

GMCVO

Knowledge

Understanding the capacity of voluntary sector organisations to engage with public sector proposals within the remit of criminal justice

Executive Summary



Greater Manchester Centre
for Voluntary Organisation

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EXECUTIVE SUMMARY

Introduction

The publication of the 'Open Public Services' White Paper represents a notable shift in the delivery of public services towards outcome based commissioning. There is a commitment by Government to develop a more mixed economy of public services with increased opportunity for those organisations in the private and voluntary sectors to deliver more services. The opening up of delivery is a central thesis contained in the White Paper which endorses a commitment to higher quality, more efficient and more responsive public services. It is anticipated that the opening up of service delivery to a range of providers through the mechanisms of competition and choice will increase the standards in provision.

Within criminal justice, the Ministry of Justice (MoJ) recognises the important role that the voluntary sector contributes to offender management services and express a keenness to build upon the key strengths that the sector has to offer. The financial pressure attributed to the societal cost of reoffending and a need to reduce their budget has resulted changes from the MoJ in that they will only pay for 'what works' in delivering reduced levels of offending and reoffending. This outcome based model, more commonly known as 'payment by results' will see providers paid on a reduction in demand for criminal justice services and the subsequent savings will be reinvested in the system. 'Payment by results' however represents new unexplored territory for the sector and is considered by commentators to represent both an opportunity and a risk to those organisations becoming involved in this new funding environment.

In this time of austerity and with a reduction in grant based funding, it is anticipated that commissioning to deliver services will represent a more important means of income for the sector. However involving a greater number of organisations in service delivery has been a concern of successive Governments and as a result, most still remain unengaged. The White Paper proposals indicate a greater role for the voluntary sector, however in order to allow opportunities for all organisations to deliver, there a number of long standing barriers within commissioning and also 'payment by results' that need to be addressed. It is GMCVO's view that to truly transform public services for the better, the most suitable locally-placed provider – often the smallest organisation – must be able to compete in this environment.

GMCVO are interested in this new policy ideology and how voluntary sector organisations might align with the policy rhetoric or even whether they consider it is

viable to do so. The research aimed at exploring some of the key themes including the movement to 'payment by results', the need to evidence impact, the element of competition and the contention that this new agenda represents a cultural shift within the sector. It was considered essential to understand how the change would impact on the mindset, operation and sustainability of voluntary sector organisations and highlight any expressed concerns of these groups going forward.

Research Questions

- How do organisations feel about this notion of the commercialisation of the VCS – a cultural shift from old traditions of volunteerism to operating under Government derivative as more alike to a business?
- How the shift to evidencing outcomes in order to receive financial return will impact on the organisation and to consider the capacity to respond to this need?
- The position of organisations in a competitive market and how they feel about the notion of competition and competing against other organisations for contracts?
- What are the barriers facing the capacity of organisations to engage with service delivery and what is needed to work towards breaking them down?

Methodology

It was essential that this report was guided by the views of local voluntary organisations with the research representing an opportunity for GMCVO members to feed into the response and highlight their thoughts and concerns over these proposals. Due to the limited time scale that affords a small-scale research project, a purposive sample will provided the researcher with an indication into the current climate of organisations across Greater Manchester. The sample was operationalised based on the type of work an organisation conducted with offenders and also in relation to their size. A varied sample was taken from organisations based on their work across the seven pathways of offending and reoffending to represent differing needs. Furthermore, a range of small, medium and large organisations were interviewed to provide a perspective on the needs and concerns of all organisations in relation to the White Paper proposals.

The sample was informed by previous mapping work undertaken (and ongoing) by GMCVO in order to create market awareness of service providers and their services for commissioners. The organisations have been mapped according to criteria relevant to the commissioning process and this provides information relating to their 'market offer' specifically relevant to commissioners requirements. The mapping work provided a founding basis for the sampling frame as there was a pre-existing relationship between GMCVO and the organisation which removed some of the traditional constraints of practical research.

In total, seven voluntary sector organisations were interviewed with a supplementary focus group undertaken with GMCVO colleagues who are leading on the mapping exercise of voluntary sector services. The focus group was included to complement the research findings and to provide a more holistic picture of the climate and issues facing those involved in criminal justice services in Greater Manchester. The principle research method was semi structured interviews as this was deemed the most appropriate technique to obtain the level of detail required and to offer sufficient insight into the view of organisations' capacity to engage whilst allowing the opportunity to explore any issues arising throughout the interview process further.

Key Findings

Overview

1. **Choice** – Organisations do possess a choice of whether or not to engage with service delivery, however there are questions over how much choice do they actually have? If they opt out of this new environment and the opportunity to deliver a service, they may risk a missed financial opportunity which raises the issue of future sustainability. Given that organisations exist primarily due to an altruistic desire toward their service users, this missed opportunity could potentially incur a negative impact on their current work and therefore on the provision of their users.
2. **Pressure** – It is emergent that there is an intensified pressure on smaller organisations whereby they are coerced into a position where they have to engage due to the emphasis they devote to helping their service users. However it is considered by organisations that the conditions laid out in the White Paper impair the abilities of smaller organisations to operate effectively in this market.
3. **Competition** – It was found that the culture of competition introduced by the White Paper has fostered a degree of distrust of other organisations. It was found that organisations had become very protective about their work and had become inward facing and defensive for fear of losing out to someone else. This was seen to represent a negative consequence on the quality of delivery as attention was being diverted away from their work.
4. **Competition** – This has also further lead to a distrust of the 'bigger players'. Smaller organisations felt threatened by their abilities to operate in a competitive market. It was also felt that a Government commitment to a 'level playing field' was unrealistic with small organisations feeling they would inevitably lose out in competition against larger organisations which possess the necessary scale and resources to bid for contracts.
5. **Commissioning** – There was found to be issues with the current commissioning process with small organisations struggling to 'get their voices heard' and a feeling of constantly 'knocking on doors'.

6. **Expansion** – Organisational attitudes to expansion in order to achieve a necessary return on reduced levels of offending/reoffending under this model were one of restrictiveness. It was found that expansion was considered to potentially have an adverse affect on their quality of service as a result of less time and less direct attention paid to the service user. It was also found that impact measurement was considered to negatively divert attention away from the service user and was more attuned to statutory ‘ticking of boxes’. This was deemed to also represent an adverse effect on the quality of service provision.
7. **Pace of Change** – Organisations recognised that the policy agenda was evolving at a rapid pace and faster than had been previously known. This was found to create an unsettling environment for them and was seen to affect their capacity to respond to the agendas.
8. **Measuring Impact** – Despite an increased focus on impact measurement, it was found that organisations were unclear about what data to collect with an admission of a struggle to measure their work against the ‘reducing reoffending’ agenda.
9. **Measuring Impact** – There was found to be a range of different, often in-house outcome measures. This raises the issue of the validity of each approach and how these would stand up to assessment by an independent body. It may be that organisations are too poorly evidenced to attract investment.
10. **Measuring Impact** – There were also issues cited by organisations as to the processes of data collection. Some of the issues were seen to create an air of confusion for organisations as they were unsure over whose outcomes they were (ie determined by Government or related to realistic individual progress) and what would happen if the total outcome is not achieved due to the chaotic lives that service users often possess. Furthermore there were also issues raised with the tracking of individuals over long periods, the sharing of information from the police and whether ‘payment by results’ accounts for a reduction in severity in offending.

Recommendations

1. If there is to be an increased role for the voluntary sector in delivering public services, a commitment put forward by the Government in the ‘Open Public Services’ White Paper, it is essential to ensure that the distinctive value of all types of organisations and their unique characteristics are not lost.
2. It was found that the ‘payment by results’ mechanism presents major challenges to organisations and it was felt by some that they would struggle to adapt to this new environment. This was particularly intensified for smaller organisations that lack the expertise to tender for contracts, the capacity to bear the financial risk or the resources to measure their impact. It was found that this method of working appears better suited to larger organisations that possess the necessary capacity to navigate this new territory, which could result in excluding smaller organisations altogether.

3. Therefore further recognition and attention needs to be afforded to these issues facing smaller organisations. It is considered that there is a need to establish a way of working towards improving these issues where 'capacity building' approaches have fell short. It is evident from GMCVO mapping work that there is a critical mass of organisations involved in offender services. Consequently it is felt that Government should be fostering this collective notion thereby making allowances to incorporate each individual organisations unique contribution in the fight to reduce reoffending. This would allow opportunities for all and ensure that organisations are not impaired or excluded purely because they lack the necessary capacity to engage with the reform proposals.
4. If the overall objective is to reduce reoffending, it is felt that Government should be harnessing the collective power of those involved in offender management services and to value the contribution of all against this shared goal. There are concerns that the smallest locally placed organisations will not be able to use their skills to make public services more effective, not owing to the quality of their service but because of a financial model that impairs their ability to engage fully.
5. There is a working need for more 'active' commissioning to allow opportunities for smaller organisations who struggle to get their voices heard. It is necessary that commissioners better understand the market supply of organisations and be better aware of the voluntary sector as suppliers.
6. As the competitive culture represents a new way of operating for the sector. It would be beneficial to establish a dialogue prior to this competition. This dialogue would act as a mediator and would enable Government to develop a greater understanding of how voluntary organisations can contribute to the delivery of public services. It would enable commissioners to greater understand the process and challenges facing the smallest providers and could better facilitate the entry of new voluntary providers. If the Ministry of Justice is committed to more market entrants, they must engage on a local level to establish a dialogue with the smallest, most locally placed organisations and work to ascertain their needs going forward.
7. The ideas contained within 'payment by results' that investors may looking for a significant return on investment and this may require organisations to scale up their services to achieve delivery at the necessary scale may hold significance. Furthermore as is evident with the Work Programme, the scale at which contracts are commissioned has increased with such large contracts being available only to those organisations that possess the capacity to bid for and deliver on such a scale. In terms of reducing reoffending, organisations would have to scale up their services to meet thresholds in delivering sizeable reduced levels of offending and reoffending. However within the research, there was found to be a cultural barrier to organisations who consider that their size is their key selling point and they

believe to remain successful, there is a need to retain this perceived key characteristic. As opposed to a traditional business that expands with greater demand to increase revenue, conversely voluntary organisations restrict themselves from growing and appear reluctant to widen their remit and operate on a wider scale. One explanation for this may be that primarily most organisations exist out of an identified need in the local community and thus they stand and work for the communities they operate in. The White Paper proposals therefore need to become aware of this fact and take note as to not exclude organisations on the premise of their culture and a desire to remain how they are. This again could be facilitated by commissioners obtaining a better understanding of the culture of organisations and how they operate by engaging with them on a local level.

8. As this was a small-scale research project, further in-depth research is needed to represent the needs and concerns of the wider sector. More work within this area would better enable us to establish the needs of the wide variety of organisations involved in offender management and what would be needed in order for them to be able to operate efficiently and effectively within this new environment.