The Charity Sector and Public Services

Approximately a third of income into the voluntary and community sector comes from the state, and well beyond that, organisations have a vital role in advocating and developing service improvements for individuals and communities.

The charity sector’s involvement in public service delivery has grown rapidly in recent years in both scale and scope.

Charities delivering public services

Although social work activities predominate, the voluntary sector provides services across a broad range of areas.

The employment and training sub-sector receives the highest percentage of its income from statutory sources however social services, law and advocacy, umbrella bodies and community development all receive more than half of their income from statutory sources.

Why do charities provide public services?

Charities are able to fill gap in service delivery that the public or private sectors are not able or willing to do so. By being close to their users, charities have a unique perspective on their needs and how to improve services.

There are high levels of public trust in charities – they are the third most trusted group in society after doctors and the police.

Many charities also engage in campaigning or advocacy around the same issue they deliver services on.

The Coalition Government

The coalition government wants a move away from the presumption that the state is the default provider of services. The Government wants to see:

- Greater levels of service delivery by both the private sector and the voluntary sector.
- New mixed models of delivery – including 'spin outs' from the public sector and social enterprises.

Public service delivery provides the voluntary sector with a valuable source of income.

Independence

Independence is a core value shared by all voluntary and community organisations.
Governance structures are the cornerstone of charity independence: independent trustees ensure we have the capacity for independent decision making and action.

Charities’ willingness to be collaborative and to work in partnership, with government and others should not be interpreted as a lack of independence. Charities have a responsibility to work effectively with others if it is in the best interests of the communities and individuals they exist for.

**The Compact**

Established under the Labour Government, its purpose is to make clear the strong and vital role of the charity sector as a provider of public services.

Alongside the Compact came new funding initiatives to encourage innovation, and build skills and infrastructure in the sector.

The Compact is recognition that charities are important part of the nation's economy and social fabric.

**Work Programme**

The Work Programme is a major new payment-for-results welfare-to-work programme that launched in June 2011, and is a direct example of how charities can work with Government.

The Work Programme is being delivered by a range of private, public and voluntary sector organisations which are supporting people who are at risk of becoming long-term unemployed to find work.

However, NCVO have found there to be worrying signs about the sustainability of current Work Programme contracts, with our research finding that a majority of voluntary organisations identified their contracts as at risk of failure.

**Public Sector Cuts**

NCVO has never argued that the voluntary sector can, or indeed should, be immune from cuts. We accept the scale of the fiscal challenge that UK government is facing. We also recognise that the sector could work more effectively and efficiently.

But the scale, speed and implementation of the cuts is hitting voluntary organisations hard. There is evidence that the cuts are not being applied consistently, proportionately or strategically. Of course this damages the voluntary sector.

It could also cost the economy more in the long run because the sector plays an essential role in preventative services.
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