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MANAGING TO DELIVER
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\(^1\) A list of all the organisations that participated in the focus group can be found in Appendix 2.
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Introduction

In recent years the role of voluntary and community organisations in public service delivery has become a much debated issue. More now than ever voluntary and community organisations are becoming involved in the delivery of public services. The argument has been made that many voluntary and community organisations can play a crucial role in delivering public services that can potentially better meet the needs of individuals and communities. For voluntary and community organisations delivering public services there are both risks and rewards. It is vital for organisations that deliver services that they fit clearly within the organisational mission, that services are undertaken in a way that respects the independence of the organisation and that service delivery is properly costed.

This research specifically set out to examine the impact of public service delivery in Northern Ireland and involved analysing the impact of contracted public services and developing a detailed assessment of the economic scale of public service delivery.

Objectives

Objective One: To examine the impact (operational and strategic) of delivering public services on voluntary and community organisations involved in this type of relationship; To assess potential opportunities for collaborations; and identify where the stresses and strains might be in terms of future expansion.

Objective Two: To produce an assessment of the nature and extent of the fees payable under contract (ie the extent of service level agreements, contested procurement processes etc) in the voluntary and community sector.

Objective Three: To provide a framework through which voluntary and community organisations can be supported more strategically in terms of fulfilling a public service delivery role.

In order to meet the set objectives it was felt necessary to develop a series of research reports. This first piece of research focused on examining the impact of delivering public services in Northern Ireland. The information gathered was used to inform Objective Three. The findings are presented in this research report. The second piece of research focused on producing an assessment of the nature and extent of the fees payable under contract, as well as assisting to meet Objective Three, which will be published in the early summer 2010. It is anticipated that these research reports will be built upon in the future. The series of research reports aims to ultimately provide a framework, by which organisations in the sector can be supported more fully in terms of delivering public services.
Key findings

An assessment of the nature and extent of the fees payable under contract

- Earned income now accounts for 50.8% (2007/08) of all income received by the sector (an increase from 34.8% in 2004/05).
- Government remains the largest funder of the sector.
- 64.3% of funding received by government is in the form of earned income, which has radically increased from 31.6% in 2004/05.
- Over a quarter of organisations that receive government funding are dependant on this source of funding for 75% or more of their income.
- Organisations working in the fields of disability, housing/homelessness, education/training and young people/children receive over 50% of their income from statutory sources.

The impact of delivering public services on the sector

- Prominent areas where organisations are involved in the delivery of public service delivery include; health, education, children’s services and social care.
- 56.5% of organisations derive over 60% of their annual income from their involvement in the delivery of public services.
- 78.2% of responding organisations believe that they are over-burdened with both monitoring and evaluation and administration by a range of funders.
- 69.7% of organisations have not been successful in securing full cost recovery.
- The main reasons organisations deliver public services is because they feel they have niche experience and knowledge that no other provider has and they feel that delivering service helps to achieve their organisational mission.
- The most identified barrier to involvement in the delivery of public services is short-term contracting.
- Only 14.5% of organisations believe that the current environment is supportive of both large and small organisations involved in the delivery of public services.

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The first five key facts are from State of the Sector V (2009). First published twelve years ago, it surveys over 6,500 organisations to provide baseline information on the size of the sector and the contribution it makes to the Northern Ireland economy. It provides a snapshot of the diverse and dynamic environment within which the voluntary and community sector operates. It assesses where the sector receives its funding from, how many people it employs, how many volunteers are involved with organisations and how many organisations there are. Through this publication and ongoing NICVA research, those interested within and beyond the sector can access relevant and current information about the sector. All the other key facts included have been derived directly from this piece of research.
• The key changes organisations would like to see in relation to public service delivery are long-term contracts, better quality and more information.
• Over half of organisations involved in the delivery of public services believe they will become more involved in this field in the next five years.
• Generally organisations involved in the delivery of public service delivery do not think that it is carried out at the expense of advocacy work.

Methodology

This was a co-funded project by Lloyds TSB Foundation for Northern Ireland and the Voluntary and Community Unit, Department for Social Development. NICVA has previously carried out a scoping study for the Northern Ireland Audit Office (2007) on public service delivery, which formed part of the background of a full review of public service delivery carried out by the Northern Ireland Audit Office which is due to be published in the Summer, 2010.

In order to fully meet the set objectives of this research it was agreed that there would be at least two research reports published.

The funding provided by Lloyds TSB Foundation Northern Ireland specifically enabled NICVA to meet Objective One of the original research, which set out to examine the impact (operational and strategic) on voluntary and community organisations of delivering public services involved in this type of relationship, and to meet the requirements of Objective Three. In order to examine the impact of delivering public service delivery NICVA set in context the policy development of public service delivery. This information was used to structure the primary research methodology, which employed the use of a questionnaire and focus group.

The questionnaire was undertaken to assess the extent of services delivered by voluntary and community organisations. The questionnaire also assessed what has been the overall impact of delivering services and what have been the advantages and disadvantages of being involved in the delivery of contracted services. The questionnaire on public service delivery was administered to a sample of 500 organisations. This sample was drawn from a list of voluntary and community organisations held on NICVA’s database.

The questionnaire was administered by post during December 2009. A total of 126 organisations responded, which represented a 25.2% response rate. The findings of the questionnaire can be found in Section 3A, ‘Examining the impact of delivering public services in Northern Ireland’.

One focus group was also conducted with the chief executives or senior members of staff from 13 organisations in February 2010. This focus group

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4 See Appendix 1 for a copy of the questionnaire.
5 NICVA’s database has been developed over the past ten years. The only one of its kind in Northern Ireland, it holds detailed information on over 5,000 voluntary and community organisations.
6 See Appendix 2 for a copy of the list of organisations represented at the focus group. In total 50 organisations were invited to take part in this focus group.
examined in detail the experiences of organisations delivering public services. The focus group also discussed possible recommendations as to how organisations can be better supported and developed in this area. The information collated during the focus group is clearly outlined in Section 3B, ‘Learning from the experiences of those involved in delivering public services’.

With regard to Objective Two of this research, NICVA initially used the detailed statistical information available from their series of State of the Sector reports, to provide a baseline of the nature and extent of fees under contract in the sector. This baseline information gives a clear indication of the changing nature of both funding and the funding relationship between government and the sector. The latest State of the Sector revealed a shift away from what was once a grant dominated model of funding towards a model which places the delivery of services at its core.

Collectively government funding continues to be the single largest source of funding for the voluntary and community sector. The task of determining what is spent on the sector and the form in which organisations receive funding (grant or contract) has somewhat been helped by the advent of the Government Funding Database\(^3\) which has been in existence from 2004. The database has shed some light on a very complicated and diverse funding base. Information from this was provided to NICVA in order to develop the latest State of the Sector report. With regard to the requirements of this research report, the biggest limitation to this government database is that it does not differentiate between ‘earned income’ and grants.

Fully recognising the challenges of producing a full assessment of the nature and extent of the fees payable under contract, NICVA felt that it was important that there was a specific piece of research in this series developed which would concentrate on this objective. As outlined in the Department for Social Development’s Corporate Plan 2008-11, one of the Minister’s priorities is to build effective partnerships and to promote the role of the voluntary and community sector in assisting government deliver its objectives (p. 5). The Voluntary and Community Unit provided funding to assist in meeting the requirements of Objective One, enabling NICVA to commission Williamson Consulting to produce a report to meet this objective. This research will be published by NICVA in the summer, 2010.

\(^3\) Available at [http://www.volcomgrantsni.gov.uk/](http://www.volcomgrantsni.gov.uk/)
Section 1: Setting public service delivery in context

Defining the voluntary and community sector

The voluntary and community sector is difficult to define and to date there is no universally accepted definition. It can embrace charities, community groups, issue based and generic voluntary groups, mutuals, not-for-profit companies and social enterprises. There have been many attempts to develop a set of criteria that could be used to define the sector. The ‘general charities’ definition used in State of the Sector reports was developed by the Office for National Statistics in the early 1990s in an attempt to define the voluntary sector in the UK. Over the years this definition has been almost exclusively used in this type of research but there has been some adjustments to take account of the changing nature of the sector. These include certain criteria that can be applied to all voluntary and community organisations. In other words the similarities that bind them together are greater than those which divide them. These criteria include formality, independence, non-profit distribution, self governance, voluntarism and existence for public benefit.

The difficulties of defining the voluntary and community sector are compounded by the fact that different commentators use different terminologies to describe the voluntary and the community sector. It can be described as the voluntary sector, the non-profit sector, the third sector or the sector. Throughout this paper the use of the term ‘the sector’ will be analogous with the general charities definition described above.

Setting the policy context at the UK level

In the past ten years there has been much discussion about the involvement of the sector in the delivery of public services. This has come from the wider policy agenda of contestability, which has seen the opening up of public service delivery to both the private sector and the sector. Much of this work has been promoted under new Labour’s ethos of developing ‘what works’. The promotion of the sector’s involvement in public service delivery has been the subject of much debate. Some have hailed it as being the panacea that the sector has been waiting for, whereas others have questioned its potential to dilute the sector’s independence. Those organisations in the sector that have chosen to get involved in the delivery of public services, have recognised that with the potential rewards comes risks and challenges.

It is this relationship between the State and the sector that has been the subject of many policy developments in this area. There has been a plethora of initiatives published by government, which have developed this agenda. A number of these initiatives are worth noting for the purposes of setting in context the development of this agenda. In 1998 The Compact was published which set out how government and the sector should work together. At the

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7 For further information on defining the voluntary and community sector see State of the Sector V (2009) page 12, published by NICVA.
time, *The Compact* was viewed as representing an important statement about the new relationship between government and the sector, but there was a widespread feeling that little was achieved (National Audit Office, 2006). From 2006 there has been an attempt to revitalise and build on the original aspirations of *The Compact*. On 16 December 2009, the refreshed national Compact document was launched, though this currently only applies to England.

In 2002 and 2004, Treasury Cross Cutting reviews were carried out which examined various aspects of the sector’s involvement in public service delivery. The 2002 Review (SR02) identified that, in some cases, voluntary and community sector organisations could deliver services more effectively to certain groups than other public or private sector providers.

At that time the target was to “increase the contribution of the voluntary and community sector to the delivery of public services … by 5% by 2005 -2006” (http://www.homeoffice.gov.uk/documents/, cited in Select Committee report, 2008). The quantifiable element of the government’s target was not included in the 2004 Spending Review (SR04), but the target of increasing the capacity and the contribution of the sector was renewed. As more public services were being commissioned from the sector, the Office for the Third Sector was established in the Cabinet Office in May 2006. It subsequently released an action plan for third sector involvement in public service delivery in December 2006. This action plan aims to take the government’s plans for the sector to deliver public services further forward.

In June 2008 the first ever Select Committee report focusing on the Third Sector was published (House of Commons, 2008). The Committee examined the policy of commissioning public service delivery organisations in the Third Sector. Overall the report gives a mixed verdict of the role of the sector in public service delivery. It was felt that much of the evidence presented to highlight the distinctive way in which the sector can deliver public services was anecdotal or hypothetical and could not be proven. However there was recognition that third sector organisations often do not operate on a level playing field in terms of public service delivery and crucially the Select Committee supports wider direction of government policy in terms of commissioning and procurement.

The Select Committee has suggested the use of ‘intelligent commissioning’ as a way forward:

‘Our understanding of intelligent commissioning is that it should be based on a knowledge of potential providers and of desired outcomes, based on user needs. Intelligent commissioners should be able to make judgments such as whether contracts or grants are the right way to fund a service, how important price should be in determining who wins a contract, and whether there is scope for innovative methods of delivery. The persistence of perverse practices, like unnecessarily short-term contracts, suggest that a culture

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8 See Appendix 3 for a description of what constitutes commissioning, procurement and funding mechanisms.
change is still needed if the potential benefits of commissioning are to be realised” (cited in http://www.publications.parliament.uk/pa/cm200708/cmselect/cmpubadm/112/11203.htm, last accessed 11 January 2010).

There is no requirement for the recommendations in the Select Committee report to be translated into legislation, but their significance lies in their potential to shape both future policy and legislation. The policy arena has recognised a role of the sector in the delivery of public services, but equally recognises there is work to be done on both the part of commissioners in improving the commissioning landscape and on the part of the sector in improving how it builds evidence that can demonstrate the outcomes of its work. Neither of these tasks can be easily or quickly achieved and require dedicated resources on both parts.

While the term ‘intelligent commissioning’ is considered to be relatively new, what it aims to achieve has been something that commissioners and sector organisations have been asking for, for some time. There is a clear recognition from government, statutory funders and sector organisations of the benefits of commissioning the delivery of public services in an efficient, transparent and effective manner. Intelligent commissioners should be able to make judgement such as whether contracts or grants are the right way to fund a service, how important price should be in determining who wins a contract, and whether there is scope for innovative method of delivery (Audit Commission, 2007).

Commissioners have developed strategies for intelligent commissioning. For example the Office of the Third Sector and the Department of Health offer clear insights into how government expects future commissioning activity to take place. The Office for the Third Sector has identified eight intelligent commissioning principles which, if embedded, could result in better public outcomes for individuals and communities9. The principles are designed to improve commissioning generally and to improve the experience of the sector.

The Office for the Third Sector is also investing in skills training for commissioners through the National Programme for Third Sector Commissioning, which was launched in January 2009. This programme only applies to mainland Britain and originally was developed to help increase the public sector’s awareness and skills in commissioning services from voluntary organisations, as well as increase the capacity of third sector organisations who wished to develop their skills in this area. Its aim is to train 2,000 of the ‘most significant’ commissioners. On completion of Phase One of the programme, 848 commissioners had received a range of training and awareness raising activities delivered such as National Programme training days, accredited courses and Leadership Academy modular courses. Phase Two of this programme is currently underway. The outlined objectives are increased awareness and understanding, more third sector involvement and improved bidding practice.

Placing the policy context in terms of Northern Ireland

The idea of the sector being involved in the delivery of public services has a long history in Northern Ireland. Many of the policy initiatives developed at the UK level have included Northern Ireland, significant among these was *The Compact* (1998). However there have been some differences recorded in the impact of *The Compact*. None of the councils in Northern Ireland were required to produce local Compact Agreements. This resulted in a mixed take up and understanding of *The Compact* in Northern Ireland.

In addition, other Northern Ireland specific policy initiatives have included the *Investing Together* report (2004), *Positive Steps* (2005) and *The Review of Public Administration* (began 2002). Each of these initiatives have identified the sector as having a role to play in creating a vibrant society.

*The Compact* was structured around three themes of capacity building, working together and resourcing the sector. These themes carried through into the *Investing Together* report, which called for the establishment of a Modernisation Fund to enhance the capacity of the sector to deliver public services. Significantly the publication of *Positive Steps* in 2005, outlined a commitment to work with, build the capacity of and resource the sector, thus promising to facilitate the involvement of the sector in the delivery of public services. The commitments made in *Positive Steps* covered a wide range of actions, including the establishment of a Modernisation Fund of £3 million which was available from 2005-2008. It was hoped that *Positive Steps* would transform how the public sector engage and work with the sector. There have, however, been mixed reports on its impact to date. The Department for Social Development (DSD) published its final report on the implementation of *Positive Steps* in November 2009, which stated that progress had been made across the majority of recommendations (DSD, 2009).

Recognising the importance of evaluating the progress of *Positive Steps*, it was set out in the policy document that it would be evaluated on at least an annual basis. NICVA agreed with DSD that twice a year an assessment against the perceived progress of *Positive Steps* would be undertaken. This commitment was fulfilled by NICVA and the final monitoring report was published in 2008. A key message arising from the evaluations was the disconnection between what government claimed was happening behind the scenes and the sector’s own experience of what *Positive Steps* had achieved. This has created an atmosphere in the sector which is characterised by a general sense of disappointment, disillusionment and apathy towards the document and the subsequent implementation process. Progress has been made but there remains a sense that an opportunity has been missed to radically overhaul the funding environment and how the government and the sector interact.

The sector has called for the development of a new policy framework for relationships to update the existing *Compact*, to reflect the new context and provide greater recognition of the sector and its role within Northern Ireland.
During an Assembly debate in 2008 the DSD Minister acknowledged that a policy gap existed between the Executive and the sector and supported a motion to strengthen relationships between the two. A similar recommendation was supported by the Social Development Committee. A draft Concordat between the voluntary and community sector and the Northern Ireland Executive has been developed. This Concordat, which has yet to be finalised and consulted upon, would be an agreement between central Government and the voluntary and community sector outlining key principles and establishing a set of shared commitments on how Government and the voluntary and community sector can work together to better serve the people of Northern Ireland.

Along with these specific initiatives, the ongoing Review of Public Administration in Northern Ireland, which began in 2002\textsuperscript{10}, is the first major examination in over thirty years of how public services are organised and delivered. Major changes have occurred and are ongoing in the areas of local government, health, education and libraries. As part of these changes it is anticipated that the number of councils will reduce from 26 to 11 by May 2011. A range of functions will transfer to local government including: aspects of planning, rural development, the public realm aspect of local roads functions, urban regeneration and community development, a range of housing related functions, local economic development and tourism. This in turn will mean that local councils will have a much wider role in shaping elements of public service delivery, including those delivered by the sector. Along with this change is the introduction of community planning, which will require local councils to involve the sector, along with other relevant stakeholders, in decisions that affect the local community. Work in this area is just beginning, but regardless of the outcome, the new system will require new relationships to be forged between the sector and local government and in turn this will affect the public service delivery landscape.

\textsuperscript{10} For more information on the Review of Public Administration, refer to \url{http://www.rpani.gov.uk/} website, last accessed January 2010.
Section 2: Measuring the economic size of public service delivery in the UK

The economic size of public service delivery in the UK

The UK Civil Society Almanac 2008 revealed that there were over 170,900 voluntary sector organisations in the UK and the income of the sector stood at £33.2 billion in 2006/07.

The policy agenda has encouraged the involvement of the sector in public service delivery and this has clearly been translated in economic terms, as was demonstrated in The State and the Voluntary Sector: Recent trends in government funding and public service delivery (2009). This research found that the involvement of the sector in public service delivery in the UK in 2006/07 was worth £12 billion. This is a significant amount of funding from the sector’s perspective, but it is important to recognise that it does not equally affect all aspects of the sector, as approximately one-quarter of voluntary organisations receive income from statutory bodies. This highlights that the issues surrounding public service delivery largely do not affect three-quarters of organisations that do not receive any funding from statutory sources. This research found that the sub-sector in which organisations operate has a large effect on whether or not they are in receipt of statutory funding. Organisations operating in the employment and training, law and advocacy, education, housing and social services all receive over 50% of their income from statutory sources.

For the organisations involved in the delivery of public services, this funding is very important. However it is important to put it in context of overall government funding on public services, which shows that this funding only accounts for 2% of government expenditure on public services. In a tight economic environment, where government is now openly talking about future ‘cuts in spending’, this must be concerning for affected organisations.

Beginning to set the economic scale of public service delivery in Northern Ireland in context

The latest State of the Sector V (2009) figures provide detailed insight into the scale and economic size of the sector in Northern Ireland. This research revealed that in 2008 there were 4,700 voluntary and community organisations in the sector, supported by 26,737 paid staff and 87,723 volunteers. The total income of the sector in 2006/2007 was £570.1 million. Whilst this is a significant income, the overall income of the sector has witnessed a 7.2% decline since the last State of the Sector IV (2005) where income in the sector was recorded at £614.5 million in 2003/2004.

Interestingly State of the Sector V (2009) revealed that earned income made up over half of all incoming resources of the sector (50.8%), up 16% since 2003/2004. This research found that the government remains the largest funder of the sector. In 2006/2007, 45.4% of all income to the sector came
from government, accounting for £166.7 million. Almost two-thirds (64.3%, *State of the Sector V*, 2009) of all the funding received from government is in the form of earned income. This is an indication of the increased role of the sector in the delivery of public services. This research also found that over a quarter of all organisations (27.5%) that receive government funding are dependent on that single source for 75% or more of their total income, with a further 13.3% of organisations being dependent on this one source for 50-75% of their total income. Organisations working in the fields of disability, housing/homelessness, education/training and young people/children receive over 50% of their income from statutory sources.

In contrast organisations working in other fields such as volunteer development, older people and arts/cultural/heritage received only a small proportion of their funding through earned income from statutory sources. This is a reminder that whilst public service delivery is an important part of the work of the sector, it does not equally affect all sub-sectors, reflecting a trend across the rest of the UK.

A detailed analysis of the nature and extent of the fees payable under contract in the sector will be revealed in the forthcoming research report in this series ‘Managing to deliver: Public Service Delivery in Northern Ireland, Volume Two, which will be published in the summer, 2010.

**Potential pressures to be placed on funding**

At the time of writing, the UK is in an economic recession and the general election discourse is one that is openly discussing cuts. This could have far reaching negative impacts on the sector across the UK, making it ever more necessary for the sector to improve its empirical evidence base in relation to impact and to demonstrate that the delivery of public services is not an easily dispensable ‘add on’.

The stark reality of budget cuts and the potential impact on services was cemented when the Finance Minister Sammy Wilson announced on 12 January 2010 that £367 million is going to be cut from the Northern Ireland budget in 2010/2011. It is proposed that these cuts will be made across all departments. Significant among these cuts is the £30.3 million proposed cut from the Department for Social Development budget and the massive £113.5 million cut faced by the Department of Health. Both of these departments are large funders of the sector in Northern Ireland. There may be some adjustments to the final agreed budget cuts, but the reality is the sector will be negatively affected by these. More worryingly is the fact that already there is strong speculation that the cuts to the budget in 2011/2012 will be even more severe. With this in mind, never before has the need for the sector to get its house in order been greater.

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11 *Earned income* in *State of the Sector V* (2009) was defined as income derived from the sale of goods and services, although the sale may not be at market value.

12 Cited on [www.bbcnews.co.uk](http://www.bbcnews.co.uk), last accessed 13 January 2010.
Section 3A: Examining the impact of delivering public services in Northern Ireland

A key objective of this research is to examine the impact of delivering public services in Northern Ireland. Much of this examination has been captured through analysis of the questionnaire and focus group. This section of the report will outline the key findings of the questionnaire issued to the sector.\textsuperscript{13} Approximately three-quarters of organisations questioned (74.6%) were involved in providing public services. The following analysis examines the responses of those organisations involved in public service delivery. Over one fifth of responding organisations (23%) reported that they receive less than 39% of their annual income from the provision of public services however 56.5% of organisations derive over 60% of their annual income from public service delivery, of which 41.1% derived between 80% and 100% of their income.

Types of service delivered

Voluntary and community organisations that deliver public services where asked to specify the types of services they deliver.

Figure 1: Areas where organisations deliver public services.

As Figure 1 above illustrates there are some service areas in which a high percentage of responding organisations deliver services. For example 41.5% of organisations reported that the public services they provide are in the field of health. The results from this questionnaire are broadly similar to those found by \textit{State of the Sector V} (2009), which found the following sub-sectors

\textsuperscript{13} See Appendix 1 for a copy of the questionnaire.
to be most associated with the delivery of public services: education/training (83.1% of income is earned) and disability (81.6% earned income)\(^{14}\).

Interestingly this research found that only 14.9% of organisations that delivered public services operated in the field of housing/homelessness. This is an area generally associated with the delivery of public services.

Organisations were asked to self classify the areas in which they delivered public services. One of the options offered was ‘social care’, which may have been considered to be more all-embracing of the nature of their work. As can be seen in Figure 1, 23.4% of respondents selected the category of ‘other’ under the types of services they deliver. The most common responses included transport; museums/art, family support, adult services and community/cross community cohesion.

The findings outlined above are also broadly similar to other UK research carried out by the Charity Commission (2007). The Charity Commission (2007) reported that the provision of health and social care services accounts for almost one third (31.0%) of the total public services delivered by charities, the second largest category of services delivered by charities related to education (15%), followed by children’s services (14%).

**Receipt of funding for public service delivery**

It is well recognised in the sector that good funding arrangements promote trust between voluntary and community organisations and their funders. Organisations were asked to indicate when they receive payment for the public services they have been contracted to provide.

**Figure 2: Receipt of funding for public service delivery**

Base: Multiple responses

\(^{14}\) State of the Sector V, NICVA (2009).
The results in this questionnaire show that over one third of responding organisations (35.1%) receive funding to deliver public services in advance. 27.7% of organisations reported that they only receive the funding for the delivery of a public service once the service has been delivered. Other common responses include receiving funding quarterly in arrears (10.6%) and being in receipt of a range of funding arrangements (8.5%). These results indicate that over one quarter of responding organisations incur costs of delivering public services before they receive payment from funders for their services.

**Full cost recovery**

One of the key areas of discussion in the field of public service delivery has been the need for organisations in the sector to be able to appropriately recoup the cost of delivering public services. Within the *Positive Steps* report (2005) government recognised the need for organisations to include full overhead costs of delivering a contracted service. This research found that almost seven in every ten organisations (69.7%) stated that they have not been successful in securing full cost recovery and 5.3% are unsure if they receive full cost recovery\(^{15}\). This research found that the issue of achieving full cost recovery is challenging for many organisations despite income level. The majority of organisations (79.3%) with an income of less than £250,000 do not achieve full cost recovery and 85.7% of organisations with an income of between £500,001 and £1 million reported that they do not receive full cost recovery from their contract agreements. However over one third of organisations (35.7%) with an income of more than £1 million reported that they do receive full cost recovery from their funders\(^{16}\) compared to 17.2% of organisations with an income of less than £250,000.

Interestingly this research found that approximately a third of all respondents (32.9%) felt they are very skilled at negotiating full cost recovery, with a further 36.7% being of the opinion they have some skills in this area. One in every ten respondents feel they have limited skills in this area, with a further 19% of respondents not being sure. The wide disparity in opinion in this area is an indication that full cost recovery has not made the impact as was originally hoped in 2005.

Those organisations that do not receive full cost recovery from their contract agreements were asked if they have tried to negotiate with their funders for these costs. 82.1% of those organisations have tried to negotiated with funders for full costs but have been unsuccessful in obtaining these costs. A total of 16.1% of responding organisations have not tried to negotiate for these costs.

\(^{15}\) Base: 80 with 14 missing.
\(^{16}\) Base: 77 with 3 missing.
Involvement in competitive tendering process

Of those organisations that are involved in the delivery of public services and are currently contracted by central government, non departmental bodies/statutory agencies or local government, nearly half (49.4%) reported that they have been involved in a competitive tendering process to secure a contract for the delivery of these public services. This research found that the majority of organisations that have been involved in the competitive tendering process to secure a contract for the delivery of public services have not had a positive experience. Reasons reported included being frustrated by the competitive tendering process while others felt that it was too time consuming and required investment of resources, human and financial, that could not be recouped even if the organisation was successful. Those that did report positive experiences reported that they had been successful in a competitive tendering process and therefore felt that their investment in the process was worthwhile.

Procurement and partnership bids

In addition to being asked if they have been involved in the competitive tendering process to secure a contract for the delivery of public services, organisations were also asked if they have been involved in a procurement consortia and/or partnership bid. Almost six in every ten of responding organisations (58.4%) reported that they have not been involved in procurement consortia and/or partnership bids with a further 37.7% reporting that while to date they have not been involved in such arrangement, it is something they may consider in the future. This research found that the majority of organisation that had been involved in such arrangements reported many negative experiences. Comments included the process being complex and too time consuming. Some positive comments noted that the procurement consortia and/or partnership process was constructive, however this was mostly because of familiarity between partner organisations or that organisations had a pre-existing relationship with partners.

Contractual relationship with funder

As part of this questionnaire organisations were asked to describe their relationship with their funders. The majority of respondents stated that their relationships with their funders are positive, with 18.4% reporting that their relationships are excellent and 61.8% stating that they are good. 10.5% of respondents however reported that the relationship they have with their funders is poor and a further 9.2% were unsure how best to describe relations with their funders.

In addition to their contractual relationship with funders, organisations were asked if they were free to make decisions on public service delivery without pressure from their funders. Just over half of respondents (51.3%) stated that they were free to make decisions, but it is concerning that 48.7% of
organisations feel under pressure by funders to make decisions which they may not otherwise have made.

**Monitoring and evaluation**

In recent years there have been increased demands from funders to monitor and evaluate work in the sector, in an attempt to identify best practice, gaps in services and to ensure that the services being funded are being delivered to the specifications of the funder. Across the sector in both Northern Ireland and the rest of the UK there has been an ongoing argument that the evidence of ‘value’ is not stronger because of the structure of the funding regime.

Inefficiencies associated with short-term, stop-go, disproportionate monitoring, with services provided below cost, makes it difficult to build in medium-term systems to demonstrate impact. Voluntary and community organisations commonly complain that they find it difficult to fully achieve the level of monitoring and evaluation requested by funders. This is particularly the case for organisations that have multiple funders, each of which have their own monitoring and evaluation requirements. A Select Committee review was very critical of this issue, finding that voluntary organisations are often subject to greater scrutiny and monitoring processes than private sector providers (National Audit Office, 2006). This research found that 78.2% of responding organisations believe that they are overburdened with monitoring and auditing administration from different funders. Only 15.4% did not feel overburdened while 6.4% of respondents were unsure if their organisation was overburdened with the monitoring and auditing administration from different funders. This research found that 27.7% of organisations have received training on how to monitor and evaluate the delivery of public services.

**Skills to deliver public services**

In order to meet the demands of being involved in delivering public services effectively it is important that staff members are appropriately skilled. In recognition of this, there have been many courses designed specifically to assist organisations ‘win contracts and tenders’, as well understanding commissioning and procurement processes. For example the National Council for Voluntary Organisations (NCVO), London has run courses on ‘Tendering for Better Services’ and NICVA, Belfast is running a course on ‘Winning Contracts’. Both courses are designed to explain in detail the tendering process and develop the skills of participants to work in this area. This research sought to examine how organisations themselves rated their skills with regard to meeting various aspects of public service delivery.
Table 1: Skills to meet the demands of public service delivery

<table>
<thead>
<tr>
<th>Activity</th>
<th>Very skilled</th>
<th>Have some skills</th>
<th>Not sure</th>
<th>Limited skills</th>
<th>No skills at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make an application to deliver public services</td>
<td>53.1</td>
<td>42.1</td>
<td>2.4</td>
<td>2.4</td>
<td>-</td>
</tr>
<tr>
<td>Agree a contract with appropriate funders</td>
<td>58.1</td>
<td>33.3</td>
<td>7.4</td>
<td>1.2</td>
<td>-</td>
</tr>
<tr>
<td>Meet the funding requirements of delivering public services</td>
<td>63</td>
<td>34.6</td>
<td>2.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>To actually deliver the service</td>
<td>84.4</td>
<td>14.3</td>
<td>1.3</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Base: 81 missing 13 with exception of 'Agree contract with appropriate funders' where base was 79 and 15 missing

With regard to the issue of skills required to make applications to deliver public services, just over half of all respondents (53.1%) felt that they are very skilled to make applications to deliver public services. From the individuals who feel they are very skilled in this area, approximately 37.8% have received formal training which included how to make applications to deliver public services. This research found that 42.1% of respondents stated they have some skills required to deliver public services, while a very small minority of respondents were not sure (2.4%) or had limited skills (2.4%) in this area.

Intelligent commissioning is an approach which promotes the meaningful involvement of stakeholders in each stage of the process. This includes involvement in agreeing contracts with funders. In the past, it was not uncommon to hear terms such as ‘us’ and ‘them’ when individuals in the sector described their relationships with statutory funders. The delivery of public services requires a relationship to be built between the public sector and organisations in the sector involved in the delivery of public services. This requires skills on both parts. This research found that almost six in every ten respondents (58.1%) felt that they are very skilled to agree contracts with appropriate funders, with a further 33.3% of respondents being of the opinions that they had some skills in this area.

Organisations involved in the delivery of public services must meet a number of requirements to fulfil the objectives set out in the agreed contract. Almost two-thirds of organisations involved in the delivery of public services feel they are very skilled to meet these objectives (63%), with approximately another third of respondents (34.6%) feeling that they have some skills to meet the set funding requirements.

This research has given some insight into the skills required to be involved in the delivery of public services. While there is some differences in respondents opinions on their skills in different aspects of this process, it is reassuring that the overwhelming majority of respondents feel that they are very skilled to actually deliver public services.
Main reasons for organisations to deliver public services

Voluntary and community organisations delivering public services is nothing new. However, given the complexity and challenges of delivering public services, this research sought to examine why organisations get involved in the delivery of public services. One of the promoted benefits of the involvement of the sector is that it can be more knowledgeable about local need and can be best placed to provide services to address these needs.

Table 2: Main reasons organisations deliver public services

<table>
<thead>
<tr>
<th>Reason</th>
<th>1st rank (%)</th>
<th>Overall Rank (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your organisation has a niche experience and knowledge that no other provider has</td>
<td>25.5</td>
<td>15.7</td>
</tr>
<tr>
<td>The service helps deliver the organisations mission</td>
<td>18.6</td>
<td>15.0</td>
</tr>
<tr>
<td>Your organisation has a better understanding of users’ needs than government departments</td>
<td>15.7</td>
<td>14.5</td>
</tr>
<tr>
<td>To access hard-to-reach groups</td>
<td>12.7</td>
<td>14.0</td>
</tr>
<tr>
<td>To provide an innovative service</td>
<td>10.8</td>
<td>14.5</td>
</tr>
<tr>
<td>To deliver a better service than a statutory provider</td>
<td>9.8</td>
<td>13.2</td>
</tr>
<tr>
<td>Sustainability - the income generated by the contract is useful to the organisation, ensuring sustainability</td>
<td>6.9</td>
<td>12.7</td>
</tr>
</tbody>
</table>

Base: Multiple responses

Voluntary and community organisations deliver public services for a range of reasons and what can clearly be seen from Table 2 is responding organisations rank having a niche experience and knowledge as the first reason they deliver public services. The second main reason is that the delivery of public services helps them deliver their organisational mission. The third most common reason was that organisations believe they have a better understanding of user needs than government departments. The least common reason reported is that the income generated by the contract is useful to the organisation, ensuring sustainability. When looking at the overall ranking of reasons compared to the first rank, only the results are similar. Again organisations still ranked highest that that they have a niche experience and knowledge that no other provider has, the second and third highest ranks are also the same.
Advantages of delivering public services

This research sought to examine what organisations in Northern Ireland identified to be the main advantages of being involved in the delivery of public services.

Figure 4: Main advantages to being involved in the delivery of public services

This research found that the most popular stated advantage to being involved in the delivery of public services is being able to meet the needs of service users. The second most popular reason stated was sustainability, in terms of sustainable funding, followed by benefits to local community.

Of the individuals who responded to this question, 10% stated that the involvement in the delivery of public services is to help achieve the organisation’s goals and mission. This is quite interesting, as there has been some concerns raised that the involvement of voluntary and community organisations in the delivery of public services can potentially skew an organisation’s goals and mission.
Main barriers facing organisations in the delivery of public services

Organisations involved in the delivery of public services were asked to rank the main barriers of being involved in such work.

Figure 5: Barriers to involvement in public service delivery

The main first ranked barrier identified to being involved in the delivery of public services is short-term contracting (33.9%). In addition, from all the ranked barriers of being involved in public service delivery, short-term contracting was also identified as the most prominent barrier. Yet, Positive Steps (2005) set out a commitment to a move towards longer-term funding. The first ranking barrier of short-term contracts therefore does not sit comfortably with this commitment to a move towards longer-term contracts.

Non-payment of full contract costs was also identified by 16.5% of respondents as the top barrier to being involved in the delivery of public services and it was considered to be the overall third ranked barrier. Interestingly the funders perception of the sector is considered to be a barrier by a significant number of voluntary and community organisations with 14% of respondents ranking it as the main barrier to involvement in this area of work, and overall it was considered to be the fourth most ranked barrier to involvement. Intelligent commissioning promotes that public service delivery works best when there is a meaningful relationship between commissioners and those commissioned in the sector. This research would indicate there is still some way to go before this can be achieved in Northern Ireland.

Examination of all barriers reveals that the second most ranked barrier is disproportionate monitoring and evaluation (15.2%). Positive Steps clearly outlines that monitoring and evaluation should be proportionate, yet this research would indicate that this remains a problem in the sector.
These perceived barriers highlighted in Figure 5 do not sit well with the commitments set out in *Positive Steps (2005).* The delivery of public services works most effectively when there are partnership arrangements between the funder and the sector. These perceived barriers indicate that partnership arrangements are far from ideal for many in Northern Ireland.

**Experience of delivering public services**

Organisations questioned were asked to reflect on any problems experienced in delivering public services. Almost three quarters of respondents\(^{17} \ (73.4\%)\) stated that there had been hassle and time involved with bidding and or procurement. Interestingly while 44.8\% of respondents\(^{18}\) reported difficulties with the requirements of contract management, almost equal numbers of respondents (46.6%) reported that they had no difficulties in this area of work.

There have been some wider concerns that the involvement of voluntary and community organisations in the delivery of public services has the potential to skew the original objectives or vision of the organisations involved. The respondents in this research who are involved in the delivery of public services did not report this to be their experience. Only 15\% of respondents\(^{19}\) reported that they were uncomfortable with the direction the organisation was taking as a result of delivering public services. Furthermore only 11.9\% of respondents\(^{20}\) reported that the delivery of public services clashed with the vision of the organisation and only 23\% of respondents\(^{21}\) felt that it takes away from previous work the organisation was involved in prior to getting involved in the delivery of public services.

**Overall thoughts of the delivery of public services**

Some commentators have raised concerns that the involvement of voluntary and community organisations in the delivery of public services can require organisations to radically change the way they work or the very nature of their work. Interestingly this reason found that while 39.2\% of organisations involved in the delivery of public services had to somewhat change the way they work, only 12.2\% of organisations involved felt they had to radically change how they work.

Organisations involved in the delivery of public services were asked to think specifically about advocacy work. The questionnaire asked organisations involved in the delivery of public services whether they felt the current emphasis on public service delivery is at the expense of advocacy work. 72.3\% of organisations involved in the delivery of public services responded to this question, of which one quarter agreed that this was the case. On the

\(^{17}\) Base 64, with 30 missing.  
\(^{18}\) Base 58, with 36 missing.  
\(^{19}\) Base 60, with 64 missing.  
\(^{20}\) Base 59, with 35 missing.  
\(^{21}\) Base 61, 33 missing.
other hand it is interesting that three-quarters of respondents did not think that the delivery of public services was at the expense of advocacy work.

The debate surrounding public service delivery has frequently included discussions about ‘large’ and ‘small’ organisations, and the respective abilities to meet the demands set out by funders. The sector has frequently been described as an ‘eco-system’ that works most effectively when large and small organisations are supported. This research raised the question of whether organisations in the sector feel the current public service delivery environment supports both large and small organisations to be involved in the delivery of public services. This research found that only 14.5% of respondents\(^{22}\) believe the current environment to be a supporting one for both large and small organisations involved in the delivery of public services, with six in ten respondents disagreeing with this statement\(^{23}\).

The current difficult economic environment is an issue that has not escaped the sector. The terms ‘rationalisation’ and ‘the need for rationalisation’ seem to becoming more common in the sector. For this reason, this research asked organisations currently involved in the delivery of public services whether the current emphasis on rationalisation in the sector is likely to have a significant impact on the way the organisation delivers public services.

**Figure 6: Will the demand for rationalisation have an impact on the way your organisation delivers public services?**

<table>
<thead>
<tr>
<th>Impact</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant impact</td>
<td>44.3</td>
</tr>
<tr>
<td>Some impact</td>
<td>38</td>
</tr>
<tr>
<td>Not sure</td>
<td>12.7</td>
</tr>
<tr>
<td>Limited Impact</td>
<td>5</td>
</tr>
</tbody>
</table>

Base: 79 (15 missing)

The research found that over four in every ten respondents (44.3%) believe that the current emphasis on rationalisation in the sector will have a significant impact on the way their organisation delivers public services, with a further \(^{22}\) Base 76, with 18 missing.  
\(^{23}\) A further 25% of respondents were unsure if the environment was supportive.
38% being of the opinion that it will have some impact on the way they deliver public services. Only 5% of respondents felt that the current emphasis on rationalisation in the sector would have limited impact on the way they deliver public services, with no organisations being of the opinion that it would have no impact on how they deliver public services.

Areas of improvement

Organisations were asked to indicate the main areas they would like to see improved in relation to the funding of public service delivery.

Table 3: Main areas organisations would like to see improved in relation to the funding of public service delivery

<table>
<thead>
<tr>
<th>Area</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advance payments (at least initial costs)</td>
<td>18.5</td>
</tr>
<tr>
<td>Long-term funding arrangements/contracts/SLA</td>
<td>10.0</td>
</tr>
<tr>
<td>Full cost recovery</td>
<td>8.0</td>
</tr>
<tr>
<td>Better information/communication</td>
<td>5.5</td>
</tr>
<tr>
<td>Payment on time</td>
<td>5.0</td>
</tr>
<tr>
<td>Less bureaucracy/administration</td>
<td>4.0</td>
</tr>
<tr>
<td>Streamline process/simple procedures/consistent policies</td>
<td>3.5</td>
</tr>
<tr>
<td>Interest paid on late payments</td>
<td>3.5</td>
</tr>
<tr>
<td>Other</td>
<td>42.0</td>
</tr>
</tbody>
</table>

Base: Multiple responses

The first area where organisations felt improvement was required is in relation to advance payments. 18.5% of responding organisations would like to see improvement in relation to advance payments. 10% of responding organisations believe there should be improvement with regard to the length of funding contracts and service level agreements, with comments such as:

‘Long-term funding for services that have demonstratable benefits.’

‘Long-term funding with contingency funding included.’

Organisations would also like to see improvements in relation to full cost recovery. Better information and communication (5.5%) and payment on time (5%) were also suggested by respondents in relation to improvements they would like to see made in relation to public service delivery.
Key areas of change

In addition to asking about areas of improvement, questioned organisations were also asked to indicate what they believe are the three most important key changes they would like to see in relation to public service delivery.

Table 4: Key changes organisations would like to see in relation to public service delivery?

<table>
<thead>
<tr>
<th>Change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term contracts/commitment (sustainability)</td>
<td>17.9</td>
</tr>
<tr>
<td>Better engagement with and between departments</td>
<td>17.1</td>
</tr>
<tr>
<td>Better/more information</td>
<td>7.7</td>
</tr>
<tr>
<td>Consistency in application of procedures</td>
<td>7.7</td>
</tr>
<tr>
<td>Full cost recovery</td>
<td>6.8</td>
</tr>
<tr>
<td>Inform/better co-ordination of procurement process</td>
<td>6.0</td>
</tr>
<tr>
<td>More consistent longer term planning</td>
<td>4.3</td>
</tr>
<tr>
<td>Respect/recognition of service provided/support/vision</td>
<td>4.3</td>
</tr>
<tr>
<td>Less bureaucracy</td>
<td>3.4</td>
</tr>
<tr>
<td>Proper commissioning based on needs</td>
<td>2.6</td>
</tr>
<tr>
<td>Further involvement of community sector (ie involvement in design of tenders)</td>
<td>2.6</td>
</tr>
<tr>
<td>Improved monitoring</td>
<td>2.6</td>
</tr>
<tr>
<td>More local community involvement</td>
<td>1.7</td>
</tr>
<tr>
<td>Better lead in time for bids</td>
<td>1.7</td>
</tr>
<tr>
<td>Other</td>
<td>13.6</td>
</tr>
</tbody>
</table>

Base: Multiple responses

Similar to findings with regard to areas of improvement the issue of long-term contracts and commitments was raised by a high number of respondents (17.9%) as a key change they would like to see implemented. Better engagement with and between government departments (17.1%) and better quality and more information were also highlighted by 7.7% of respondents as a key change they would like to see put in place. Consistency in application of procurement procedures (7.7%) and full cost recovery (6.8%) were also common responses made by respondents.

13.6% of respondents highlighted a number of other key changes they would like to see implemented. Some of the suggestions include:

- Departments/funders giving a clearer understanding of what they want from voluntary and community organisations
- Meaningful consultation process
- Measurement of performance across all sector.
What the future holds …

84% of organisations currently involved in the delivery of public services commented on what they expected their organisation’s involvement in the delivery of public services to be in the next five years.

Figure 7: Involvement in public service delivery in the next five years

This research found that approximately half of all organisations currently involved in the delivery of public services are of the opinion that their organisation will become more involved in the delivery of public services in the next five years, with only one in ten organisations being of the opinion that their role will decrease. This highlights the fact that despite the issues and difficulties for organisations involved in the delivery of public services, organisations remain committed to delivering them. The long-term commitment of organisations to delivering public services highlights the importance of ensuring appropriate support is available.

Organisations were also asked to consider more broadly if they felt the sector’s role in public service delivery was likely to increase in the next five years. 84% of organisations currently involved in the delivery of public services held an opinion on this issue, with almost six in every ten respondents (56.9%) believing that it was likely or very likely than the sector’s involvement in the delivery of public service would increase.
Those not involved in the delivery of public services

This research found that 25.4% of organisations that responded to this questionnaire are currently not involved in the delivery of public services. It is important to include a caveat at this point. This research only found 32 organisations not to be involved in the delivery of public services, hence any further analysis of this sub-group must be borne in mind with the original small sample.

Organisations were asked to state reasons why they were not involved in the delivery of public services. A quarter of all organisations that are currently not involved in the delivery of public services stated this was because it is not appropriate to the remit or aims of their organisation. 12.5% of organisations stated that they had not had a chance to consider it, with a small minority stating that they were opposed to involvement.

It is interesting to note that when organisations were asked why they were not involved in the delivery of public services, 25% of respondents stated that while they are not currently involved, they are considering it. All respondents that stated they are currently not involved in the delivery of public services were also asked if they would consider becoming involved in the next five years.

Figure 8: Willingness to take on public service delivery in the next five years

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, would consider it</td>
<td>26.9</td>
</tr>
<tr>
<td>Possibly, it depends</td>
<td>30.8</td>
</tr>
<tr>
<td>Not sure</td>
<td>19.2</td>
</tr>
<tr>
<td>No, would not consider it</td>
<td>23.1</td>
</tr>
<tr>
<td>Not sure</td>
<td></td>
</tr>
</tbody>
</table>

Base: 26 (6 missing)

This research found that over fifty percent of organisations currently not involved in the delivery of public services were open to considering or possibly considering getting involved in the next five years. One quarter (23.1%) of

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24 Not all organisations that stated they were not involved in the delivery of public services, gave details of why they are not involved.
respondents stated that they would not consider getting involved. Given the fact that UK research found that one quarter of all organisations receive funding from statutory sources, it is unsurprising that this research found that approximately one quarter of respondents (23.1%) would not consider it in the next five years.
Section 3B: Learning from the experiences of those involved in the delivery of public services

NICVA facilitated a focus group with key representatives from the sector in February 2010. At this focus group NICVA set in context the public service delivery debate and highlighted the preliminary findings from the questionnaire on public service delivery. With this information in mind, NICVA facilitated the focus group which discussed the following areas:

- Experience of delivering public services and thoughts for the future?
- Thoughts on collaborative/consortia working?
- How can organisations involved in the delivery of public services be more supported?

A number of key themes emerged from this focus group. Each of these areas will be outlined below.

The impact of the Review of Public Administration on the delivery of public services

One of the clear messages to emerge from the focus group is that the Review of Public Administration (RPA) has already, and will continue to have an impact on the role of the sector in delivering public services. Organisations reported that the Northern Ireland Health and Social Care Trusts and government departments are tendering out fewer services.

‘We got hold of a business case in which one of the Health and Social Care Trust stated clearly that the voluntary and community sector was significantly cheaper and that the service should be tendered out to the sector. Our services are cheaper but still services are not tendered out to the sector by the Trusts.’

Organisations reported that this is frustrating for them as they are aware that in England and the Republic of Ireland that health authorities and other commissioning bodies are investing in the sector and value the contribution the sector makes in delivering public services.

‘Since the RPA, the Health and Social Care Trusts in Northern Ireland are tendering out less and less services, which is contrast to what is happening in England and the Republic of Ireland.’

Organisations believe that there are several reasons why the commissioners of public services in Northern Ireland are reducing the number of services that they commission externally. It was suggested that one of the implications of the RPA is the potential for job losses. For example with the amalgamation of the pre existing 19 Health and Social Care Trust to five trusts. Many of the organisations involved in the focus group were of the opinion that the trusts and other commissioners affected by the RPA appear to want to redeploy
staff to provide other job opportunities through delivering more services in-house. They feel that an element of protectionism has developed since the RPA whereby departments feel that they need to protect themselves from further change and are therefore retaining services and keeping them in house.

‘The trusts now believe that what they have is theirs and they want to keep it, to secure it. They are positioning themselves for the few jobs available rather than tendering, and this is excluding our sector.’

Although most of the discussion held in relation to the impact of the RPA focused on the Health and Social Care Trusts, organisations were also keen to state that the impact is being felt more widely. Organisations stated that attempts have been made to discuss with the Health and Social Care Trusts and other commissioners the limited services which are currently being commissioned, however they feel that there is a lack of communication and willingness from commissioners to discuss the change in commissioning of services.

During the focus group, organisations raised a number of key issues; that they did not know the shape or form of the final outworkings of the RPA; what further impact it would have on local government and the health and social care trusts and further to that what potential impact it would have in their position as public service providers. They also believe that government departments and other commissioners are also unsure of what the impact of the RPA will be on them, however organisations suspect that this in itself will have an impact on the commissioning of public services.

‘The Department for Social Development and the Northern Ireland Housing Executive do not know what form they are going to take in 2011/12 therefore this will have an impact on public service delivery and contracting of services to the sector.’

It’s who you know not what you know

This research revealed the importance building and maintaining good relationships between the sector and funders. Organisations stated that they felt that the commissioning of public services has often been decided on who a commissioner knows rather than what organisation is best positioned to provide a service. For many organisations this is a disadvantage as they are unaware of who makes the core decisions about the commissioning of services. Organisations acknowledged that voluntary and community organisations need to get better at making links with the appropriate officials in government departments and the Health and Social Care Trusts. One chief executive stated that he attended a committee meeting for social enterprises which discusses the procurement of services. During which it became evident that most contracts being awarded under the value of £30,000 were being awarded to organisations that the specific procurer knew. He felt that more needed to be done to stop this practice and that there was a strong need for a
level playing field to be created for all voluntary and community organisations when tendering for services.

‘If there is no relationship then it is harder to get a contract awarded.’

Although organisations are critical of contracts being awarded based on who the commissioners knows, they also recognise as a result of the RPA that organisations will have to establish new relationships with commissioners due to changes in personnel. Individuals attending the focus group were of the opinion that the outcome of the RPA could result in them finding it even more challenging in successfully tendering for services. They also feel that it will take a lot of investment on their part to get acquainted with new commissioners and that all the effort they have made in the past in building some relationships with commissioners will potentially be lost.

The changes occurring as a result of the RPA has led to a belief that there is a need for a stronger role within the sector in collaboratively working to improve and increase lobbying in reference to the challenges faced by providers involved in the field of public service delivery. It was felt that lobbying needs to target senior commissioning officials who do not necessarily have an understanding of the benefits of voluntary and community organisations delivering services. They believe there is a need for the sector to be involved in live discussions with commissioners about the future of commissioning services to the sector. It was felt that if this could be achieved there could be a real move towards intelligent commissioning.

**Understanding of the role of the sector**

Although organisations felt that commissioners needed to be clearer on the role of the sector they also reported that the sector needs to be stronger in making commissioners aware of their role.

‘As a sector we need to go forward and inform commissioners of what we have to offer.’

Organisations also reported that at times the sector does not assist commissioners in understanding the services they provide and the benefit of these services. One participant stated that a senior civil servant stated to them that their door is spinning with voluntary and community organisations requesting additional resources to keep services going but they do not indicate the wider value of providing the money. The participant felt that organisations are failing to paint a clear picture of the role of the sector and its impact on the wider society in Northern Ireland. The participant felt that this lack of information does not help in making commissioners understand the sector. It is therefore unsurprising that some commissioners do not have a clear understanding of why they should commission services to the sector.

Participants also felt that the sector is not good at indicating the financial benefit of voluntary and community organisations delivering services. There was a suggestion that the sector had a stronger role to play in relation to
making commissioners understand and aware of these financial benefits. Organisations also stated that it was important the sector made commissioners understand that commissioning services to the sector should not be perceived to be high risk. They felt that a clear message should be made that voluntary and community organisations are a reliable and viable option in relation to delivering public services.

‘If civil servants think we are risky they are not going to award to us.’

There was a feeling that the sector needs to work more collaboratively to try and strengthen the sector’s position with the Assembly and Executive in an effort to increase the opportunities of voluntary and community organisations in winning contracts for the delivery of public services.

‘We need to gear up our lobbying. We need to use the right language.’

Lack of understand with regard to auditing

Organisations have felt frustrated with regard to how they are audited by the commissioners of the public service they are delivering. Some organisations reported that staff can spend up to disproportionate amount of their time on monitoring so that they can provide the information requested by funders.

‘We spend so much time doing the returns and audits that they demand, providing them with the details they request and they question the amount of time spent on admin.’

A number of representatives discussed how government departments can be very inflexible about auditing requirements. In recent years there has been a lot of debate within the sector about the difference between the measurement of outputs and outcomes in relation to the measurement and assessment of quality and value of public service delivery. The focus group was of the opinion that the sector has strived to move away from the traditional measurement of outputs favoured by commissioners in Northern Ireland to the achievement of outcome focused indicators and performance management frameworks. Organisations stated that they need to become stronger at using appropriate language to help them relate their measurement of outcomes to the language used by commissioners. Even though organisations believe that this will be helpful to both voluntary and community organisations and commissioners alike, they also believe that while the sector is very much in favour of outcomes measurements; commissioners still favour outputs.
Full cost recovery

In Section 3A of this report approximately seven out of ten organisations (69.7%) that responded to the questionnaire stated that they have not been successful in securing full cost recovery. The views from organisations participating in the focus group were also negative with regard to this area. The general opinion is that regardless of the obligations set out in Positive Steps (2005) organisations find it very difficult to recovery these costs. One organisation stated that when it met a commissioner to discuss full costs it was ‘laughed at’ by the funder.

‘Basically if you are in today [with commissioners] looking full cost recovery you are going to lose the contract.’

‘Full cost recovery is an obsolete term … we are now in a contract environment.’

Organisations believe that Positive Steps is no longer considered to be relevant or viable by government departments and other commissioners of public services do not fulfil their obligations as set out in the Positive Steps document. Organisations stated that it is important that the sector gets smarter about how it costs services and how it articulates all incurred costs. They also suggested that there needs to be improvement in how organisations work together to achieve this. There is, however, a concern that if commissioners move more towards competitive tendering, organisations may disregard their full costs in an attempt to secure contracts. Participants were concerned that this could have a significant negative impact on vulnerable individuals that the sector supports.

Not all the views with regard to full cost recovery were negative. One organisation stated that it had a large contract with the Department of Enterprise, Trade and Investment and has to date been successful in recovering costs.

‘We have a big contract with the Department of Enterprise, Trade and Investment which is going well and we are recovering our costs.’

This indicates that while the majority of organisations involved in the focus group are struggling to achieve full cost recovery there are some organisations that have been able to successfully negotiate these costs with the commissioners for their services, and it was felt that lessons should be learned both by commissioners and by the voluntary and community sector from positive examples.

Long-term versus short-term funding

Organisations were critical of government commissioners with regard to short-term funding. Some organisations gave examples of how other non-

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25 Base: 80 with 14 missing.
governmental commissioners, such as Atlantic Philanthropies, generally award longer contracts compared to services commissioned by government. Organisations stated that on average they received contracts of between one and three years from government department and the Health and Social Care Trusts, where as with other commissioners such as Atlantic Philanthropies the contracts were much longer, in some cases lasting five years.

‘There is a complete lack of understanding [from local funders]. Short-term funding raises concerns about our sustainability but also about the shape of the services we offer children.’

The view from participating organisations is that it seems that government commissioners are looking at short-term solutions to problems while the sector is trying to solve long-term problems. They feel that there is not a strong enough alignment between the commissioners and service providers, and the end result is that providers are not being funded sufficiently or for long enough to support the needs of their service users.

Intelligent commissioning

During the focus group organisations were asked to describe their thoughts and experiences of intelligent commissioning. There was a consensus within the group that intelligent commissioning remains to be the exception rather than the rule.

One organisation provided a detailed example of how the current structures are not very supportive of intelligent commissioning and the focus group generally agreed this to be the case. The chief executive felt that in the past there has been some intelligent commissioning whereby he met with senior officials from the Health and Social Care Trusts to discuss the long term strategy of the trusts with regard to the delivery of care services. The chief executive was involved by trust officials in the design of services once the services strategy was reviewed. Trust officials were open to suggestions from the chief executive and modifications were made jointly before the organisation was awarded a contract. The reality now for this organisation is starkly different. It is instructed by trust officials what it must do and where schemes should be located without input or guidance from the organisation as to what needs are ‘on the ground’.

‘They [trust officials] no longer want to hear our ideas. This used to be part of the tender process.’

Recently this organisation sent a letter to one of the Health and Social Care Trusts stating that the chief executive wanted to meet with a view to discussing how the organisation could help the trust achieve its mission. The response received was that it would be inappropriate for the organisation to meet with the trust to discuss this issue. This participant felt that this is a clear sign that intelligent commissioning is not high on the agenda of commissioners. The fact that the commissioner would not even consider
discussing with voluntary and community organisations their needs in relation to delivering services, therefore creating a gap in the contribution that organisations can make with regard to the design of these services and the needs of service users on the ground.

Organisations reported that a number of challenges exist in relation to intelligent commissioning. The first is that commissioners have implemented an element of protectionism. They feel that commissioners will not share relevant information or communicate effectively with voluntary and community organisations. It was generally felt that this could be a result of the changes that will be implemented by the RPA where by government departments and the Health and Social Care Trusts feel that jobs may be lost and therefore want to protect the services they have.

The second challenge is that voluntary and community organisations are not sure how bad the current commissioning environment is going to get as a result of changes being implemented as part of the RPA and therefore they do not know how to prepare for that. Some organisations reported that while there are good examples of intelligent commissioning, they are still swamped with the bad.

The issue of different perspectives held by commissioners and the sector was also discussed in relation to intelligent commissioning by focus group participants. The perspectives of participating organisations is that commissioners take a very short term approach to dealing with need and the services required to alleviate need while voluntary and community organisations take a long term strategic approach to tackling need rather than looking at short term solutions. Organisations feel that with two very different approaches, intelligent commissioning would be hard to achieve.

A communication problem?

Organisations reported during the focus group that lack of communication between commissioners has been a major issue when involved in the delivery of public services. They feel that different departments ask so much from voluntary and community organisations and yet don’t always think through the realities of the tender process.

Organisations believe that this poor communication goes beyond government departments stating that there seems to be little effective communication between ministers, senior officials in government departments and those officials on the ground that are responsible for the procurement of services.

One example given was with regard to an organisation that provides a range of mental health, learning disability and dementia services in Northern Ireland, as well as other parts of the UK. The chief executive of this organisation held discussions with the Minister for Health, Social Services and Public Safety in relation to the economic savings the trusts could make by commissioning more services to the sector. It was explained that these discussions were based around outcomes of research that the Labour Government
commissioned, which found that in 2009 tendering services out to voluntary and community organisations would save up to 30% of service costs. These findings were presented to the Minister for Health, Social Services and Public Safety, and centred on discussion about the lack of tendering opportunities for the voluntary and community sector in Northern Ireland. The Minister had no answers to this, so the chief executive raised the issues with the Chair of the Health, Social Services and Public Safety Statutory Committee whose response was that the Health and Social Care Trusts ‘need to make their own mistakes, and learn from them’. The chief executive felt frustrated that despite making a concreted effort to present evidence, the current structure does not encourage joined up thinking.

**Sometimes making the hard decision, when is enough, enough?**

Voluntary and community organisations have faced many financial challenges in recent years due to the current difficult economic environment, funding efficiency drives and a lack of inflationary uplift in some funding arrangements. Although some of these issues are not new, participating organisations did ask the question ‘when is enough, enough’, as providers of public services feel they are often being challenged to deliver services in increasingly difficult circumstances. One chief executive reported that she is already talking to her management committee about how much longer some of their services can exist with the current 3% efficiency drive.

‘We are asking, can we exist with this 3% efficiency drive? What if it goes to 5% or 10%? When do we close our services?’

This organisation is concerned that it will fail to achieve its mission, vision and values if it keeps having to incur efficiency drives and funding cuts. The chief executive is now considering when the organisation should ‘gracefully’ withdraw from delivering those services that have been affected, but is concerned about the potential negative impact on service users. Other participating organisations reported similar experiences. There was a general consensus that there is a need for voluntary and community organisations to collaborate more with each other in relation to establishing a stronger negotiating position with commissioners with regard to these issues. Additionally organisations felt that it was important that they do not ‘bow down’ to commissioners in relation to delivering services which are not financially viable and that risk the sustainability of the organisation. In one instance an organisation was recently awarded a contract based on the tender it submitted but was then asked to deliver the service for less money.

‘Basically they [the commissioner] wanted us to fulfil our contract but with less money. They set a new amount. We had to decide whether to do it or leave.’

Another organisation reported that it had to recently give back two contracts because the agreed costs were not sustainable. Although the organisation did not want to lose the contracts it felt that it had no choice but to walk away. The chief executive of this organisation felt that organisations compromise the
sector when they agree to provide services for a lower price. Additionally he felt that organisations were leaving themselves open to being questioned by funders as to why they put in a cost for providing a service and then agree to provide it for a lower cost. Other participants agreed that this would cause mistrust between commissioners and the sector which would be detrimental in establishing contract arrangements in the future. Participants stressed that more organisations in the sector should not be afraid to ask the question when is enough, enough?

**The need to consider all options when delivering public services**

Organisations that attended the focus group highlighted many reasons why they provide public services. Several mentioned that they believe that they are in a better position to know about local needs and therefore feel that in partnership with government or other commissioners they are best placed to provide public services. They also felt that they have a niche experience and knowledge that no other provider has. As already mentioned however there is a lot of frustration on the part of participating organisations in relation to their experiences of providing public services. Organisations raised issues such as not achieving full cost recovery, having to reduce their service costs or lose services (impacting the sustainability of those services) and discussing with management committees when to cut services and make staff redundant to name a few. A number of organisations stated that they are now examining new methods of providing public services and are looking at the option of establishing social enterprises so that money can be invested and so that organisations can be less reliant on government funding.

**What sort of framework is required for public service delivery?**

Focus group participants were asked what sort of framework they thought would support and develop organisations involved in the delivery of public services. The general view from participating organisations is that it would be very challenging to develop a framework particularly as voluntary and community organisations work in a very fluid environment. Recently organisations have had to respond to a number of factors which have impacted on the way they operate, for example the current economic environment, changes in policy, changes in commissioning practices and the cessation of certain funding streams have all impacted on their involvement in public service delivery. Organisations question how a framework can be developed when the environment continuously changes and is impacted upon by a range of different factors.

'A practical framework would be difficult to tie down as we work in a fluid environment? How can you help voluntary and community organisations if their environment changes all the time?'

One of the reasons that organisations are sceptical about the development of such a framework is due to what they perceive to be the limited impact of *Positive Steps* (2005). Representatives at the focus group were aware of the work on a draft new Concordat framework which is currently being led by the
Department for Social Development in relation to the government relationship with the sector in Northern Ireland. Organisations were unsure of which officials are actually leading on the Concordat and have a fear that if this framework is established, that no one in government departments will put it in practice. Certainly the feeling was that the last Compact and Positive Steps were not implemented or fully realised. In addition, organisations felt that due to the ongoing changes as a result of the RPA there is a fear that protectionism will become a bigger issue and more service delivery could potentially be withdrawn from the sector.

‘Your can talk all you want about frameworks but if departments are retrenching then there are not going to be the opportunities.’

Although organisations are sceptical of a working framework implemented by government departments or other commissioners they believe that it is important for the sector to ‘battle on’ in its attempt to get the Concordat in place as it is better having it than nothing at all. They emphasised on several occasions the need for such a framework to be policed to ensure that all government departments and trusts carry out the obligations set out in the Concordat.

‘Departments and other funders need to be told what they must do, and if they don’t there needs to be sanctions.’

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26 The Concordat is currently in draft form (January 2010).
Section 4: Conclusion and recommendations

Part of the original objectives of this research set out to use the research gathered to develop a framework through which voluntary and community organisations can be supported more strategically in terms of fulfilling a public service delivery role.

This research has clearly highlighted the many challenges faced by providers in the sector involved in the delivery of public services. There has been much work and policy initiatives developed to support the sector to be more strategically involved in the delivery of public services. Yet, many challenges remain and often providers are working in an environment where there is inconsistency in the commissioning and procurement processes employed, short-term funding and disproportionate monitoring and evaluation continue to be major issues, as well as wider changes as a result of a difficult economic environment, as well as the out-workings of the RPA. Organisations involved in the delivery of public services are sceptical of the ability of any one framework to address all these issues. Rather, what would be much more beneficial is an identification of the major issues currently affecting the sector involved in the delivery of public services and some suggestions of possible recommendations that will begin to address these issues.

With this in mind, NICVA has drawn together the key learning from this research in the form of a list of recommendations. This list of recommendations is not exhaustive; rather it highlights the key issues that must be challenged.

Recommendations

Commissioning and procurement

- A recurring theme of this research was the importance of positive relationships between commissioners and the sector. When positive relationships exist, the overall delivery of public services is facilitated. This research revealed a very mixed picture in terms of the relationships which exist between commissioners and the sector and noted that the changes that followed the Review of Public Administration appear to have negatively impacted on relationships. The importance of investing in building positive relationships between commissioners is fundamental.

- The commissioning and procurement process employed between funders and the sector is complex and often inconsistent. It is essential that both commissioners and potential service delivery organisations operate in a transparent environment.

- The principle of ‘intelligent commissioning’ seems to be the exception rather than the rule. If it is ever to reach its full potential, commissioners must fully embrace the principle. Good practice examples are available eg in England where a training initiative is currently available to commissioners working with the sector. Developing a similar initiative in
Northern Ireland could help embed the principle of intelligent commissioning.

Funding

- Short-term funding is a major issue affecting organisations involved in the delivery of public services despite *Positive Steps* outlining a commitment to move towards long-term funding. This places continual pressure on organisations in the sector involved in the delivery of public services. A move to longer-term funding should be embraced by commissioners.

- The demands placed on organisations in the sector involved in the delivery of public services often are incommensurate and are often not in proportion to the amount of funding received. This is an issue that requires attention.

- To date, there is limited interaction between commissioners on monitoring and evaluating requirements. As organisations in the sector are often in receipt of a cocktail of funding, it would be useful if the principle of ‘lead funder’ was embraced in terms of monitoring and evaluation.

- Organisations in the sector often have difficulty in recouping the full costs of delivering public services from commissioners. In addition, the perceived increased competition in the sector between providers has led to, at times, organisations in the sector agreeing to deliver public services below the full costs that are incurred to the organisation. This potentially creates an unhealthy cycle for both commissioners and organisations in the sector. This is an area which requires attention.

The role of lobbying

Organisations in the sector are very aware of the challenges facing organisations involved in the delivery of public services. This research revealed that organisations recognise the need for more coordinated lobbying in this field. It is hoped that the new Concordat policy initiative will act as a useful starting point to encourage the sector to come together and lobby the Northern Ireland Assembly. This research also revealed that the changing economic environment and the ongoing changes as a result of the RPA could potentially exacerbate the current issues affecting organisations involved in the delivery of public services. Organisations should use the opportunity of the publication of the new Concordat to intensively lobby in this area.
Scope for further analysis and research

This research has given some insight into what it is like for organisations in the sector involved in the delivery of public services in Northern Ireland. However, it has also highlighted that this is an environment that is currently being affected by wider changes in Northern Ireland. Areas identified for potential future analysis and research include:

- What impact is the changes, either occurring or scheduled to occur as a result of the RPA, having on organisations in the sector involved in the delivery of public services?

- How can understanding of the commissioning and procurement process be improved in Northern Ireland?

- The outputs and outcomes debate.

- The longer term trends in funding and the potential impact on the delivery of services.

- Can the eco-system of large and small organisations in the sector delivering public services be supported to develop?

- Has the sector lost its voice in the field of public service delivery?
Appendix 1: Copy of questionnaire
Delivering public services
Impact on the voluntary and community sector
Please confirm the address and contact details below or amend if different. ID: 7685

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Contact</th>
<th>Address</th>
<th>Town</th>
<th>Postcode</th>
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</thead>
</table>

This organisation is no longer active (please remove from database)

Please indicate the approximate income of your organisation.
£100,001-£250,000
£250,001-£500,000
£500,001-£1 million
More than £1 million

1. Are you involved in public service delivery?
   Yes (Go to Q2)  No (Go to Q36)

2. What types of public services are you involved in delivering?
   Environmental   Advice
   Housing/homelessness   Children’s services
   Health   Education
   Social care   Other (please specify)
   Leisure

3. Where do you deliver public services?
   Locally
   Across a county
   Nationally
   Internationally

4. Is your organisation currently contracted by central government, non-departmental public bodies/statutory agencies or local government to deliver public services?
   Yes (Go to Q5)  No (Go to Q36)

5. Does the funding you obtain from your funding agreements cover full cost recovery for the services you deliver? (Including overheads/management costs)
   Yes   No   Not sure

If not, have you tried to negotiate these costs with your funders?
   Yes   No   Not sure
6. For how long does your organisation receive funding for the delivery of public services?

<table>
<thead>
<tr>
<th>Department</th>
<th>No. of funding agreements</th>
<th>1 year or less</th>
<th>Up to two years</th>
<th>Up to three years</th>
<th>3 years or more</th>
<th>Type of funding agreement (contract/grant SLA, a mix) etc</th>
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<tbody>
<tr>
<td>Department of Social Development</td>
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<td>Department of Education</td>
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<td>Department of Culture Arts and Leisure</td>
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<td>Department for Employment and Learning</td>
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<td>Department of Enterprise, Trade and Investment</td>
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<tr>
<td>Department of the Environment</td>
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<tr>
<td>Department of Health, Social Services and Public Safety</td>
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<tr>
<td>Department for Regional Development</td>
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<td>Office of the First Minister and Deputy First Minister</td>
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<td>Health and Social Care Trusts</td>
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<tr>
<td>NIHE</td>
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<tr>
<td>Supporting People</td>
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<tr>
<td>District Councils</td>
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<tr>
<td>Other <em>(please specify)</em></td>
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</table>

7. Approximately what % of your organisation’s annual income is derived from public services delivery?

<table>
<thead>
<tr>
<th>Tick</th>
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</thead>
<tbody>
<tr>
<td>0%</td>
<td>40-59%</td>
</tr>
<tr>
<td>0-19%</td>
<td>60-79%</td>
</tr>
<tr>
<td>20-39%</td>
<td>80-100%</td>
</tr>
</tbody>
</table>

8. When does your organisation receive funding for the delivery of public services?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Not sure</th>
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</thead>
<tbody>
<tr>
<td>In advance</td>
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<tr>
<td>At the end (once the service has been delivered) ‘end loading’</td>
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<tr>
<td>Other <em>(please specify)</em></td>
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</table>
9. Has your organisation been involved in the competitive tendering process to secure a contract for the delivery of public services?

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<thead>
<tr>
<th>Yes</th>
<th>No</th>
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</table>

If yes, how would you summarise your experience?

________________________________________________________________________________
________________________________________________________________________________
________________________________________________________________________________

10. Has your organisation been involved in procurement consortia and/or partnership bids?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Considering it</th>
</tr>
</thead>
</table>

If yes, how did you find it?

________________________________________________________________________________

11. How would you describe the contractual relationship your organisation has with its funders? 1 = excellent, 2 = good, 3 = not sure, 4 = poor 5 = very poor (please circle below).

| 1 | 2 | 3 | 4 | 5 |

12. Do you feel that your organisation is free to make decisions on public service delivery without pressure from your funder?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
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</thead>
</table>

13. How involved is your management committee in making decisions on what activities or projects your organisation undertakes? (Including the decision to delivery public services) 1 = very involved, 2 = involved, 3 = not sure, 4 = has limited involvement 5 = no involvement at all (please circle below).

| 1 | 2 | 3 | 4 | 5 |

14. Please indicate the three main areas you would like to see improved in relation to funding for the delivery of public services. (eg Long-term funding, communication, advance payments, interest paid if funding payments are late, local area partnerships etc)

1.
2.
3.

15. Which three key changes would you like to see in relation to the delivery of public services? (eg Involvement with commissioning funder, sustainable contracts, better information about and co-ordination of procurement agencies)

1.
2.
3.
16. Does your organisation believe that different government departments do not communicate with each other in relation to ‘joined up’ funding?
Yes  No  Not sure

17. Does your organisation find that it is overburdened with monitoring and auditing administration from different funders?
Yes  No  Not sure

18. What are the main reasons your organisation delivers public services? Please rank each reason by level of importance (1 being the most important and so on).

<table>
<thead>
<tr>
<th>Reason</th>
<th>Rank</th>
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</thead>
<tbody>
<tr>
<td>To provide an innovative service</td>
<td></td>
</tr>
<tr>
<td>The service helps deliver organisational mission</td>
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<tr>
<td>To deliver a better service than a statutory provider</td>
<td></td>
</tr>
<tr>
<td>Your organisation has a niche experience and knowledge that no other provider has</td>
<td></td>
</tr>
<tr>
<td>To access hard-to-reach groups</td>
<td></td>
</tr>
<tr>
<td>Your organisation has a better understanding of users’ needs than government departments</td>
<td></td>
</tr>
<tr>
<td>Sustainability - the income generated by the contract is useful to the organisation, ensuring sustainability</td>
<td></td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
</tr>
</tbody>
</table>

19. How would you describe the skills within your organisation to. . .

<table>
<thead>
<tr>
<th>Skill</th>
<th>Very skilled</th>
<th>Have some skills</th>
<th>Not sure</th>
<th>Limited skills</th>
<th>No skills at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make an application to deliver public services</td>
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<tr>
<td>Meet the funding requirements of delivering public services</td>
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<tr>
<td>Agree a contract with appropriate funders</td>
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<tr>
<td>Negotiate full cost recovery</td>
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<tr>
<td>To actually deliver the service</td>
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</tbody>
</table>

20. Has your organisation had to access/undertake specific training to:

<table>
<thead>
<tr>
<th>Training</th>
<th>Tick</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make an application to deliver public services</td>
<td></td>
</tr>
<tr>
<td>Monitor and evaluate the delivery of public services</td>
<td></td>
</tr>
<tr>
<td>Recruit and retain skilled staff</td>
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<tr>
<td>Other (please specify)</td>
<td></td>
</tr>
</tbody>
</table>
21. What are the main barriers facing your organisation in relation to the delivery of public services?

<table>
<thead>
<tr>
<th>Rank</th>
<th>Lack of information about opportunities</th>
<th>Lack of consistency between different funders</th>
<th>Short-term contracting</th>
<th>Disproportionate monitoring and evaluation</th>
<th>Non payment of full contract costs</th>
<th>Late payments</th>
<th>Funders perception of the voluntary and community sector</th>
<th>Other (please specify)</th>
</tr>
</thead>
</table>

22. What does your organisation perceive to be the main advantage to delivering public services?


23. What does your organisation perceive to be the main disadvantage to delivering public services?


24. Which from the list below do you think need to be improved by government departments?

<table>
<thead>
<tr>
<th>Tick</th>
<th>Department records on funding that is awarded to the sector</th>
<th>The ‘champion’ or lead liaison officers in each department</th>
<th>Departments’ strategies to work with the sector</th>
</tr>
</thead>
</table>

25. Has your organisation experienced any problems in the delivery of public services?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Not Sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organisation is uncomfortable with the direction it is taking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>It clashes with the vision of the organisation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>It takes away from previous work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hassle and time involved with bidding and/or procurement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Difficulties in contract management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restrictions on who you can work with</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restrictions on the type of work you can do</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restriction on who you work with</td>
<td></td>
<td></td>
</tr>
<tr>
<td>We have not experienced any problems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No problems and it has been beneficial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
If no, please indicate why you believe that no problems have occurred with your funders in relation to the delivery of your services?

1. 
2. 
3. 

## 26. What do you feel in general about the voluntary and community sector’s role in the delivery of public services?

<table>
<thead>
<tr>
<th>Tick</th>
<th>It already plays a large enough role</th>
<th>It should play more of a role</th>
<th>It should play less of a role</th>
</tr>
</thead>
</table>

Please give reasons for your answer

## 27. Has delivering public services radically changed the way you work.

1, Yes radically, 2, Yes somewhat, 3, A little, 4, Not at all

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
</table>

## 28. Has delivering public services changed the nature of your work.

1, Yes radically, 2, Yes somewhat, 3, A little, 4, Not at all

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
</table>

## 29. Do you expect your organisation’s involvement in the delivery of public services in the next five years to...

<table>
<thead>
<tr>
<th>Increase</th>
<th>Be reduced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stay the same</td>
<td>Not sure</td>
</tr>
</tbody>
</table>

## 30. Do you think the current emphasis on public service delivery is at the expense of advocacy work?

Yes (Go to Q31) | No (Go to Q32)

## 31. What % of your services are related to public service delivery and advocacy work?

<table>
<thead>
<tr>
<th>Service</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public service delivery</td>
<td></td>
</tr>
<tr>
<td>Advocacy</td>
<td></td>
</tr>
</tbody>
</table>

## 32. Do you think the voluntary and community sector’s provision of public service delivery will increase in the next five years? 1 = very likely, 2 = likely, 3 = not sure, 4 = unlikely, 5 = not likely at all (please circle below).

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
</table>
33. As the current economic environment changes with more emphasis on rationalisation in the sector, do you believe this will have an impact on the way your organisation delivers public services? 1 = significant impact, 2 = some impact, 3 = not sure, 4 = limited impact 5 = no impact at all (please circle below).

34. Do you believe the voluntary and community sector is being fully supported through the changes resulting from the Review of Public Administration? 1 = to a high degree, 2 = some degree, 3 = not sure, 4 = to a limited degree 5 = not supported at all (please circle below).

35. The voluntary and community sector has been described as “an ecosystem which operates most effectively when large and small organisations are supported to deliver public services”. Do you think the current public service delivery environment supports this?

Yes  No  Not sure

36. Given that your organisation is not currently involved in the delivery of public service under contract, what are the main reasons for that? Please tick up to three

Opposed to involvement
Organisation too small
Not had a chance to consider it
Not currently involved but we are considering it
Other (please specify)

37. Would your organisation consider involvement in the delivery of public services in the next five years? 1 = yes, would consider it, 2 = no, would not consider it, 3 = possibly, it depends, 4 = not sure (please circle below).

NICVA appreciates your time in completing this questionnaire and we would ask that you return it by 18 December 2009. Please contact Research on 028 9087 7777 or on andrea.thombury@nicva.org or leeann.kelly@nicva.org if you have any questions about this questionnaire or NICVA research.
Appendix 2: List of organisations represented at focus group
Focus Group Participants

- Advice NI
- Ashton Community Trust
- Belfast Central Mission
- Cedar Foundation
- Community Places
- Community Transport Association UK
- Disability Action NI
- Early Years
- East Belfast Mission
- Extern
- Praxis Care Belfast
- Voice of Young People In Care Ltd
- Volunteer Development Agency
Appendix 3: Commissioning, procurement and types of funding arrangements
Commissioning, procurement and funding mechanisms

Very often there is confusion between the use of the terms commissioning and procurement and the circumstances in which grants and contracts fit within a commissioning approach. The terms commissioning, procurement and tendering are often used interchangeably to describe the purchase of services by public bodies from third party providers.

The terms of commissioning and procurement are in fact different activities. It is important that both commissioners of services, and providers of public services in the sector are clear on the difference between commissioning and procurement, as failure to understand the difference could contribute to a degree of confusion amongst commissioners and sector organisations resulting in inefficient services. For this reason it was considered important to outline what defines commissioning and procurement.

Commissioning

‘Commissioning is not the same as purchasing. Purchasing is a cash-driven exchange. The purchaser is only a customer. Commissioning is a needs-led activity. Agencies concerned with commissioning may be both customers and suppliers. Once needs are collectively identified, the means of meeting those needs through service provision are agreed and then how to access the resources, financial, staffing and premises necessary to deliver will be finalised. Thus an agency whether statutory, voluntary or private can be included in the commissioning function.’ (Hearn, Abrahams and Pugh, 2003 cited in Tanner, 2006).

Public services are increasingly becoming commissioners of local services. Commissioning is a cycle of assessing the needs of people in an area, designing and then securing an appropriate service (Cabinet Office, 2006). The whole process of commissioning includes deciding what public services are needed, what priorities they are accorded, and choosing what, why, how and where to allocate resources to provide services (Kimantas and Dawson, 2008).

The Prime Minister’s Strategy Unit defines commissioning as the strategic, long-term process by which service needs of users are assessed and services are then specified, secured and monitored. Commissioning in general and contacting in particular are commercial relationships. The Strategy Unit believes that commissioning of services can lead to greater efficiency, quality, innovation and equality of public service provision (Haubrich, 2007).
Procurement

Procurement is one part of the commissioning process and refers to a specific method of purchasing service which results in a contract. It is defined as the purchase of goods or services from a third party that is delivered under the terms of a contract or service level agreement. The third party can be from the public, private or voluntary sector. Procurement is also concerned with the processes and systems for managing the acquisition of goods and services from start to finish (WCVA, 2010). Procurement is about implementing the commissioning requirements. It consists of:

- purchasing - the process of securing or buying the services; and
- contracting - the means by which the process is made legally binding.

(Funding mechanisms: Grants, service level agreements and contracts)

Funding in the sector comes from a variety of sources and in a range of forms; some in the form of grants, others in the form of service level agreements and others in the form of contracts.

There has been a long running debate about the relative merits of grants and contracts, as the means of funding the sector for service delivery. There seems to be widespread confusion about the definition of grants, service level agreements and contracts (Audit Commission, 2007). Contracts, awarded through competitive tendering processes, should normally be used to purchase public services, particularly where there is a functioning market. Grants should fund activities which are in broad alignment with the objectives of a public body, particularly in the absence of a competitive market, or where the aim is to build capacity, or support the activities of organisations which are of strategic importance to the statutory body.

The National Association for Voluntary and Community Action (NACVA) reported in 2008 that there are no hard and fast rules about which funding method is appropriate in every situation (Kimantas and Dawson, 2008), but the Treasury guidance on funding relationships with the sector stated that the main factor is the ‘nature of the intended outcomes’ (HM Treasury, 2006). Generally grants have been the traditional method through which organisations in the sector have been funded. Grants may be generalist in nature to assist with the expenses of developing and running an organisation (often called ‘grant in aid’) or more specifically in order to carry out a particular project or service. The grant giver is providing funding for a service which forms part of its own business. It is offering financial support to voluntary and community organisations in an area of work designed and proposed by the organisation. The work that is funded is deemed to add value to a funder’s overall aims and objectives. With a grant, the funding is restricted to a particular project or service and if there is an under spend at the end of the project that money is paid back to the funder. However the organisation might have no other specific legal obligations to the funder of the grant and it retains considerable freedom in the way it carries out the work.
Matched funding is often a feature of grants so there are often multiple funders contributing towards a single project. There have been some significant changes in how grants have been administered as competitive bidding for funding has become more prevalent. In addition, funders require some form of written grant agreement detailing the roles and responsibilities of both parties. These may be non-legally binding agreements (often referred to as service level agreements).

In Northern Ireland organisations have faced high degrees of scrutiny in terms of audit and accountability (NICVA 2006). Although the idea of accountability is welcomed by the sector, issues surrounding multiple audits conducted by the same department and a general lack of proportionality and assessment of risk associated with funding, has caused significant frustration for organisations.

When an organisation enters into a contract it is usually precipitated by request of tender which is normally published to ensure transparency and openness of the contract. If, for some reason, a voluntary and community organisation does not deliver under a contract it will be in default of breach and it can reasonably assume some legal action may be taken against it for not complying. Contracts by their nature place a number of requirements on organisations including, how they deliver a project and what sort of outcomes are required.
Bibliography


NICVA (2006) *Current funding scenarios in the voluntary and community sector- case studies*, Belfast: NICVA.


Northern Ireland Audit Office (2007) *Delivering public services through the voluntary and community sector: Scoping study carried out by NICVA*, Belfast: Northern Ireland Audit Office.


Internet resources


Training references cited:

*Wining contracts training*, Belfast: NICVA, Three days (last delivered October 2009).

Overview of training: The programme provides important information on tendering processes and will enable participants to develop and practice proposal-writing skills.

*Tendering for Better Services*, London: NCVO, One day (last delivered January 2010).

Overview of training: A training course for public sector commissioners and voluntary sector providers and support agencies. It explains the tendering process and how commissioners can produce effective service specifications to improve their chance of achieving best value and gives providers insights on how to best present their offer and how to price their tenders.