Examining the rise of local commissioning accreditation schemes for the voluntary and community sector in the UK:
A view from the field

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ABSTRACT

Following on from the principles of the cross-cutting review of the role of the voluntary sector in service delivery by HM Treasury (2002), local infrastructure organisations are increasingly developing accreditation 'kite marks' for voluntary sector providers of public services in their local area. A new development in markets for public service, these are intended to highlight the distinctive contribution voluntary organisations can make to service provision by recognising good practice and improving the reputation of voluntary sector providers with local funders. At the same time, they are meant to reduce bureaucracy and the burden of monitoring for accredited organisations. Our paper discusses some of the issues of implementation of such schemes. Drawing on direct experience of accreditation practice, we highlight areas of innovative work. We also raise a number of questions that persist around the implementation of these schemes in an attempt to prompt further discussion.

Keywords: Voluntary and community sector, public services, commissioning accreditation

Introduction: The voluntary and community sector as a service provider

The rise of the voluntary and community sector (VCS) in public service delivery in the UK over recent years has been well documented (see Kendall and Knapp, 1996; Lewis, 1999; Kendall, 2003; Lewis, 2005). The VCS has grown to dominate some aspects of public service provision, particularly in areas of welfare related to social services and healthcare. This has occurred within the context of changing public-voluntary sector relations, in particular since 1997, with successive Labour governments zealously pursuing an agenda promoting VCS engagement in service provision, albeit with mixed results. More recently, the Coalition Government, formed in 2010 has developed this trend further, encouraging the refocusing of public services towards mutuals and voluntary sector bodies in an attempt to promote the vision of a 'Big Society', although it is too early to assess the impact of this upon the voluntary and community sector (Cameron 2009).

This article discusses the context, and some of the implications, of the emergence of local accreditation, or quality assurance, schemes for voluntary organisations working in public service delivery. Accreditation schemes are developed locally and are intended to highlight the distinctive contribution voluntary and community organisations can make to public service provision by recognising good practice and improving the reputation of VCS providers with local funders. We argue that these schemes represent a significant

innovation in state-voluntary sector relations and are worthy of further research. Throughout, we draw on our own experiences in the field, working on a number of aspects of local state-VCS relations, but particularly in developing and evaluating local accreditation schemes for the VCS in one inner London Borough. From our research findings we suggest that, while accreditation schemes present a number of benefits, there are persistent questions around their implementation that need to be addressed in any accreditation scheme.

The article begins with some context, presenting an overview of changing government policy towards the VCS, drawing on official documents and statistics as well as existing literature. From this basis, we move on to discuss local accreditation schemes, based on our experience of working in the field, highlighting their significance as a break from established practice in public management and the innovative nature of their implementation. This has been supplemented by a series of interviews with commissioners and local authority officers, together with a number of focus groups held with VCOs in a London Borough which has recently adopted an accreditation scheme. Our intention is to bridge the gap between the literature dealing with the changing UK context of state-VCS relations and the relatively under-researched local context of commissioning practice. Consequently we hope that the article will act as a primer for further work by raising issues that have seemed relevant in the field.

The national picture: a developing role in welfare

Despite the growth of the voluntary sector as a focus of government policy in recent years, the involvement of the VCS in service provision is not an entirely new phenomenon. Voluntary action has always held a place in the provision of public services in the UK. From the earliest roots of the welfare state through the extension of charity that ran from the mid-19th century, we can trace the emergence of the VCS as a major player in the provision of welfare. Indeed, the varying shifts in the balance in the relationship between the state and the VCS have characterised provision throughout the postwar period in Britain.

It was, however, the rise of New Public Management critiques of the state's welfare role that have perhaps had the greatest impact on the welfare role played by the VCS prior to 1997. Driven by the idea that the public sector had 'failed' to respond adequately to the changing demands of welfare, this necessitated a change in approach to the organisation of public services. A loose, and at times contradictory movement, it includes the creation of quasi-markets in public services, the empowerment of managers and a focus on operational flexibility, a separation between purchasers and provider roles, the introduction of targeting and performance measures and, significantly for the voluntary sector, the growth of contracts as the main form of relationship between actors in public services (Lewis, 1999; 2005).

A raft of legislation was introduced during this time that radically altered the provision of welfare services. Dramatic shifts took place to the shape of service delivery in (to name a few) education, personal social care, and primary health care forming part of a radical

agenda for change (Osborne and Gaebler, 1993; Ferlie et al, 1996; Newman, 2001). Despite this wide reach, however, reform was focused along a number of common themes, and during this period public management practice was reframed along underlying principles which included:

i)   A separation of the roles of purchaser and provider
ii)   Choice as beneficial to the operation of welfare markets
iii)   The importance of the contract in framing relations between actors

A significant result of this movement was increased state funding of the voluntary sector, with the overall contribution of the state to funding the sector rising to almost £20 billion by 1990. Public funds now represent the largest source of voluntary sector income, with the increase coming mainly through purchase-of-service contracts (NCVO, 2006). The number of voluntary organisations providing public services has also grown, with the availability of government funding and contracts fuelling expansion in the sector's welfare function (Kendall and Knapp, 1996; Kendall, 2003). What this means is that some voluntary organisations now derive their funding primarily from the state, largely in the form of contracts.

The nature of contractual relations makes specific demands of voluntary organisations. Contracts tend to be a fairly formalised means of allocating funding, they tend to be short term (often for only one year), allocated on a competitive basis, specify outputs, and significantly, require monitoring. In the literature, repeated concerns have been expressed about the impact of the proliferation of contracts and the consequent regulatory implications for the voluntary sector. A number of commentators have pointed to the emergence of a 'contract culture', where contractual arrangements for service provision largely replaced grant funding for many voluntary organisations. Kramer (1994) suggests that this has caused a number of problems, including inappropriate administrative and regulatory burdens, and significant threats to autonomy. Elsewhere, Knapp et al (1990) suggest that the effects of a move towards contractual funding might be felt in five areas: excessive bureaucracy; inappropriate regulation; threats to independence; financial insecurity; and the loss of comparative advantage in the market for public services.

Beyond the uncertainties of the changing funding environment, it is important to note that the place of the VCS as a service provider was limited by the government's understanding of the sector as primarily an alternative provider to the state of public services. So while the voluntary sector was increasingly involved in the service-providing functions of government, legislation largely disregarded its role as an advocate in the policy process. While this does not mean that the voluntary sector's role in local policy was limited to the provision of public services, Kendall (2003) suggests that any broader function was generally marginalised in the government's thinking.

So what does this mean for voluntary and community organisations? These changes have had a discernable impact at the local level, where our work has been focussed. Since the mid-1980s, local authorities have seen their roles gradually changing to being one of enabler and facilitator rather than deliverer of community services. In the future their

role might be reduced to primarily being a commissioner of services. The corollary of this is that, despite the net increase of funding available, it is likely that the VCS will be unable to receive funding from the state without competing for these resources on a contractual basis.

Public services and the mixed economy of welfare

Conceptually, we can think of these developments as being related to the various elements of theory that contribute to the overarching concept of the mixed economy of welfare[1]. This conceptual basis provides us with a number of approaches to understanding the value that the VCS might bring to public service provision. One obvious point is that VCS provision is often valued due to its ability to satisfy a greater diversity of demand for public services than the public sector. This is often a result of the fact that it can be inventive and flexible, in contrast to the state, which has to contend with the demands of the median voter, as well as greater levels of bureaucracy (Weisbrod, 1975).

Equally, there are issues of trust that can be of comparative advantage to VCS providers over those from the private sector. These are centred on the likelihood of *information asymmetries* - situations where the profit motive is likely to distort the quality of information or services in favour of the provider. The 'non-distribution constraint', where VCS organisations do not distribute earnings to those who exercise control over them, ensures that in contrast, voluntary action is not corrupted – essential to work with socially-excluded groups (Hansmann, 1996).

The sector is also distinct in terms of the effectiveness of the goods and services it produces. Lester Salamon (1987) discusses the interdependence of voluntary organisations and the state, suggesting that the close relationship between the VCS and its constituencies place it in a unique position to satisfy the needs of a heterogeneous population, and to identify and tackle emerging social problems before the machinery of the state can respond. However, Salamon also identifies *voluntary failure*, where the limited resources of the VCS require it to work in collaboration with the state in order to sustain their work as demand rises.

These concepts can translate into practice. In our own work, we have found that service delivery by the VCS is of particular importance and relevance to localities with high levels of deprivation as well as those with large minority communities, as the countless numbers of small grassroots groups not only reflect the various communities in local areas but are also uniquely placed to understand the needs of each community. For example, a Somali community group will likely have service delivery staff who speak community languages and who have a more personal understanding of the specific issues and barriers facing that community, thereby placing it in a stronger position to deliver services. Public or private service delivery agents tend to be seen as far more generic in approach and less able to deliver specialist services to particular communities. So while local government might have the resources and the will to directly provide services to

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[1] See Kendall (2003) for a more detailed introduction to these concepts.

local communities, there are inevitably gaps in understanding and local community knowledge.

Innovative responses: The rise of accreditation

In order to ease some of the pressures of the changing public services environment on the VCS, actors from across the public and voluntary sectors have begun to develop innovative responses to the problems caused by the proliferation of contracts. This has required the development of new approaches to relations between the state and the VCS, focused on identifying, and codifying the principles of good practice in public service delivery.

Central government has provided a context to these developments. A number of reports and policy documents emanating from central government in recent years have provided a strong contextual steer towards greater quality assurance mechanisms in VCS provision of public services. These include cross-cutting review of the role of the voluntary sector in service delivery, undertaken by the Treasury in 2002, the recent report of the DoH 'Third Sector Commissioning Task Force' (2007) and the Comprehensive Spending Review undertaken jointly by the Treasury and the Cabinet Office (2007). Each of these reports highlights the importance of partnership with the voluntary sector, and the need to improve capacity and effectiveness in service provision.

Following a partnership approach like this represents a clear break with the past. The role of the state in accreditation schemes has been cast by the government as less that of leader than enabler, hosting a framework intended to enhance the voluntary sector's service provision role. In practice, this leaves considerable space for local authorities and voluntary organisations to work together to develop innovatively shaped accreditation schemes to fit local need. Examples of experimental and innovative practice are emerging in the literature. Peat (2010) outlines case behind the introduction of the Suffolk Passport for voluntary organisations, suggesting that the scheme has the potential to save time and costs for funders, while reducing the burden of administration for the voluntary sector. Carroll (2008) suggests that funding templates can be the starting point for good communication between funders and providers. This point is echoed by Hobday and Burton (2008), drawing on the experience of the London Borough of Merton to emphasise the importance of local partnership work to clarifying expectations and improving service quality.

It is no surprise, therefore, that while accreditation schemes are driven by national pressures, we have encountered accreditation primarily as a local trend. It is difficult to demand entrepreneurial and innovative behaviour from the centre. As it is, such schemes have been implemented in a range of areas, and in various guises. By and large, however, accreditation schemes take the form of a 'kitemark' or 'passport', which recognises an organisation's adherence to specified working practices including good structures of governance, accounting and management – a radically new development in public service delivery. The common thread in all accreditation schemes is that each is

intended to improve service delivery within the VCS by rewarding 'good' practice with a privileged position in the market for funding.

Our work in the field suggests that the main areas where accreditation is seen as improving VCS service delivery agents are often related to quality standards and value for money. It is clear that there is capacity for improvement in the VCS, as in any sector. However this should never be at the expense of their grassroots community connection. Rather, any attempt on the part of local councils to improve standards needs to be accompanied by investment in the capacity of the VCS and an acknowledgement of the value in grassroots and community knowledge. Many organisations we encountered are willing to improve their standards, but need help in the way of funding and security in order to do this. So in order for accreditation of VCS providers to ensure quality, while being equitable, there must be adequate support for service delivery (perhaps in the form of training, support, and crisis management).

We have also found that clear communication and equal partnerships between sectors are key factors in successful commissioning programmes. Local councils have strategic objectives as well as very clear targets and efficiency expectations, and in this context the VCS can appear under-staffed and quite chaotic in its approach. All parties involved need to clarify their expectations and assumptions of each other from the start and agree a way forward that lays out the rights and responsibilities of everyone involved. In essence, each sector must respect and acknowledge the role and value of the other organisations involved. For example, in our work we have been told by a representative of a local council that they did not consider the commissioning project a partnership and they felt that they had a right to dictate exactly what the commissioning standards should be, given that they were the funders and ultimately held the responsibility for quality services being delivered. They were not very interested in what their VCS partners had to say about this issue. Part of the problem in this scenario was that neither partner had agreed the process or timeline for accreditation to happen, yet the local council funded the pilot. Neither party had communicated their expectations of each other and consequently at the end of the pilot there were major disagreements regarding the commissioning standards and the project could not move forward to form an accreditation panel.

Whither accreditation?

So there are clear issues in the implementation, if not the principle, of local accreditation schemes. The central tension within seems to be that, while the VCS needs to be 'taken seriously' in the commissioning process, there is a danger that we might lose some of the things we value about voluntary action.

Part of this conflict may arise from the fact that commissioning arrangements are often partnerships between the large bureaucracy of local government and small voluntary organisations. As such, the different organisational cultures, style and values may not be well suited to work together. Local councils change their agendas, targets and expectations quite regularly while the VCS normally attempts to remain true to its

founding mission and vision. Local councils tend to place a high value on innovation while the VCS can often struggle to find funding to keep successful public services going. Indeed, we have found that the VCS can find the focus on innovation to be a hefty burden and they find it difficult to access local government programmes that will fund successful services which are not 'new and different'. Similarly, the vagaries of local government finance can mean that, while last minute changes and cancellations can be the norm in local government, the toll on under-staffed organisations is disproportionately high.

In response, we have found that innovative practice to encourage voluntary sector engagement can make this process easier. The creation of online self-assessments and toolkits should be encouraged, as this will be more efficient for both funders and organisations however sufficient time needs to be given to develop appropriate technologies and consult with potential users.

Above and beyond this, there is a great deal of groundwork that needs to be in place before accreditation should be considered. Ideally, there should be a cross-sector steering group set up in order to plan for and create a coherent strategy and to consult with stakeholders. Partners from the VCS should be representative of the sector locally and public sector partners should have a wide understanding of the goals and expectations of the local council. A potential pitfall here is that local councils sometimes have internally conflicting expectations and a lack of knowledge about each other's activities and expectations. Once there is general agreement on the process and aims, a pilot project should be given a full year to be tested. Both the public sector and the VCS need to have discussions and consultations within their respective sectors in order to work together.

Vertical partnerships are important to keep in mind in relation to commissioning because the smaller, grassroots groups can easily become the funding losers when accreditation programmes come into place. Grassroots groups are key players in service delivery, so facilitating vertical partnerships between larger and smaller organisations could be a 'win-win' solution. The problem here is that local councils are hesitant to commission grassroots groups because they tend to have lower quality standards. In actuality, larger service delivery organisations often sub-contract the work to these smaller organisations anyway, but it is below the radar screen of the funder in most cases. If the accreditation was tiered, all levels of the VCS could be accommodated and the quality standards of all groups would be improved. This would also be a more transparent process than the subcontracting model.

There is a natural incentive here for the VCS to participate, as it will be basically vetted in advance of government service delivery contracts and ready to go as soon as the funding has been agreed. Equally, the public sector is happy because the service delivery organisations will have met a previously agreed quality standard. The VCS should not expect to be guaranteed work based on the accreditation but they need to understand that they are on a preferred provider list and only organisations who have been accredited will get future contracts. Local councils need to agree and communicate this up front, although they may be hesitant to do so.

Conclusion

Accreditation schemes of the form discussed in this article represent the very cutting edge of funding practice. The kinds of innovation in local state-voluntary sector relations described here show that good practice need not be prescribed by central government, and that it is the establishment of trust that underpins good relations between partnerships in service delivery. However, while the introduction of accreditation schemes does show the potential to improve service delivery within the sector, the issues we have discussed highlight a number of tensions in practice. Given the increasing restrictions on the public purse, and the consequent impact on voluntary organisations themselves, it seems likely that accreditation will have an increasingly important role to play in the years ahead. We cannot pretend that we have provided the answers to these issues but instead hope that, by promoting debate and further research, we will contribute to their future resolution.

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Rod Dacombe is Lecturer in Politics at King's College, London. He has written widely on issues around democratic theory and practice, the voluntary sector, and public services. He is also Director of Undergraduate Studies in the Department of Political Economy at KCL. He has recently been made an Early Career Fellow by the Leverhulme Trust, to investigate the relationship between civic participation and neighbourhood deprivation.

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