”

“More training for management committees/trustees would be useful. The training attended run by local authorities or CVS/VA has all been good and relevant.”

“There is a great deal of information on training but what is available through the LA does not seem widely publicised. There are some marketing issues here.”

“Training has been good but the times are not always good if staff work at different times and funding is a problem for larger courses.”

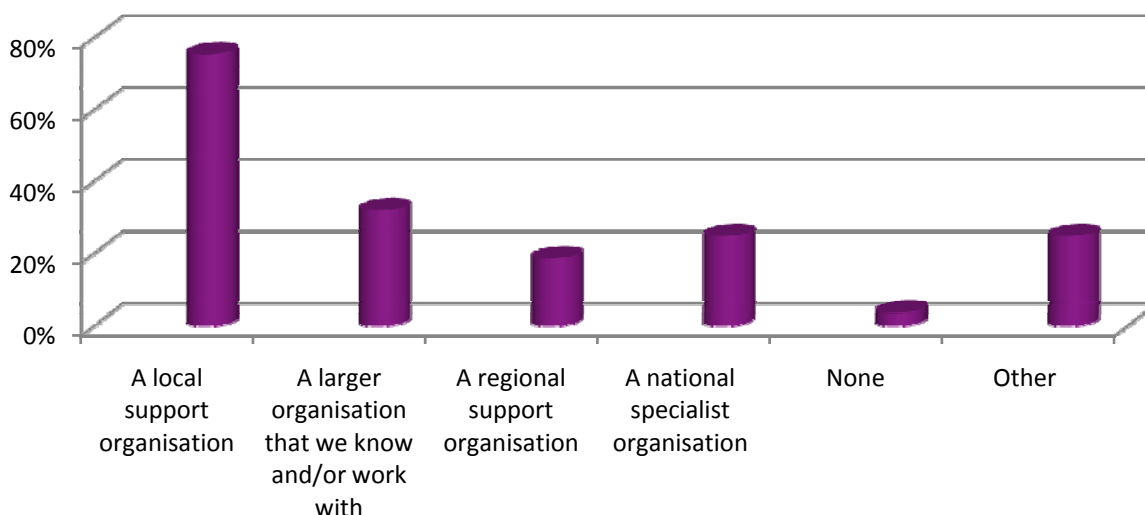
“[We would like to access] anything around the Every Child Matters outcomes and how to monitor this in our work with some sort of database that will allow us to see the progress being made.”

“It needs to be aimed at the right levels and the level be clearly communicated!”

Information and support

Seventy-five per cent of organisations accessed support from a local support organisation, such as a council for voluntary services. Almost a third of respondents were supported by a larger organisation and a quarter of respondents were supported by a national specialist organisation, such as Children England. Four organisations said that they receive no support from other organisations and an additional seven organisations said they rely on the internet and their own research for information.

Q: Where do you access information and support for your organisation?



Conclusions

The children, young people and families voluntary sector has seen its role in public service delivery expand considerably over the past ten years. In addition to increasingly delivering services on behalf of local authorities, guidance and policy underpinning the Every Child Matters (ECM) agenda consistently reinforces Government's commitment to ensuring the voluntary and community sector (VCS) can play a meaningful role in the design and delivery of services.⁸ As well, the VCS traditionally has a unique relationship with their services users, which enables the voices of children, young people and families to be heard – something that is central to government reforms in children's services and in supporting local representative democracy.

The smallest organisations often have the greatest expertise and knowledge in working with some of the most excluded and marginalised groups in society, tapping into local sentiments and needs long before need-analysis has been carried out. This is crucial knowledge which local commissioners need to make informed commissioning choices, and moreover, contribute to the setting of local priorities.

This report has focused on three main areas affecting small organisations working with children, young people and families:

- Engaging with government initiatives.
- Impact of funding changes and the move to commissioning.
- Influencing strategic decision making.

Engaging with government initiatives

- People are more aware of Every Child Matters than they reported being when similar research was carried out two years previously.
- Only a small number of organisations reported being involved in their local children's trust, from being linked in through networks to delivering services on its behalf. Similarly, few organisations said they were aware of who was representing them on the children's trust. Smaller and volunteer-led organisations reported the least involvement, which has obvious implications for having the voice of these groups heard.
- Awareness of the new Vetting and Barring Scheme was low, with very few organisations knowing the resultant responsibilities for organisations, staff and volunteers.
- Awareness of Local Area Agreements (LAAs) and the impact they have on local services was also very low, with over a quarter of organisations having never heard of it and only 17 per cent contributing to their local LAA.

Every Child Matters

Most organisations responding to the survey were confident about their level of knowledge of Every Child Matters and felt able to respond to new requirements brought about by the agenda, for example, using the five outcomes to monitor and evaluate their work. Indeed, most organisations said that they felt the way that services are planned and delivered locally had improved over the previous two years, which is a positive indication of the impact of ECM.

8 HM Government (2004), *Every Child Matters: Next Steps*

Children's trusts

The most recent guidance on children's trusts states that each should have a Board on which the partners and the local community are represented including close engagement with the local voluntary sector.⁹ The guidance makes clear that local authorities should ensure the VCS is represented at the strategic governance and planning levels as well as at the delivery and front-line levels of the children's trust.¹⁰

Despite this, our research clearly shows that the local VCS is largely uninvolved with their children's trust. Moreover, those organisations that were not linked into influencing groups were highly unlikely to have any involvement with the local children's trust. This, in part, reflects a lack of capacity to attend related meetings in terms of staff and resource cost, but also shows a commissioning blind-spot on the part of the local authority, which may be missing key services that could help better meet local priorities. The dearth of voluntary sector organisations (VCOs) that are also involved with influencing groups also implies that local authorities are likely to hear from the same organisations in different forums. This could leave absent the voices of the smallest VCOs and their users which are so crucial in forming an accurate picture of local life.

Local Area Agreements

From the earliest stages of LAA development, the Government has been keen to emphasise the role the VCS needs to play within their development and implementation. Guidance has stated that public sector agencies, together with the local authority, has an important responsibility to "empower and encourage representatives of the voluntary, community and business sectors to be involved"¹¹ and that local authorities should ensure the involvement of the VCS to "identify, shape and deliver" the services included in the LAA.¹² Guidance also required that each LAA should include a 'statement of involvement' showing how the VCS were involved in the design and delivery of the agreement.

LAAs have become the crucial mechanism for improving an area and for joining-up service delivery. However, they also present a different set of challenges to all partners. As Government backs away from a centralised target culture to devolved decision-making, the interaction of local bodies on the ground will become imperative. The ability to communicate well across organisations, to create and maintain meaningful local data and to get cross-sector sign up to a long-term local vision will be the determinants of success for all partners.

The organisations surveyed are contributing to improving social and economic outcomes through employing local people; delivering a wealth of services by volunteers; giving support and advice to children, young people and families; and enhancing the opportunities of staff, volunteers and service users through guidance, support and training. These are exactly the type of aims, objectives and activities the Government has embedded in the LAA framework. However, this research has found that though organisations were clearly contributing to these social and economic outcomes and supporting the well-being of the local area, very few had been formally involved in the creation of their local LAA.

9 DCSF (Nov, 2008) *Children's Trusts: Statutory guidance on inter-agency cooperation to improve well-being of children, young people and their families*

10 DCSF (Nov, 2008) *Children's Trusts: Statutory guidance on inter-agency cooperation to improve well-being of children, young people and their families*

11 Office of the Deputy Prime Minister (ODPM) (2004) *Local Area Agreements: a prospectus*

12 CLG (Dec, 2006) *Local Area Agreement Advice Note 1*

Impact of funding changes and the move to commissioning

- Sustainable funding continues to be difficult for small organisations, with many reporting negative changes in funding over the previous two years. Only a quarter of organisations reported no changes in funding and these were more likely to be smaller, volunteer-led organisations.
- Four out of ten organisations said they would need to close if anticipated funding did not come through by the end of the financial year and over a quarter said they have issued redundancy notices or anticipated needing to do so by the end of the year. Organisations in the survey with annual incomes of between £50k and £250k were more likely to be worried about their future and to have issued redundancy notices.
- Many small organisations are operating on the breadline, dependant on funding they are not guaranteed to have from one year to the next. This makes it extremely difficult to plan for the future of the services and results in uncertainty for staff. This lack of security may make it more difficult to retain quality staff, which could, ultimately, have a harmful effect on service users who rely on small organisations for essential services.
- The move to commissioning has not only brought confusion to the sector over the future of grant funding, but can also cause considerable problems in understanding due to the differing definitions and practices used across local authorities.

There has been a push within statutory funding towards commissioning and away from grants as a means of securing services. In many ways grant funding is an expression of trust, showing that the commissioner supports a 'bottom up' approach, and values the independence of VCS providers and the benefits they bring to a community. The pressures of efficiency and LAA targets, the heavy emphasis on the role of the VCS in public service delivery and the current expanse of generic commissioning guidance all seemingly deter local authorities from giving consideration to the purpose and the possibilities of grant funding. Together, these drivers encourage a view of the sector which potentially undermines its broader role in the locality and society more widely.

However, views expressed in the Treasury Third Sector Review, the 2006 Local Government White Paper and several policy documents from the Office of the Third Sector state that a mixture of funding mechanisms are required to accommodate the different purposes of the funding.

Treasury guidance states that, "despite the trend towards open competition and contractual relationships between funding bodies and the third sector, procurement does not necessarily always represent the optimum value for money option – there is clearly an ongoing role for strategic or development funding, most commonly channelled through grants or grants-in-aid."¹³

Despite the commitment given to the model of a mixed funding economy, there is a real and perceived shift in funding taking place at a local level. The move to commissioning is being driven by central government trying to bring economy, efficiency and effectiveness into procurement and commissioning processes locally. Putting the local public/voluntary sector relationship on a purely contractual footing, however, potentially constrains the sector and makes VCOs vulnerable in the wake of continual policy change which, due to their size, many local VCOs would be ill-equipped to bear. There are several risks for small organisations in this approach. At a macro level, this focus on the 'service delivery' agenda will be at the expense of the 'community' agenda;

13 HM Treasury (Mar, 2006) *Improving financial relationships with the third sector: Guidance to funders and purchasers*

as VCOs are drawn into service delivery and meeting targets they lose the flexibility and holistic approach so crucial in both the localism and community cohesion agendas. To just travel down the commissioning route is likely to undermine the important contribution voluntary and community groups make to people's daily lives.

There also appears to be something of an inconsistency between the ambition for greater community engagement and active citizenship and the shift in financial relationships away from grant funding and toward a more contractual one where specified services are purchased. The types of local organisation likely to be hit by the reduction or withdrawal of grant funding are often the smallest volunteer-led organisations. A NAVCA report on the importance of grant funding found that in terms of community engagement, the existence of local volunteer-led organisations and community groups provide potential points of access to often hard-to-reach communities. These organisations enable people who choose not to engage with statutory services to contribute their views through routes in which they have freely chosen to engage, including, for example, via community groups and voluntary organisations, the primary purpose of which may well not be representation.¹⁴

This is supported by the Office of the Third Sector paper *Real Help for Communities: Volunteers, Charities and Social Enterprises* which outlines proposals to support the third sector during the economic downturn. This has found that small and medium-sized community organisations that are best placed to provide responsive advice and support services in deprived communities are least able to secure funding.¹⁵

The same report established that almost 70 per cent of local funders claim that small and small-medium third sector organisations face an increasing demand for these services, but are facing the greatest challenges in securing sustainable funding in the current economic climate. The challenges identified were more national funding being delivered through local authorities, moves within Government to commissioning and contracts rather than grant funding, a tendency for more one-year funding as the norm still at the local level and less Lottery funding available.¹⁶

Government has accepted the untenable situation many charities are in when it comes to tendering and procurement. Evidence from the third sector highlights the inaccessibility and complexity of identifying opportunities to tender for public service contracts as a considerable inefficiency. This lack of transparency requires providers to draw resources away from frontline service provision and into the identification of tender opportunities.¹⁷

VCOs are also concerned that, while commissioners have made the strategic decision to reduce grant aid arrangements, new commissioning processes and procedures are not yet embedded to take over. This is clear from some of the comments made by the organisations surveyed. Organisations are clearly concerned that they will be forced to chase funding and modify existing services to meet new local aims and priorities. This gap between commissioning and grant processes increases both the vulnerability and lack of continuity within the sector.¹⁸

14 NAVCA (June, 2007) *Why grants are important for a healthy local VCS: A study of four local authorities' policies*

15 Evidence submitted by local funders across England in response to an OTS survey (Dec 08/Jan 09). Cited in HM Government (Feb, 2009) *Real Help for Communities: Volunteers, Charities and Social Enterprises*

16 HM Government (Feb, 2009) *Real Help for Communities: Volunteers, Charities and Social Enterprises*

17 HM Government (Feb, 2009) *Real Help for Communities: Volunteers, Charities and Social Enterprises*

18 National Council for Voluntary Youth Services (NCVYS) (2006) *Review of the Role of the 3rd Sector in Social and Economic Regeneration* and Gordon Associates UK (2004) *Developing the Voluntary Sector Role in Public Service Delivery in South Tees*

While investment directly in frontline service delivery is important, input from the sector and the findings of the Public Administration Select Committee report, *Public Services and the Third Sector: Rhetoric and Reality*,¹⁹ suggest that supporting the third sector to deliver effective public services also requires investment in good commissioning practice.

For some organisations within the VCS, commissioning offers a real opportunity to move out of the merry-go-round of short-term grants and poorly funded contracts. However, for others, particularly the smaller voluntary and community organisations, the barriers outlined above seem too large to overcome. Even for the larger VCS organisations, it is clear that the sector and funders need to engage in meaningful and honest debate in finding solutions.

Influencing strategic decision making

- Less than a quarter of surveyed organisations had a contract to deliver public services on behalf of their local authority; those that did were far more likely to be involved in influencing structures.²⁰
- Smaller and volunteer-led organisations were much less likely to be involved in influencing structures. Survey participants revealed how difficult it is for these organisations to be involved, particularly due to the time and money required to attend meetings.
- Of those organisations that are involved in influencing groups, only half represent the wider VCS. This, alongside the two-thirds of organisations that said they knew who their VCS representative on the local children's trust was, suggests that representation is not always working effectively in the sector. This may mean that small organisations are not having their voices heard in local decision making and may be missing out on vital information and opportunities.
- Those organisations not involved in influencing structures reported being less aware of the Every Child Matters agenda.

Commissioning presents a real opportunity, and indeed a real necessity, for small organisations and thereby their constituents, to have a voice in local decision making. Commissioning is “the whole process of assessing need, identifying resources available, planning how to use the resources, arranging service delivery, and the reviewing of service and reassessing of need”²¹ and government guidance suggests that the VCS should be involved in every step of that process. Government has said that the involvement of the third sector is seen as vital to the success of structures such as Local Strategic Partnerships, children's trusts and the delivery of Local Area Agreements.²²

Overwhelmingly, the findings from this research showed the importance to organisations of being involved in influencing structures. These organisations were much more likely to:

19 Public Administration Select Committee (June, 2008) *Public Services and the Third Sector: Rhetoric and Reality, Eleventh report of the session (2007-08)*

20 Influencing structures include groups that identify needs and plan services; groups that advise on local plans for children's services; groups that decide on local plans for children's services; groups that commission services; groups that evaluate and/or monitor services; groups that distribute funding.

21 HM Government (2004) *From vision to reality: transforming outcomes for children and families*

22 Office of the Deputy Prime Minister (ODPM) (2001) *Local Strategic Partnership Guidance*. ODPM (2006) *Local Area Agreement Guidance*. Home Office Active Communities (2004) *Think Smart, Think Voluntary Sector*.

- Be very well informed about the Every Child Matters agenda.
- Have noticed positive changes to how local services are planned and delivered.
- Have a contract as part of their local area's commissioning strategy.
- Have heard of the Vetting and Barring Scheme and understand their organisation's responsibilities around it.
- Have heard of Local Area Agreements, know what their Agreement contains and know the implications for their organisation.

This suggests that either the knowledge, information and contacts gained through involvement with influencing structures provide a considerable advantage or there is something about these organisations, perhaps they are particularly savvy or worldly, that makes them more likely to become involved in strategic decision making. This could be an area for further research.

Half of all the organisations surveyed were not involved in influencing groups. These findings are particularly worrying in the context of the move to commissioning as a way of funding local public services. There is an expectation that the VCS is involved in these discussions, but this research has shown how few small organisations are actually having their voices heard at that level. Many local areas would be likely to say that the VCS is involved, with at least one VCS representative on major local fora. However, 64 per cent of those not involved in influencing groups were members of a local support organisation (such as a council for voluntary services (CVS)) and this group did not see the benefit shown by their colleagues involved in influencing groups, though they have a voice within them through local VCS networks. The survey findings, thus, seem to suggest that to gain the benefits from the VCS being represented in influencing arenas the organisation actually need to be sitting around the table, and that either representational structures do not exist or they are not as effective as they should be. Indeed, the survey also found that half of all respondents who are involved in influencing groups only represent themselves, which suggests that more needs to be done to make the most out of the voice the sector has.

In many parts of the VCS there is a desire to become involved in commissioning, often not in the provision of direct services, but as a valued partner in identifying need. Many in the VCS want to continue to support their communities by engaging with providers and commissioners about the needs and potential solutions that lie beyond the formal contracting process in a locality.²³ If these discussions about need and tightening up commissioning processes continue to leave out the local VCS there is a danger that the children and families served by smaller organisations, who are often from the most vulnerable and marginalised communities, will either lose entirely the services upon which they depend or those services will lose the quality and appropriateness which make them successful.

²³ Bichard, M and de Groot, L (2007) *Loose Talk and a Hard Nut: Commissioning for better outcomes*, Bichard and de Groot Foundation.

Recommendations

The voluntary and community sector (VCS) should:

- Ensure it understands local influencing structures and their importance, knows who its representatives are and knows how to contribute to local decision making. A strong, united VCS will have more influence than one that is uninformed and wrangling.
- Make a greater effort to ensure that information and resources are reaching all parts of the sector, including a particular effort to reach more disadvantaged organisations, such as smaller and volunteer-led organisations.
- Explore issues of effective representation, including the development and support of networks and finding innovative ways of ensuring groups with less capacity are still involved in developments. A programme of training and development for representatives could be developed by building on protocols and examples of good practice that already exist.
- Create opportunities for the wider sector to contribute to key decisions.

Large VCS organisations should:

- Continue supporting small organisations. A number of respondents reported receiving information and support from a larger organisation. If larger organisations need to streamline their services in order to remain competitive or as a result of the current economic downturn, there is a worry that they will no longer have the capacity to support the smaller VCS.

Funders should:

- Offer more capacity building money suitable to small organisations to enable them to enter the contracting arena.

Local government should:

- Ensure a meaningful VCS role, including:
 - Allowing ample time before decisions are made to consult the wider sector.
 - Recognising the diversity of the sector by permitting more than one VCS representative in decision making arenas.
 - Valuing the essential contribution small organisations make improving outcomes for children, young people and families and providing meaningful opportunities to have a say in the identification of needs and how to meet them.
 - Making it easier for small organisations to act as representatives by paying back fill and expenses to attend.
- Implement a commissioning process that is strategic and that the VCS can genuinely contribute to at each stage.
- Maintain some form of grant funding in the mix of funding options available to small organisations. Funding should be offered on a three-year basis and once agreed to should be guaranteed for that time period. There should be enough transition time given so that if funding is removed organisations are able to look for other means of funding their services.

- Adopt procurement practices that are fair and open – involving neutrality between different types of providers, transparency on pricing, a minimising of transaction costs and allowing providers to frame realistic economic tenders – as the most straightforward way to deal with the issue of ‘full-cost recovery’.

Central Government should:

- Apply constant pressure to ensure the tenets of the Compact are ingrained in local funding policy, and that the local authority ‘duty to involve’ is not just a tick box exercise in signing off pre-determined decisions.

The Independent Safeguarding Authority should:

- Step up its communications strategy for the Vetting and Barring Scheme to ensure that all parts of the VCS are informed about their compliance responsibilities.

Children England

Charities working for
children and families

Children England

Unit 25 Angel Gate

City Road

London EC1V 2PT

info@childrenengland.org.uk

www.childrenengland.org.uk

Registered Charity Number: 1044239

Registered Company Number: 3011053