

SERVICE DELIVERY

INTRODUCTION

1. This Government is strongly committed to partnership working and flagship policies are increasingly being developed and delivered in this way. Sure Start, the New Deal for Communities and the Children's Fund are all examples of the desire to engage with the sector to deliver high quality services. But closer working is also throwing up areas of difficulty.

2. This chapter explores the current role of the voluntary and community sector (VCS) in delivering public services, tries to identify the particular strengths that they can bring to this and builds on experience to suggest ways of strengthening the working relationship.

3. The chapter:

- examines the background to the sector's involvement in service delivery;
- discusses how the VCS, including social enterprises, might be said to "add value" to service delivery;
- sets out some case studies of VCS involvement and highlights the key lessons to be learned;
- sets out the most recent research findings on the critical factors for successful partnership working;
- recommends ways in which the Government and the VCS can work more effectively together to improve service delivery.

BACKGROUND - VCS INVOLVEMENT IN SERVICE DELIVERY

4. Voluntary and community organisations (VCOs) may choose to engage in service delivery because they:

- want to meet the needs of particular people;
- are close to users and know their needs;
- have a track record of service provision;
- can contribute specialist knowledge;
- can add value to and enhance services;
- see opportunities for generating income.

5. The current level of involvement largely reflects these aspirations. In many areas – health, education, housing and poverty reduction – charities were delivering services long before the State. Indeed, many would argue that the VCS paved the way for greater statutory involvement. In more recent years,

government policy has also played a significant role in determining the areas in which the VCS choose to deliver services. For example, the rapid expansion of the role of the sector in the field of social services was directly related to government policy on community care.¹

6. The sector is, therefore, already extensively involved in service delivery, and there is much evidence as to what has worked well and not so well. This can help us understand the factors that contribute to successful partnership working. This is critical if we want to enable the VCS to use their particular skills and knowledge to help shape and deliver a wider range of services.

7. Of course, the sector is extremely diverse and this chapter is principally concerned with one aspect of its activity. It is easiest to define this in terms of the nature of services being delivered. Services fall into two broad classes. The first consists of those services to groups or individuals which receive no funding from the State – but are funded voluntarily and from other sources of income. The second class consists of services where the State is actively involved, and so wishes to fund wholly or partly. (“Partly” in the case where the service user might be charged a fee for the service.) This chapter is concerned principally with the latter kind of service and service provider.² So services delivered wholly independently of any state funding are not discussed here.

WHO SHOULD PROVIDE SERVICES? THE ‘ADDED VALUE’ OF THE VCS

8. Where the State takes responsibility for a service, there are three ways in which this may be delivered:

- by the State itself directly – at either national or local government level;
- by the market or “for profit” sector;
- by the VCS.

9. A decision obviously needs to be made as to who is best placed to deliver highly quality outcomes. And the most appropriate provider is likely to vary from situation to situation.

10. Nonetheless, some hold that there are services – especially those to vulnerable or hard to reach groups – that the VCS is especially better placed to deliver than either the State or the market. And others go further still and claim that the VCS’s ability to bring special skills and experience to service delivery – to

¹ See especially the discussion in, ‘Contracting: The Experience of Service Delivery Agencies’, Duncan Scott and Lynne Russell in *Voluntary Organisations and Social Policy in Britain*, (Palgrave 2001)

² There is a slight difficulty with this distinction in that the State offers considerable help through the tax system for a very wide range of charitable bodies the majority of which receive little or no help on the spending side. For example, the local Donkey Sanctuary or the Cat Protection League may reclaim tax on donations but through Gift Aid but would rarely be directly funded by the State.

bring its own unique “added value” – make it the presumed provider of all public services.

11. The academic literature on the ‘value added’ of the sector yields mixed results. In 1978 The Wolfenden Committee³ sponsored research that noted that voluntary organisations were, “cost-effective, innovative, flexible and pioneering”. But more recent work by Martin Knapp⁴ has highlighted the difficulty of trying to quantify these apparent benefits.

12. Knapp and his colleagues considered a list of potentially distinctive features of the sector, including:

- the provision of different/ specialised services;
- cost-effectiveness of provision;
- flexibility and innovation;
- advocacy; and,
- citizen participation.

13. It was concluded that some of these apparent advantages were difficult to test and that for others the empirical evidence was inconsistent. Other researchers have reached similar conclusions. Diana Leat⁵ examined six broad groups of suggested differences between for-profit and non-profit organisations - their goals and values, financial strategy, structure, staffing and skills. Her conclusion was that it was difficult to differentiate the two types of organisation on these dimensions.

14. Nonetheless, more recent work suggests that the story may be more complex. Although not always inherently better than other providers VCOs may yet have a *comparative advantage* in relation to other sectors in *certain kinds of policy environments*. And that they share common features and challenges that are distinctive, if not necessarily unique to the sector.⁶ The essence of the argument is this:

- there are inherent structural characteristics of organisations in each sector;
- this predisposes them to respond more or less sensitively to different states of “disadvantage” experienced by service users; and,
- VCOs may have a *comparative advantage* over agencies in other sectors in some areas of disadvantage because of their particular structures.⁷

³ Wolfenden Committee (1978) *The Future of Voluntary Organisations*, Croom Helm, London

⁴ Knapp, M., E. Robertson and C. Thomason (1990) ‘Public Money, voluntary action: whose welfare?’ in H.K. Anheier and W. Seibel (eds) *The Third Sector: Comparative Studies of Nonprofit Organisations*, de Gruyter, Berlin

⁵ Leat, D. (1995) ‘Theoretical differences between for-profit and non-profit organisations’, Appendix One in D. Leat, *Challenging Management*, VOLPROF, City University Business School, London.

⁶ Billis and Harris (1996) *Voluntary Agencies: Challenges of Organisation and Management*, Macmillan, London

⁷ For this argument see Billis and Glennerster (1998) ‘Human services and the voluntary sector: towards a theory of comparative advantage’, *Journal of Social Policy*, 27(1): 79-98.

15. The approach adopted by Billis and Glennerster is to, “group the various states of severe welfare problems that might beset citizens and lead them to be incapable of benefiting from traditional supply mechanisms”.⁸ These states of disadvantage are:

- financial – individuals who lack market power;
- personal – potential users who cannot articulate a coherent preference;
- societal – individual or groups who are stigmatised;
- community – people who live in a community where the usual civil structures have broken down.

16. Although Billis and Glennerster were writing before the concept of social exclusion was fully developed, all of the above “states of disadvantage” can be characterised as different forms of social exclusion which present obstacles to an individual or group accessing services.⁹ The most excluded groups suffer not from one but from a combination of the above states of disadvantage. (Drug addicts may be stigmatised but if they are wealthy they can access treatment in the private market.) Billis and Glennerster conclude that, “voluntary agencies have a comparative advantage over other sector agencies in areas where their distinctive ambiguous and hybrid structures enable them to overcome problems,” which are endemic in public sector or market delivery.

17. VCOs may therefore be able to deliver services more effectively to certain groups because their particular structures enable them to operate in environments of a mix of strengths, including:

- **Specialist knowledge, experience and/or skills.** This may come through direct experience of the user perspective. An example of this might be ex-addicts working on a drug rehabilitation programme or ex-offenders working with young offenders.
- **Particular ways of involving people in service delivery whether as users or self-help/autonomous groups.** An example here would be an organisation working closely with users themselves or their families and friends to plan and deliver services.
- **Independence from existing and past structures/models of service.** VCOs are not bound by structures or rules in the ways in which more traditional public sector models are. They are independent and so can try to deliver services in new ways.

⁸ Billis and Glennerster, *ibid*, p87.

⁹ On social exclusion see Billis' later essay, ‘Tackling Social Exclusion: The Contribution of Voluntary Organisations’, in *Voluntary Organisations and Social Policy in Britain*, Harris and Rochester (eds) (2001).

- **Access to the wider community without institutional baggage.** Public service workers are often perceived not as individuals but as representatives of an authority which certain groups have learned to mistrust. The VCS is independent of government and therefore free to be unequivocally on the user's side *against* authority.¹⁰
- **Freedom and flexibility from institutional pressures.** The sector can offer responsive services which are user-centred as they are not driven by budgets and targets within the public sector. At best they can be flexible and innovative rather than prescriptive.

18. The argument above suggests that there are areas where the VCS maybe best placed to deliver services as its structures make it easier to display the kinds of skills necessary to reach vulnerable groups. Insofar as VCOs display the features listed above then they will be well placed to deliver services to these excluded groups. Given that the specification for the delivery of certain services considers essential the kinds of feature that the VCS is said to possess, the sector, if it does possess them, will often be the preferred supplier of these services.¹¹

THE IMPACT OF VOLUNTEERING AND ADDITIONAL SOURCES OF INCOME

19. There is another quite separate sense sometimes given to “added value”. This reflects the additional benefits that the VCS may bring to service provision – generally from the use of volunteers and donations but also from re-investment of surpluses. In such circumstances the extra welfare gain is *wholly additional* to the service provided under contract. Neither volunteers nor donations should be used to fund statutory services – and Charity Commission guidance underlines this – but charities may nonetheless choose to fund from their own resource services that are above and beyond those contracted for by the State. In this way a higher higher quality of service may be delivered.

20. Even where a core service remains wholly within the public domain – for example, mainstream health services – volunteers may yet help to enhance the overall quality of service received by patients (see case study below). This highlights one of the strengths of the VCS – the ability to empower individuals to become involved and so to help build social capital and a strong and cohesive community.

¹⁰ During a consultation event a voluntary sector worker was asked, “But why don’t people round here go to the Local Authority for that?” and gave the reply, “Because they can’t stand the Local Authority, that’s why.”

¹¹ An example is the National Minimum Standards for Care Homes for Younger Adults which require, e.g., involvement of the service user in planning their own services, involvement of service users in service decision-making, supporting service users in becoming active participants in their local community. These are all typically the kinds of attributes normally associated with strong voluntary sector providers. So, the way in which the State now says it wants services delivered plays to the strengths of the sector. See, [Children’s Homes: National Minimum Standards](#). (DoH) London: The Stationery Office, 2002

CASE STUDIES – PURPOSE

21. The following case studies highlight how, in practice, the VCS demonstrates the various features listed in paragraph 17 and provide evidence for the more general theory enunciated above – that the VCS has a comparative advantage in its ability to reach groups which the State and other agencies have consistently found difficulty in helping. The final two case studies focus on the separate added value which highly skilled volunteers can bring to statutory services.

CASE STUDY 1: SOCIAL HOUSING

22. It might seem odd to use housing as a case study of the VCS at work. Some commentators do not even regard housing as part of the “real” voluntary sector at all – sometimes preferring to describe Housing Associations (or Registered Social Landlords (RSLs) as most are now known) as social enterprises. This description reflects the fact that RSLs cover the bulk of their current costs through trading (i.e. rent) and not through voluntary donations or other income.

23. But the voluntary sector has been delivering housing for the poor and less well off for centuries. It came into its own in the nineteenth century. The names of Rowntree, Cadbury and Peabody all remain familiar. Much Victorian philanthropy was a response to poor housing conditions and an attempt to demonstrate to government the need for wider action. Cadbury, in typical Victorian spirit, wanted both to deliver better housing and communicate a political message.

“When George Cadbury embarked on the building of a housing estate in 1895 he did so, not as a single handed attempt to solve all the social problems in the City caused by and related to, bad housing, ill health and poverty, but in the hope that he could prove to the political powers, legislators and industrialists of Britain's large manufacturing base that good quality housing in a natural, green, environment was not only a realisable aspiration, but a necessity for the greater good of society.”¹²

24. The twin track approach of direct service delivery and active campaigning for social change has been characteristic of the voluntary sector at its best since.

25. Housing provision by the sector did not expand significantly in the early twentieth century. Instead the debate moved towards the relative merits of the private rented sector and direct public provision of social housing. The marked expansion of public provision after the Second World War, allied to the introduction of rent controls in the private rented sector, succeeded in reducing drastically the size of the latter and displacing investment by the VCS that may otherwise have taken place.

¹² See [The Beginning of Bournville](#) on Birmingham Council's website.

THE BEGINNING OF “SUPPORTED” HOUSING

26. The reaction of Housing Associations in the sixties was to diversify through adding services to their core business. Rather than competing with Local Authorities on social housing provision the VCS turned to meeting more specialised housing needs not being met by Local Authorities. A range of new and, in many ways, experimental provision grew. New services and models for living were introduced for previously marginalised groups such as disabled people, frail older people, people with learning disabilities and mental health problems, women fleeing domestic violence, ex-offenders, and people with drug or alcohol problems. The kind of services that began to be offered were not available through traditional State authorities. And at the same time there grew a new focus on service users and empowerment – the advent and growth of the independent living movement for disabled people is a striking example. Here was a classic example of the VCS being in touch with the user perspective and helping users to articulate their case.

27. There is little doubt that some supported housing providers have been innovative in their approach and have managed to reach the most excluded groups such as ex-offenders and people with drug and alcohol problems. And it is clear that many of these groups are classic “hard to help” cases. But there has been a downside to the experience. Because of the way in which many of the schemes have been funded, not all interventions were as well planned as they might have been and limited evaluation has reduced the scope for learning about what does and does not work well.

28. In addition, in some areas RSLs are, effectively, monopoly providers of services. This lack of competition can mean, in some cases, that there is less choice for tenants, less innovation than otherwise might be the case, and fewer incentives to provide the best possible service to tenants.

29. Much of the growth of the sector was funded through the Housing Benefit scheme with providers adding the revenue cost of the service (mostly staff costs and overheads) to the rent with the tenant claiming the total sum in Housing Benefit, which was then paid direct to the provider. Hence there was no requirement – or clear incentive – for evaluation.

30. Housing Benefit for support services will end in April 2003 and be replaced with a new scheme, Supporting People. Under the new scheme the available money will be controlled over the Government’s three-year spending cycle and distributed in accordance with need. It will take some time for this aspect of the scheme to have its full effect as, initially, allocations will mirror funding at the point of change. But over time local commissioning bodies will carry out research to determine local needs and priorities and commission services to meet those needs. In areas where there is over-provision providers will have to demonstrate successful delivery to receive continuing funding. Thus price and outcome will

become central to service delivery. The objective is to provide extensive support for the sector and its clients while working with the sector to target delivery on priority areas, evaluate schemes and rationalise provision over time.

TRANSFER AND RSL GROWTH

31. By the eighties, central Government became increasingly interested in the expansion of VCS provision of housing. The increasing use of the VCS rather than Local Authorities reflected – at the time - the then Government's distrust of some local housing authorities and a desire to enable Housing Associations to borrow in the markets for development without increasing levels of Government borrowing. Thus, it seemed that the **short-term** return on Government investment in the RSL sector was increased because of RSL's ability to lever in extra finance on top of direct Government support. In addition, the charitable ethos of Housing Associations appealed to policy makers who were sceptical of direct provision by the State. The State, therefore, reduced funding for the Local Authority sector and increased funding for the RSL sector.

32. With increased funding came increased regulation through the Housing Corporation. This brought the common complaint that the independence of the VCS has been increasingly compromised by State regulation and control. In the next decade government increasingly began to provide resources for transfers of Local Authority housing to local RSLs. In the beginning the transfers remained small and locally focused and worked well for tenants – especially in rural areas where there were long established Housing Associations ready, willing and able to take on the management of new stock. The advantages of the distinctive ethos of small RSLs rooted in the community were brought to all social housing tenants in one area. At best tenants saw their properties repaired and a management style quite different in kind from that of the Local Authority.

33. The success of earlier transfer programmes in levering in investment, unifying management geographically, and bringing a community based identity to social housing seemed clear. So the transfer programme was expanded. And yet as this expansion of the programme gathered pace new difficulties were encountered. There was the problem of finding local financially sound social landlords willing to take on the management of significant numbers of council stock in substantial disrepair. The very size of the transfer would swamp the receiving organisation which would easily lose its identity. This meant that fewer small RSLs wished to be involved. And those who did take on substantial amounts of council stock found their own position changed.

34. Another difficulty was that, probably due to inexperience and lack of understanding of the Local Authority stock and associated problems they were

taking on some RSLs had severe problems ending up under the supervision of the Housing Corporation.¹³

35. To solve the problem on the supply side new RSLs had to be created in many cases to “receive” the council stock. These new bodies - Large Scale Voluntary Transfers (LSVTs) - while designed to look like conventional RSLs - have, in practice, looked more like the old local housing authority. This is unsurprising as managers, staff and even Directors of Housing generally transfer under TUPE terms.¹⁴

36. While the new transfer organisations adopted the **form** of traditional Housing Associations, they have little of the distinctive “hinterland”, tend to be less community based, and far more LA orientated. They share with other RSLs the key advantage of borrowing on the markets but sometimes lack the strong community links, mission, and organisational culture of older RSLs.

37. Thus while some of the older Housing Associations may be said to be driven by “social goals” (part of the definition of social enterprises – see Chapter 5) the motivation of LSVT managers is less clear.

WHAT CAN WE LEARN FROM THIS?

38. The growth of “supported” housing highlights some of the strengths of the voluntary sector. In providing services to marginalised groups, the sector showed it could sometimes:

- innovate;
- respond imaginatively to the needs of previously excluded groups;
- harness and build on the commitment and motivation of volunteers;
- harness and build on the knowledge and experience of service users themselves.

39. But the case study also underlines the need to evaluate new schemes, particularly if resources are to be used to maximum effect and best practice is to be widely promulgated and shared. Hence whilst the very real achievements of the VCS should be applauded we should not infer that the VCS will *necessarily* be ‘best’ at delivery in every instance.

40. The example of transfer suggests that one cannot simply reproduce the distinctive character of VCOs which have grown organically and are rooted in local

¹³ Up to 1999, 30% of transfer landlords ended up under supervision by the Housing Corporation. (Source: Housing Corporation)

¹⁴ At senior management level officers generally have to apply for the new jobs but the success rate of previous Directors of Housing in being appointed Chief Executive of the new RSL is high.

communities. Imitating the form of RSLs is easy but that is very different from imitating the substance of the best. This underlines the potential difficulty of trying to create from the 'top down' large, new organisations that are intended to replicate the strengths of groups that have grown from the 'bottom up' and are strongly rooted in the needs of particular communities.

41. The second point is that where the State uses the VCS to deliver services and invests considerable sums of public money the extent of regulation required may stifle innovation and reduce independence. Some in the sector have described the State's intervention in the RSL sector as, "creeping nationalisation".

CASE STUDY 2: THE ROUGH SLEEPERS UNIT

42. Under the previous Government's Rough Sleepers Initiative considerable progress was made in reducing the stock of rough sleepers. However, by 1997 the numbers seemed to have bottomed out. The current Government set up the Rough Sleepers Unit (RSU) in 1999 following one of the first reports by the Social Exclusion Unit.¹⁵ Although the RSU's initial remit was confined to London within six months it had expanded to take responsibility for the 33 key Local Authority areas with the highest concentrations of rough sleepers.

43. When the RSU took control it was tasked with reviewing all current contracts to ensure that they were consistent with its strategy. This involved some difficult decisions – some organisations decided to merge while others adjusted their approach to service provision. This was a delicate task, balancing the need to focus contracts on delivering output targets with respect for smaller organisations' independence, from which wider lessons can be drawn.

44. It is important to distinguish between *planning in partnership* with the VCVS and *delivery through* the VCS. Delivery of services to rough sleepers was always going to be through the many organisations already involved in work with the street homeless. One key difference the RSU made was to *plan* services in close consultation with the VCS – while remaining focused on achieving targets set by government.

45. Apart from the standard contracts – and there were 80-90 organisations delivering the strategy – the RSU set aside £4m in a Special Innovation Fund (SIF) to trial new approaches to rebuilding the lives of rough sleepers. Projects funded through the SIF tended to be inherently more risky but there were some remarkable successes with former rough sleepers setting up successful businesses. Although this work did not impact immediately on the headline count of rough sleepers it did ***tend to lower recidivism. It therefore played an important part of the overall strategy to prevent future rough sleepers.***

¹⁵ See, [Rough Sleeping - Report by the Social Exclusion Unit](#), Cm 4008 (July 1998)

46. Crisis, the homelessness charity, have a similar policy of deliberately funding certain risky projects with the purpose of encouraging innovation and new ways of working with vulnerable groups. Without risk-taking their trustees argue that some groups are unreachable – and mainstream public sector funding rarely allows such risk taking.

WHAT CAN WE LEARN FROM THIS?

47. First, that it is possible, though difficult, to work constructively with a large number of independent organisations to deliver common objectives. Second, although demanding output targets govern the strategy it remains possible to retain the capacity of the sector to innovate. There is no conflict between achieving targets and funding innovation. Indeed it may well be essential to nurture innovation if any strategy involving the VCS is to maximize returns. Finally, relations between the VCS and government can never be easy while there are conflicting objectives but working together may enable both parties to achieve more than working apart.

CASE STUDY 3: SURE START

48. Sure Start works with parents-to-be, parents and children under 4 years to promote the physical, intellectual and social development of young children. The purpose is to break the cycle of disadvantage for this generation. Sure Start has its origins in one of the first cross cutting reviews in the Comprehensive Spending Review of 1998.

49. In order to access Sure Start funding, a local partnership must first be set up. This must include parents and representatives from health, education and family support services. This local partnership identifies the Sure Start catchment area which is normally one of the poorest areas in the district and includes between 500 and 1000 children under the age of 4. The partnership plans a range of services to meet Sure Start's objectives and to meet the needs that families express through local consultation. This means that services vary from programme to programme. The emphasis is on reshaping existing services and developing new services to fill the gaps in provision.

50. All Sure Start partnerships must carry out a local evaluation of their programmes and include provision for this in their budgets. In addition, £16m is being spent over five years on an analysis of the impact of Sure Start on children, families and communities in the short and medium term. The full evaluation of Sure Start as a policy is quite separate and will take a generation.

WHAT CAN WE LEARN FROM THIS?

51. The VCS sees both advantages and disadvantages in relation to Sure Start. On the plus side:

- the sector has a compulsory “seat at the table”; and,
- flexibility to introduce innovative, bespoke local programmes.

52. But there are also challenges:

- particularly for small organisations, the partnership commitments can be too great. There are too many meetings and smaller organisations do not have the resources to cope. And attendance at these meetings is unpaid;
- the clout of each partner can vary, especially if some partners are unable to attend meetings regularly;
- partnerships don't always work effectively;
- the lead-in time to establish a robust partnership, and agree how best to achieve overall goals, is lengthy. Policy makers need to take this into account when planning the profile of funding and the time required to deliver positive change.

CASE STUDY 4: THE IMPACT OF VOLUNTEERS - BRITISH RED CROSS HOME FROM HOSPITAL SCHEME¹⁶

53. The Home from Hospital (HfH) initiative was established by the British Red Cross in 1992 with a Department of Health grant. The specific aims of the HfH scheme are to:

- facilitate, in collaboration with statutory services, a coordinated system of hospital discharge and volunteer after-care;
- ensure the smooth transition of patients from hospital to home;
- support patients and their carers in the immediate post-discharge period;
- provide ongoing training and support for volunteers.

54. While individual schemes vary, there are a number of common features. These include:

- funding through contracts with health and/ or social services;

¹⁶ See, *Going Home: An Evaluation of British Red Cross Home from Hospital Schemes*, by Eileen Waddington and Melanie Henwood, Nuffield Institute, 1996

- management by a paid co-ordinator from the local British Red Cross;
- provision of practical and personal support;
- delivery of service through trained volunteers;
- support normally lasts 4 to 6 weeks;
- the service is free.

55. The evaluation of the scheme showed clients “highly satisfied” with the service received. The only dissatisfaction expressed related to the withdrawal of support at the end of the period of service. The feature of the service that was most highly valued by clients was the way in which the volunteers delivered the service. The volunteers were perceived as, “unpressurised, friendly and flexible”.

56. In addition, clients believed they *exercised considerable control* over the nature of the support received and over its timing and frequency. Statutory delivery of similar services was seen to be more “task-centred” with time constraints on visits. Volunteers themselves expressed considerable satisfaction at the degree of autonomy enjoyed and the opportunity to work closely with individual clients with whom they were able to develop an understanding and a strong personal relationship.

57. Health and local authority staff interviewed as part of the evaluation were “very satisfied” and they were keen to support HfH schemes because they:

- facilitated good quality hospital discharge;
- enabled discharge to happen earlier (thus freeing up beds more quickly);
- helped people to regain their confidence and capacity back into the community.

CASE STUDY 5: THE IMPACT OF VOLUNTEERS - THE LOW INCOME TAX REFORM GROUP – TAX HELP FOR OLDER PEOPLE (TOP) PILOTS

58. The Low Income Tax Reform Group (LITRG) was set up in early 1998 by the Chartered Institute of Taxation – the leading professional body in the United Kingdom for tax advisers. The objective was:

“To target for help and information those least able in the community to afford tax advice and make a real difference to their understanding of taxation and to work to make the tax system more friendly to their needs.”¹⁷

¹⁷ See, [Older People On Low Incomes: The Case for a Friendlier Tax System](#), LITRG, December 1998

59. Older people have a number of particular practical problems in dealing with their tax affairs. The majority no longer work in a workplace where the majority of their tax affairs are dealt with via PAYE or with the help of the payroll or personnel team. If they are in receipt of an occupational pension it is likely that the scheme administrators will be some distance away from where they live.

60. One obvious solution for someone having difficulty in managing his tax affairs is to seek professional advice. However, this may not be affordable and although the Inland Revenue offer free advice older people often have special needs. Many have physical disabilities and may have problems reaching a local tax office – and the tax affairs of most occupational pensioners are, in any case, handled by the large PAYE offices, inaccessible to most of their customers. Neither is more use of the telephone an obvious solution - the RNID estimates that 55% of people over 60 are deaf or hard of hearing, adding to communication difficulties.

61. Preliminary work by the LITRG indicated that:

- there was a real need for a tax advisory service available to poor older people;
- the Inland Revenue recognised that meeting that need through knowledgeable, trained and supervised volunteers would *reduce the strain on their own resources and complement their own services*;
- other charities concerned recognised a gap in the field which they would be happy to see filled.

62. Two areas were chosen to run pilot schemes, one urban - Wolverhampton - and one rural, encompassing a large area of Devon and Somerset – know as the South West pilot. The key test for service delivery is how far the clients – for whom the service exists – find it helpful. All the clients helped during the pilots were asked to complete feedback forms and most did so. The results were as follows.

Satisfaction Rating	Percentage of respondents
Excellent	91.5
Good	8.5
Fair or Poor	0

63. The reasons for such high levels of satisfaction may be partly due to the use of volunteers rather than paid advisers. But the fact that advice led in many cases to substantial refunds or reduced tax liabilities may also have had an impact. Again, there was evidence that the volunteers themselves found the work rewarding.

WHAT CAN WE LEARN FROM THIS?

64. Taking the two studies of the use of volunteers together, the key lessons are:

- **the use of volunteers can add value** even where the core service is being delivered by a public authority;
- **volunteers can complement the core service** while making available services which might not otherwise be affordable;
- even where services are affordable, **users of services might prefer services to be delivered by volunteers**. The motivation of the person delivering the service does seem to matter;
- **Volunteers themselves generally find the work rewarding**.

LESSONS FROM THE CASE STUDIES - SUMMARY

65. *First*, there are **many different ways in which the VCS can add value** to service delivery, including:

- **helping to design and plan** the delivery of services in partnership;
- **helping to deliver** a particular service as part of a local partnership;
- **delivering statutory services directly** through conventional contracting;
- **delivering as above but with enhancements** through levering in additional resources;
- **complementing core public service delivery** by enhancing the quality of services through volunteers.

66. This full spectrum of options suggests that there is considerable scope for expanding the role of the VCS in the planning and delivery of services. **And this is so even where the statutory service continues to be delivered by Government**. Here the VCS may have the skills to improve the quality of planning or delivery of new and existing services, or enhance statutory services through the use of volunteers.

67. Second, the VCS can bring innovation to the delivery of services but innovation needs to be managed as well as nurtured. And use of innovation funding needs to be carefully evaluated with the resources spent on evaluation should be proportionate to the amount spent. The evaluation should recognise that innovative programmes are inherently riskier than mainstream service provision. Finally, innovation funding should be related to the objectives of a wider

programme and suited to the task. So, in the Rough Sleepers Case Study innovation funding related specifically to the objective of preventing rough sleeping by reducing recidivism; and this was something appropriate for innovation funding because of its inherent difficulty and the dearth of reliable methods of countering recidivism.

68. Third, the VCS needs to be involved, wherever possible, in planning the delivery of services – even where it is not the provider of choice. It is at the planning stage where the possibilities of how it might be involved can be fully explored.

69. Fourth, in contracting with the VCS to deliver services, government must ensure that regulation is proportionate and the independence of the sector is upheld. The more government encroaches on the VCS through regulation and control the greater the risk that the traditional features of the VCS which attract government in the first place are diminished. Government should take especial care not to, “kill the goose that lays the golden eggs”. This is not only about regulation, it is also about acknowledging the potential difficulty of trying to replicate from the ‘top down’ the strengths of groups that have grown from the ‘bottom up’, reflecting their roots in particular communities.

70. Finally, policy makers need to recognise that there is a significant lead-in time where new partnerships are being established. The profile of funding and monitoring of outputs needs to reflect this. Realistic timeframes for both the actual expenditure of funding, and the achievement of early goals need to be established.