

current trends



Public service delivery

Can a level playing field ever be achieved between the third and private sectors in the commissioning of public services? No, says Ben Wittenberg, and even attempting to do so demonstrates a profound lack of understanding

The government's policy of opening up the delivery of public services to the voluntary sector is currently under scrutiny by the Public Administration Select Committee. One of the elements of their investigation has been the extent to which there can be a level playing field between voluntary and private sector organisations competing for public sector contracts. At DSC we don't believe it is possible to create a level playing field between the sectors, and that the intrinsic differences between them are what creates the pressure on the operational and strategic independence of voluntary sector organisations.

Aside from grant programmes, every other financial relationship government has at every level is on a procurement/contract basis. The systems, processes, language and skills exist to work in that way. Grants by comparison are difficult and time consuming to manage, irregular and unpredictable in the workload they generate, and are subject to constantly changing priorities. It is not difficult for government to see value in a pragmatic shift to commissioning with the voluntary sector.

However, this approach conflicts with the fact that people are not widgets, and that voluntary organisations are concerned with people and causes. It imposes the culture and practice of deciding 'who is most cost-effective at fixing potholes in the road' to more complex issues, like helping people.

Without a clear understanding of their local voluntary sector, commissioners will be unable to engage with voluntary sector organisations, and make decisions that encourage and support real social change.

Take for example a stretch of disused and rubbish strewn canal about which a local authority has decided to take action. In order to improve the local environment for their constituents they make a commitment to clear the canal and then must decide on the best way to make that happen.

Pay the lowest commercial bidder to send in men with shovels, do the job, and come back in six months to do it again? That would be quick, straightforward, relatively low cost, and achieve the outcome – a clean canal. However, if the outcome

is a sustainable and improved local environment then the more effective route would be giving a grant to a local VCO to involve the community through volunteers. It might be more expensive, take longer, and be more administratively complex for the commissioner, but it is far more sustainable, socially and financially – it is the engagement of the local community in looking after its own needs. Without an understanding of the local sector however, the second option is invisible to the commissioner.

Of course there are other, more fundamental differences between private and voluntary sector organisations. Charities are legally restricted to activities supporting their objects – irrespective of the breadth of opportunity that may offer in supporting their beneficiaries; it rightly limits the work they are able to do. Further, the private sector can reclaim its VAT – the voluntary and community sector cannot so there are inherent inequalities when it comes to tendering.

Even attempting to create a level playing field between the private and voluntary sector demonstrates a profound lack of understanding about the differences between the two.

Private sector organisations, no matter how ethical and well run, ultimately have profit as their primary motive. This is a good thing as we need the private sector to make a profit to maintain our economy and provide employment. Voluntary and community organisations ultimately have the beneficiary as their primary motive.

The key 'added value' of the voluntary sector to society at large is its ability to encourage citizens to give of their time and their money, to engage people with a cause and enable them to become part of the solution. That is not best achieved through procuring and contracting with us, but through developing an understanding of the needs of beneficiaries of our work (not our needs necessarily), and enabling us via good and flexible grant-making to respond to those needs in the best way.

Ben Wittenberg is head of policy & research at the Directory of Social Change

Trend watch