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Journal of Social Policy - 28(2), pp.277-297 (2009)

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# Remodelling the Third Sector: Advancing Collaboration or Competition in Community-Based Initiatives?

**LINDA MILBOURNE**

*Faculty of Lifelong Learning, Birkbeck College, University of London  
email: l.milbourne@bbk.ac.uk*

## Abstract

In the last decade, UK public agencies have increasingly been required to collaborate with non-state providers to deliver welfare services. Third sector organisations are now providers of services from early years to old age, taking a growing role in children and young people's services in socially deprived neighbourhoods. National policy has recognised third sector expertise in working with marginal groups of people. However, changing relationships with the state have drawn community organisations into new, often uncomfortable, organisational arrangements, affecting their work and their roles in relation to service users and community stakeholders.

This article examines recent changes from a third sector perspective, drawing on data from a study of community-based organisations providing children and young people's services in deprived localities. It considers the changing environment of 'new localism' affecting these organisations, focusing on recent plans for local area commissioning of services.

The article identifies some progress in supporting community services in deprived areas but illustrates how the continuing emphasis on competitive contracts and centrally driven frameworks undermines collaborative work and community trust. It argues that such mechanisms may serve short-term state interests but devalue the very community-level work, which is increasingly being promoted to address challenging social problems.

## Introduction

The last decade has seen a growing number of UK policy initiatives calling for public agency collaboration with non-state providers to deliver welfare services. Third sector organisations<sup>1</sup> are now providers of services from early years to old age, and have taken a growing role in children and young people's services, particularly in socially deprived neighbourhoods, where their expertise for reaching and working successfully with marginal groups of people has been widely recognised (Lewis, 2005). However, changing relationships with the state have also drawn community-based organisations into new arrangements, altering the emphasis of their work, and their roles in relation to service users and community stakeholders.<sup>2</sup> Amidst these transitions, community organisations have been charged with building stronger, more engaged communities (Home

Office, 2004; OTS, 2007); and in parallel with policies in a number of countries (Anheier and Kendall, 2002), there has been renewed emphasis on community solutions to social problems.

This article examines changes in policy and inter-agency relationships affecting community-based organisations, working with young people and families in relatively poor urban neighbourhoods. It focuses on recent moves towards commissioning services under Local Area Agreements (LAAs), and explores how such changes may affect work at community level. It questions whether policy driven arrangements for planning services and selecting providers are undermining the stated aims of the changes: of creating better, more responsive local services and improved local collaboration. While debates on contracting voluntary services are not new, this article offers contemporary empirical data, providing insight into the effects of recent policy shifts, especially on small organisations.

Initially, the article focuses on policy developments affecting UK third sector organisations, with reference to parallel developments in other countries. There is now an extensive literature on public service change (Le Grand, 2003) and growing research, on the place of the third sector (Evers and Laville, 2004), on partnership working (Rummary, 2006) and community participation (Taylor, 2006), but limited work on recent changes affecting the many community agencies engaged in associated projects (Milbourne, 2005a).

Secondly, the article outlines the empirical study from which this paper draws and the scope of data used. Thirdly, based on these data, I examine perceptions of representatives from a range of community-based organisations, providing children and young people's services in deprived inner-city localities. I explore their understandings of current changes and demands, and difficulties these pose in sustaining their work. The discussion of data is organised under three closely related themes which I consider in turn: collaborative work, competitive work and commonality and invisibility. In focusing on community-level effects of changes, I highlight contradictions between policies promoting community empowerment and centrally directed strategies for services, and the complexity of issues involved.

The article argues that recent local commissioning arrangements, underpinned by competitive contracts and national planning and performance frameworks, are damaging to collaborative work, sustaining mistrust of state strategies and obscuring the diverse approaches which could valuably be shared more widely. While these arguments echo earlier debates on state/third sector relationships in the UK, Europe and North America (6 and Kendall, 1997; Harris and Rochester, 2001), the contemporary nature of the data is salutary in illustrating the continuing challenges and risks for small organisations charged with enacting recent policy at the neighbourhood level. As long as these challenges persist, so too must research, seeking a better understanding through which to mitigate injurious policies.

### The changing policy context for third sector organisations

Over some 20 years, the UK third sector has assumed a growing service-delivery role in social care, health, housing, regeneration, education and social inclusion (Kendall, 2000). In parallel, however, there has been increased concern about intensifying demands on the sector and the need to build collaborative alliances – formal and informal – to avoid incorporation into public sector regimes. For example, Harris (2001) identifies that competing for contracts and funding, and associated regulatory frameworks have produced cumulative pressures on small voluntary organisations, with consequent loss of autonomy.

The Compact between central government and the third sector (Home Office, 1998) signalled intentions to raise the sector's profile, marking a shift in public policy from welfare state hierarchies and marketisation, towards networks and partnership working (Rummery, 2006), or New Localism (Aspden and Birch, 2005). While markets continue to underpin political ideology and strategy, the policy emphasis has been on cross-sector, 'joined-up' working and alternative routes to addressing social problems, characteristic of New Labour's Third Way agenda (Hills *et al.*, 2002).

Similar developments are visible elsewhere in Europe, where varied examples underline close relationships between the state and voluntary sector, and the sector's intermediary role in generating innovative solutions to public problems with appropriate institutional support (Evers and Laville, 2004). These examples contrast with illustrations from the USA, Australia and Canada where analysis has focused on non-profit organisations as separate from the state, emerging in response to market failures and reduced public services (Lyons, 2001). In such contexts, they provide poorly resourced but essential safety nets in deprived neighbourhoods (Salamon, 2002; Sobeck *et al.*, 2007). Nevertheless, some studies also consider the diverse local organisation forms emerging – from independent to contractually dependent and co-constructed relationships – and the role of partnerships for sustaining small organisations (Proulx *et al.*, 2007; Sobeck *et al.*, 2007). A few studies also emphasise the challenges involved in maintaining alternative approaches and representing community voices when these are perceived as counter-hegemonic (Phillips, 2006).

For a decade, partnership working and numerous short-term, multi-agency initiatives have characterised state voluntary sector relationships in the UK, entwining public and voluntary services ever more closely and often increasing voluntary sector funding dependency. Such initiatives have included Education and Health Action Zones, Sure Start and New Deal for Communities, while Local Strategic Partnerships (LSPs) established in over 80 deprived local authority areas were charged with co-ordinating local neighbourhood renewal strategies by engaging community representatives alongside private and public sector agencies. However, Osborne and Ross (2001) show how the rhetoric of collaboration and valuing different approaches has not permeated the practice of regeneration

projects; community organisations remain 'junior partners', while powerful agencies determine the rules (Taylor, 2003; O'Brien, 2006).

Despite such barriers, many community-based services have continued to grow, as in other parts of the world, and public authorities have recognised their comparative advantages over statutory and private services in working with marginalised groups of people, for whom mainstream provision is neither appropriate nor cost effective (Glennerster, 2003). This partly accounts for the central role assigned to UK community organisations in tackling social problems when the Social Exclusion Unit was initially established (SEU, 1997). More recently, this role has been extended to a focus on user involvement and wider community engagement in the drive to promote locally responsive services (ODPM, 2005).

A series of government reports acknowledge the value of third sector organisations (Home Office, 2004; OCLG, 2006), applauding the community knowledge, creativity and experience they bring to engaging socially vulnerable groups (OTS, 2007). These reports highlight the need to build third sector capacity and appropriate local infrastructures, to establish collaborative projects to support small organisations (HM Treasury, 2002) and to resource community providers properly (DfES, 2004a). Guidelines also exhort local public agencies to operate fair practice in contracting relationships and communications, following principles in national and local compacts (Home Office, 2004). Research suggests that such recommendations need better grounding in local practice if they are to address difficulties identified in empirical study (O'Brien, 2006; Compact Voice, 2007). Moreover, none of the guideline documents questions the appropriateness of a competitive approach to allocating contracts in the context of small community organisations whose user groups have little market influence.

Strategy has moved forward in diverse ways at national, regional and local levels, but in many countries, neighbourhood and community empowerment initiatives have included a strong emphasis on engaging young people (Tisdall *et al.*, 2006). In the UK, funds have been directed towards professional changes and youth volunteer action (DfES, 2006a). The Office of the Third Sector has highlighted placing 'users and communities at the heart of public services', stressing the importance of collaboration with a third sector, able to contribute to local involvement and to addressing social needs (Miliband, 2007). Following the change of Labour leadership, further devolution of powers to the neighbourhood level has been advocated (O'Hara, 2007). However, Taylor's (2006) work highlights the challenges involved for community-based organisations charged with community engagement, raising questions about the effectiveness of strategies, as conceived to date.

Positively, there has been recognition of longstanding criticisms (Harries *et al.*, 1998; Geddes *et al.*, 2000) that a surfeit of initiatives and short-term project funding can be damaging, undermining the continuity of developments,

which could make a difference in poor areas. Such criticisms underlie the rationale for the longer-term contracts, commissioned through mainstream agencies, now proposed. New commissioning processes are also premised on aims to support collaboration across traditional service and sector boundaries, developing creative work in areas of particular need. However, earlier studies have pointed to factors inhibiting collaborative, inter-agency work, including: inflexibility in statutory organisations, competitive bidding for funds, dominance of quantifiable performance measures, differential power relations and a lack of trust (Kimberlee, 2002; Milbourne *et al.*, 2003). More recently, Cairns *et al.* (2006) identify continuing barriers to collaborative working which must be addressed for partnerships to play their intended role in supporting community infrastructure.

Drawing from the study described below, I explore the extent to which barriers to local engagement and collaborative working have been addressed in recent changes.

### **Children and young people's services**

Since New Labour came to power in 1997, redressing child poverty, supporting childcare and low-income working families to encourage increased employment, promoting parenting and youth education and targeting disengaged young people have been among a number of programmes aimed to improve social inclusion. Many of these projects reflect European policies (Colley *et al.*, 2007), and the United Nations Convention on the Rights of the Child (1989, Article 12) has prompted worldwide activity around young people's inclusion. Criticism of conformist and hegemonic approaches implied in social inclusion initiatives has been debated elsewhere (Lister, 2000; Levitas, 2005), as has the tendency of such schemes to individualise outcomes and to attribute blame for failures to excluded individuals and groups (Milbourne, 2002). However, this analysis also offers valuable insights into difficulties that community-based organisations experience in delivering externally designed projects.

Despite central government funding for a number of initiatives focused on improving children's well-being in areas of high deprivation, a UNICEF report (2007) shows that the UK record on addressing the poverty and well-being of children and young people falls well behind that of other 'developed' countries. Data on British young people's unhealthy lifestyles compare poorly with most of their European counterparts, as do their educational aspirations, achievements and participation in post-16 education or training. In this context, the key goal of the government's *Every Child Matters* (ECM) (DfES, 2004b) agenda of ensuring better outcomes for all children and young people, coupled with aims of reducing inequalities through adequate, high-quality provision in the recent *Childcare Act* (DfES, 2006b), make good sense. The ECM objectives frame local planning and

performance targets for local children's services, underpinning criteria for local area commissioning processes.

These reforms in children and young people's services, however, are premised on potentially conflicting features (Hudson, 2006): an 'outcomes-led' planning model which draws on young people's and families' views in designing services, and cross-sector partnerships charged with delivering targets and strategies defined as 'top-down'. Burnley *et al.*'s (2005) study of devolution and contracting children's services in British Columbia identifies similar contradictions in the ways users' definitions of services are reshaped to match professional agendas and performance targets (Milbourne, 2002). In the current UK remodelling of children and young people's services, centrally driven planning and performance priorities, linked to the ECM framework, potentially limit the scope for locally diverse approaches to designing services. Building local third sector capacity to deliver frontline work with young people has been prioritised as a local government strategy, but the centrality of central government health and educational attainment targets is arguably at odds with 'soft' targets identified as more relevant for demonstrating success in community-based work (Blackmore, 2006).

Until recently, UK funding for children's services has been complex, cross-departmental and the result of multiple initiatives, while in some areas youth projects comprised only targeted youth justice or compensatory education schemes (Milbourne, 2005a). As a result, service providers have had to engage in multiple bids and reporting to a variety of agencies. One rationale for introducing LAA commissioning is to improve inequalities in socially deprived areas through local authorities planning coherent solutions alongside community partners (OCLG, 2006). From a public agency perspective, local area plans will co-ordinate initiatives funded in one area through one reporting agency. However, the impetus for change has arrived top-down, and at community level the logic for the changes and accompanying arrangements is questionable.

### **Study of community providers of young people's services**

This article draws on a study of third sector organisations providing services for children and young people commissioned by one large inner-city authority in England.<sup>3</sup> The area has a diverse, multi-ethnic population, including significant numbers of recent refugees. Several neighbourhoods are ranked high in Indices of Local Deprivation (Price Waterhouse, 2005) and the area overall has benefited from initiatives intended to address social exclusion. New organisations and cross-sector partnerships have emerged as a result, alongside a longstanding voluntary sector, including many organisations with a successful local reputation for providing services to young people and families.

The study set out to explore ways in which the changes outlined above, intended to rationalise and improve local service arrangements, were experienced

in community-based organisations. It considered relationships between community and public organisations, how representatives of different organisations understood the changes proposed and the effects on their work. One of the changes which participants were asked about was the common contract and performance priorities across all children and young people's services proposed in the new commissioning process. Participants were also asked about involvement in discussions on future services and their views on planning processes.

The study took place in 2006–7, and two interviewers undertook over 50 interviews in community-based organisations working with children and young people. Additional interviews included representatives of the local voluntary action council and key local authority service managers, including for Youth, Early Years, Connexions and Teenage Pregnancy services, Sure Start, the Children's Fund and Neighbourhood Renewal. These last three involved time-limited funding streams highlighting immediate concerns.

Researchers also examined a range of documents and publications, including: local plans on commissioning and young people's services, community organisations' literature on their work, publicity and reporting information and ongoing and proposed contracts, monitoring forms and requirements.

The study was limited to one local authority area, with interviews taking place over a relatively short time span. This had the advantage of providing a snapshot of participants' perceptions at similar times in the contractual cycle, a few months before the 2006–07 financial year ended. However, there was little opportunity to re-interview participants or gather data systematically through other means, such as observing meetings or service activities.

This article concentrates on themes drawn from interview data with members of community organisations, highlighting the experiences of smaller organisations rather than those with regional or national support structures. The study uses qualitative coding methods (Glaser, 1992), and employs perspectives of critical social research (Harvey, 1990) to examine the data and question the effects and social consequences of policies in specific localities (Radnor *et al.*, 1998). It uses comparative analysis (Glaser, 1967) of data gathered from different sources to review detail, and as strategies to improve depth and credibility of findings.

In what follows, I have organised examples thematically, focusing on common threads of experience, despite the diversity of organisations involved. In the scope of one paper it is not possible to do justice to the range and complexity of responses, and other themes which emerged will be discussed elsewhere. Initially I outline some broader findings, and then explore issues surrounding collaborative and competitive work.

### **Plus ça change? Or are things getting better?**

In contrast to experiences in some other areas (Milbourne, 2005a), most interviewees considered that there was a genuine intention to support

community organisations in their area and commitment to improving services in disadvantaged neighbourhoods and for excluded groups of people. They discussed progress, for example, in relation to children and young people's projects established through programmes such as the Children's Fund, Teenage Pregnancy services and extended school services. This perception concurs with findings from Lupton and Power's research (2005) concerning overall improvements in the poorest local authority areas.

There was, however, a gap between perceived intentions and practice, and many criticisms were concerned with top-down aspects of planning and change processes, poor communications, conduct of meetings and documentation. Short-term funding and constant changes, with consequent effects on organisational stability and staffing, workloads and time, were also heavily criticised. Respondents described redesigning data and reporting systems annually, repeatedly generating new funding bids and lacking information on continued funding until after contracts ended. With these experiences in mind, small organisations were inclined to view new changes as 'more hindrance, you know, just re-inventing wheels' (Sharon, Playcentre). Shifts in funding and monitoring demands also diverted community workers' efforts away from work with service users:

It's hugely time consuming . . . I mean the voluntary sector have made a big effort to keep up . . . but . . . there's a lot of jargon . . . and it's not about, even close to things . . . young people want. (Kim, young people's project)

In terms of understanding proposed commissioning changes, most small community organisations identified another set of procedures they reluctantly had to engage with to maintain funding rather than any more co-ordinated, area-based strategy. Any suggestion that future contracts might commit to longer-term, three-year funding was welcomed, but there was little apparent confidence in the reality of this.

Less experienced organisations generally made little sense of the role of local strategic partnerships, regarding them as settings where larger, better-resourced organisations were more likely to participate. Where organisations took part in meetings on commissioning plans, several criticised meeting notes for failing to reflect suggestions they had voiced. Others felt excluded from discussions and many saw themselves as outsiders in arrangements constructed at local government level. Several organisations pointed to neighbourhood fora as offering valuable contexts for understanding local needs and provision, and for sharing experiences, yet these appeared little used in consultations on future services. Similarly, few respondents perceived the proposed changes as offering more opportunities for local people to shape future provision.

### **Collaborative work: who benefits?**

A key aim of developing third sector capacity is improving community involvement in local services and reaching hitherto excluded groups of people

(Home Office, 2004). For this to succeed relies on developing a means to support the growing burdens experienced by small organisations, and is conceived, for example, in terms of collaboration between different organisations, and between statutory and community providers. Here I consider specific examples of collaborative work, rather than broader partnership frameworks. My examples illustrate benefits from co-constructing projects but also visible costs, including the investment of time and energy needed to establish joint working.

The first example concerns Family Links, a small organisation working alongside members of the Children and Adolescents Mental Health Service (CAMHS) to provide home–school support for vulnerable young people and parents. Family Links’ staff regarded the project positively, identifying the CAMHS infrastructure as removing some time-consuming burdens, such as funding bids and monitoring systems, as well as providing invaluable access to school-based information. However, they felt the effort to create the project and resolve complementary roles had been considerable and relied on positive individual attitudes. For CAMHS staff, project work meant that they could operate more flexibly than if they were bound by the usual department regulations. Paul (CAMHS) reflected ‘we could develop more creative approaches and combine our different strengths’.

In this case, the project work freed statutory professionals from restrictive procedures, apparently facilitating a more responsive service. In parallel, workers from community-based organisations, free of the stigmas often associated with mainstream social and mental health services, are more likely to engage families and gain their trust. Drawing in community partners, effectively as change agents, also introduces new approaches to address past failures in mainstream services. However, few children or families affected are involved in the construction of these ‘solutions’ to their problems. Some respondents in our study suggested that parents can be confused by the different agencies involved in joint initiatives and were likely to highlight the quality of support gained from someone interested in their needs as what they valued from a service. Donna, based in a primary school home–school support project, said, ‘it has a lot to do with the individuals that make the project work or not, sympathetic key workers, school staff too’. This was similarly evident at the organisational level.

Community workers in extended learning projects cited initial mistrust from school staff and agencies, such as education welfare services, as barriers. Overcoming these often depended heavily on the efforts and credibility of individual workers involved. Otherwise, mistrust hindered access to key information, increasing and duplicating work. As other research shows (Milbourne, 2005b; Edwards, 2007), key individuals with good local networks and a willingness to set aside organisational hierarchies were important factors in collaborative success. However, reliance on individual dispositions underlines the fragile foundations on which community-level collaborations are constructed.

In another illustration, a large regional voluntary organisation provided advice, support and on-site training sessions for inexperienced community groups. This was generally well received because the staff were familiar with the local area, willing to negotiate use of their time and tailor advice or training to specified needs. Though positive about this support, a part-time worker for a young Somalians' project stressed its limitations.

Support, training, yes it's helped but we're small, we need more, and money for workers. I don't see recognised the pressure, the demands, how hard, what we do for nothing at all. . . Communication [from local authority officers] is more politics than respect, it says how they, not we, are getting young people involved, not what we do by each day, only with volunteers. (Samia)

As critics have argued of international development programmes (Beall and Clert, 2003), the poor (and poorly resourced organisations that represent them) are asked to carry responsibility for resolving social problems, in Samia's case, growing concerns about youth crime among Somalian boys. Somalian community groups with few workers are faced with acting as first line of defence in tackling such problems where they are most acute, at the neighbourhood level. Their policy tasks are growing: to encompass increasing community engagement as a means to improved social order in their locality. The paucity of resources accessible to such groups further illustrates the fragility on which such policy aspirations are based. As Alcock (2005) argues, expecting community-level solutions when the source of inequalities underlying problems derives from structures outside the neighbourhood is often inappropriate, especially as the problems are not visibly being tackled elsewhere, and separation between the richest and poorest continues to grow (Dorling *et al.*, 2007).

The final illustration of collaborative work concerns an education provider supporting parent-child education groups and providing accredited training for play workers. The co-ordinator described participants.

Some parents are from . . . two generations without jobs. . . The project helped a few feel brave enough to train, now they're working in the centre, they'd never have gone to college or got involved in something outside their immediate area. (June, project co-ordinator)

The apparent success of this project seemed likely to be short-lived with the end of Sure Start funding, highlighting the potential damage to community relationships posed by disruptive policy changes. As another professional commented:

This funding stream ends in two months; local parents whose hopes have been raised may lose jobs and the children's projects. We're letting them down all over again. This is their community, what they've put effort into. They can't see their role in a new Children's Centre, starting again somewhere else. Why would they?

The struggle of involving hard-to-reach, low-income families in designing self-help projects which increase local employment and provide better facilities for

children and parenting support, may be easily lost with no visible means of continuity in the neighbourhood. To expect the successes and experience of collaborative work to be transferred into new, larger projects outside the immediate locality, within relatively short time frames, is unrealistic and disregards individual casualties. From an outsider's perspective, the 'mainstreaming' of Sure Start and related projects into new area-based Children's Centres may appear a rational development, but it makes poor sense in communities where people see their efforts devalued and their endeavours barred. Community-based development work is fragile, and the risks for individuals high, in a discontinuous policy environment over which they have little control.

### **Competitive work**

Following national guidelines, the local area proposals outline a competitive commissioning process for services, based on outcome-led area plans: that is, using targets derived from needs identified. Larger organisations were reasonably confident of gaining future contracts, but smaller and less experienced organisations felt they lacked both time and skills to compete in bidding. Expressing anxieties about the future, one worker reflected:

if bids are open to all kinds of new service providers, you see groups who've spent years building links and local trust lose out to organisations coming in with smart application skills. . . .and long term, you lose connections with the very young people we're trying to keep hold of. (Jo, young people's centre)

Ali added to this view:

You can be smart, show you meet the criteria, I mean, if you're big enough to have someone dedicated to fundraising, but we need to be judged on local knowledge and reputation, show we can do the real work, day in, day out, reaching kids and families. (Ali, centre for young people out of school)

The loss of local trust and fear of outsiders with poor local knowledge who would ultimately generate impoverished provision were repeatedly voiced concerns. These apprehensions were exacerbated by the competitive mechanisms for allocating funding, which placed organisations in competition with each other, and potentially with small enterprises, private and larger providers.

In policy terms, small organisations are encouraged to collaborate on bids, and larger contracts reduce transaction costs for public agencies. However, most small organisations identified the additional arrangements required to agree and manage combined bids and contracts as often more onerous than separate undertakings. For small organisations with limited capacity, joint bids with bigger organisations were potentially more beneficial but also posed threats to loss of autonomy over values and ways of working.

In this area, the local government had a reasonable overall press. However, confidence in statutory agencies was brittle and, faced with new arrangements which set community organisations to compete with each other and potentially to new providers, it rapidly gave way to mistrust and demoralisation. Small and inexperienced groups, heavily dependent on volunteers, felt particularly vulnerable. However, experienced community representatives, some regular attenders at consultative groups, also found their relationships re-defined by funder–contractor power relations in the competitive environment of commissioning. Nevertheless, their familiarity with the rules of engagement (Taylor, 2006) distinguished those able to participate in (and potentially influence) planning groups from the less experienced, creating hierarchies of inclusion, insiders and outsiders among community organisations. The spectre of competition also undermined trust in local partnership working highlighting the complex weave of purposes and interests involved.

Partnerships can be very short-term, there's a big investment of time for small centres. . . . You have to trust it'll be useful somehow, not just a pretext for other agencies to access funds because community partners are fashionable. (Gary, youth centre trustee)

Gary's mistrust of the benefits from closer association with bigger agencies raises questions about whose interests partnerships will serve, and intrinsic problems because of the differential power of partnership actors. While competitive funding cultures underlie such work, it is hard to disentangle motivations for participation or to lay better foundations for openness and trust.

Competition for funding also generated misgivings in everyday work:

We have enormous problems . . . new gangs – if you like – appear, so regular attenders get uncomfortable, but then maybe the gang moves on. So there's issues about working together with other local groups, sharing problems, like, professionals. But what we're faced with is competing for funding, that's the bottom line, and it creates dishonesty . . . people have to make the pretence of meeting targets and that to survive now, so we lose that chance of working together. (Paul, St Jude's Community Centre)

Competitive funding regimes are heavily underwritten by performance targets, which, as interviewees stressed, were rarely negotiable. Paul points to a kind of cultural conspiracy to paper over cracks in achieving attendance and accreditation targets in youth centres, when failures could offer ways to reflect on the challenges. It also means centres focus on young people 'who'll make the grade' (Paul's words) rather than those outside the reach of most services.

Workers discussing the evaluation of Sure Start work, similarly, pointed to ways that negative outcomes were obscured, so that opportunities to learn from mistakes and to work collaboratively on unresolved problems, were lost. This tendency for representatives at all levels of such initiatives to become pressured into reporting only positive outcomes has been noted elsewhere (Milbourne *et al.*, 2003). However, such pressure may result in narrowing work, limiting targets to

those that can be achieved (or client groups that will achieve them), and curtailing developmental or higher-risk work. If targets are achieved, problems apparently have solutions, can be managed and controlled. In this sense, characteristics of dominant managerial cultures (Clarke *et al.*, 2000) pervade community delivery, silencing challenges and failures, and negating alternative approaches. Paradoxically, differences of approach are the very reasons for seeking to involve community organisations in the resolution of entrenched social problems.

### **Commonality and invisibility: one size fits all?**

The new commissioning process attracted two further areas of criticism, focused around planning and the nature of the contracts. Firstly, an outcomes-led plan set out local targets for future children and young people's services framed by the five *Every Child Matters* (DfES, 2004b) priorities. Local young people and families were identified as collaborators in determining the plans, but most community organisations were sceptical about the extent to which local government representatives had reached or discussed service needs with less accessible groups of people. Few organisations appeared to trust the mechanisms for deciding on future services and providers, or that plans genuinely represented local views. A recurrent criticism was that the planning model risked ignoring existing expertise.

I don't hold with people getting funded year on year, just like that. But they need to take account of the experience out there. . . To build those connections, trust locally, takes time, especially with young people. You start with a blank slate, lists of targets. . . and get people competing against who knows, we might none of us get funded. Why can't they look at, feedback from young people, demand for places. You know, people will keep knocking on our door even if we have to close it. (Jan, youth and community worker)

Respondents argued that, alongside evaluative information and demand, there was a need to map existing provision against plans, and to commission new services where gaps and new needs were identified. There was anxiety about service continuity, loss of local experience and the poor value accorded to existing good practice.

The second issue concerns commonality of contracts and performance outcomes for all children and young people's services. Most community organisations recognised the part monitoring information played in accessing future funding but found many performance measures were inappropriate to their work. Some providers recognised that the broad indicators were driven by central government but believed local government officers could negotiate more flexible and locally relevant targets, to reflect the diversity of work.

The transition to local area commissioning and common contracts was identified as problematic in increasing the generic nature of targets. A number of community providers already considered that their contribution to targets was

contrived, but perceived that the impact of their work would be progressively less visible on paper, disadvantaging them in future commissioning. For example, performance measures for the work of a young people's mediation group were educational attainment targets, whereas workers identified successful outcomes in young people gaining self-esteem and relinquishing more destructive behaviours (potentially enabling other achievements). This lack of visibility of practice also increased organisations' dependency on the knowledge of key officers, familiar with projects, while those with little officer contact felt vulnerable. However, with significant policy shifts ending specific funding streams, such as Sure Start and Children's Fund projects, and high officer turnover, there was flux in collaborative and monitoring relationships with public agencies and limited stability in officer support.

Competitive funding regimes, generic targets, broad planning criteria and more sophisticated bidding processes all favour bigger, better-resourced organisations, while concealing the advantages that small community organisations offer. They also shape their priorities robbing them of power over the changing nature of their activities. This raises questions about the extent to which competitively allocated contracts, and planning framed by common, nationally driven targets, can accommodate the diverse approaches, and community-oriented, locally designed services, identified as necessary to achieving improved outcomes in deprived areas (ODPM, 2005).

### Discussion

This article has examined policy aspirations for increased community involvement and better local service outcomes, alongside study of changes to children and young people's services in a deprived locality. Exploring questions around collaborative and competitive work, it highlights both the complexity of issues involved and contradictions evident between government objectives and experiences of community-level delivery, adding to broader research on the nature of changing relationships between governments and the third sector.

Policy changes and mechanisms for implementation are the concepts both of central government bodies and local government managers, while the community in turn, as a means to distributing welfare services more inclusively, has increasingly shifted responsibility for delivery towards local partnerships and community agencies. The rhetoric of collaboration and partnership suggests something open, equal and democratic; however, power to determine the rules of engagement continues to reside with mainstream agencies, effectively marginalising the interests of small community organisations. The smallest and least experienced community organisations in this study felt disadvantaged by impending changes and threatened by future competition for funding. Rather than encouraging possibilities for co-constructing relationships,

new commissioning processes are re-emphasising the power of market-driven policy governance visible in other Western liberal democracies, and relegating community organisations to roles as state agents or sub-contractors. Such arrangements undercut aspirations of new localism, highlighting ways in which one policy obstructs or adversely affects another (Ball, 1997).

In terms of mainstream agencies leading the way in collaborative relationships, this study offered limited examples of trust extended to community organisations, and supports Richardson's (2005) findings that active involvement of community groups in decision-making with local government representatives has not significantly increased. Power, as Clegg (1989: 200) argues, is 'inscribed within contextual rules', and undermines the potential for co-operative working, generating disillusionment at community level in the goals of participation, and hindering creative developments. Small community organisations experienced the exercise of power from both national and local government arrangements as devaluing their local knowledge and experience and restricting what counts as legitimate information about their achievements.

However, the study provided some positive examples of cross-sector collaboration, where mainstream agency staff worked alongside small organisations in frontline delivery, and partners took time to assess their mutual strengths and contributions. Nevertheless, removed from delivery, larger agencies often continued to collude in, rather than confront, cultures and structural limitations which undermined alternative and co-constructive ways of working with community groups. It is readily assumed that 'what works' can transfer across contexts, whereas experiences from this study and others cited show that effective collaborative work often depends heavily on the commitment, dispositions and networks of individuals, and situated experiences. If key individuals leave and contexts change, risks for collaborative work grow.

This study illustrates levels of anxiety and lack of trust surrounding competitive bidding in new procurement processes, which respondents identified as damaging co-operative relationships at community level and with local government agencies. There was little trust that value in services, rather than costs, would determine future decisions, and fear that better-resourced, 'smart' organisations would gain new contracts without the commitment and local knowledge to generate appropriate provision. These concerns were exacerbated by service-planning models based around broad criteria, derived neither from effective local consultation, nor the local knowledge embedded in small community organisations. Potentially, this could lead to re-inventing services under larger contracts rather than addressing gaps and needs in provision. In an effort to mitigate evident disadvantages for small organisations in competitive commissioning processes, national government has proposed small grants intended for organisations with a turnover under £20,000. However, this

limit effectively excludes organisations with more than one employee. Of some 50 organisations, perhaps one in this study would qualify.

A further consequence of the move to commissioning children and young people's services has been the introduction of a common contract, containing performance indicators derived from central government targets, which many providers regarded as peripheral to their core work. Recently the government has stated its intention to review top-down imposed targets to allow more local discretion, but ministers are quoted (Carvel, 2007) as advocating broader shared targets across services. This study found that community providers felt increasingly vulnerable faced with a shift towards more generic performance targets, since commonality reduced the visibility and demonstrable value of their work and achievements, potentially disadvantaging them in future competition for funds.

The effects of performance cultures in shaping the nature of services have been documented elsewhere (Power, 1999; Clarke *et al.*, 2000) but the community context highlights a particular contradiction between promoting creative local solutions to social problems, and defining the outcomes required in competitively allocated contracts. Where success is judged through measures determined by funders, the need to compete for future contracts induces community providers to conceal failures and accentuate positive outcomes. This concealment, however, serves the interests of mainstream agencies in demonstrating successful policy outcomes. Moreover, if outcomes appear positive, there is less reason to challenge the planning, funding and performance frameworks within which the work is conceived, generating a conspiracy of denial.

More problematically, the accommodation of mainstream organisational interests undermines the possibility of community organisations exposing the depth of unresolved problems, of sharing mistakes, or exercising their roles as critics and alternatives to government and mainstream institutions. However, rather than blaming poorly resourced community organisations for complicity, for impeding organisational development or for relinquishing oppositional ground, we need to address the coercive organisational pressures involved. When faced with imperatives of survival and constant external changes, sustaining organisational meanings (Weick, 1995) and resolving dilemmas of resistance and compromise are hard.

Competitive cultures surrounding funding and performance thus suppress the opportunities to be open about and learn from failures, and to expose entrenched social problems. They obscure needs for better professional support and divert efforts away from high-risk, less quantifiable work, with users least likely to meet targets. While small community groups continue to struggle with grim problems at neighbourhood level, their compliance in enhancing the value of measurable targets ensures some degree of public silence. A significant shift in the culture of public accountability is needed to encompass no-fault reporting, if policy-makers intend concerted action on these grim problems.

A question which receives scant consideration is the assumed benefits of greater community involvement. Why would community organisations and user groups tackle intractable social problems with poorer resources and infrastructure than deployed by public services that failed? As Ellison and Ellison (2006: 341) stress in the context of new localism, participation and involvement can be 'ambiguous goods' with 'equal scope for disempowerment and alienation', because of the complexities of power and interest involved, the paucity of resources and lack of value accorded to legitimise efforts.

American-led research has theorised third sector organisations as responding to forms of market failure, while paradoxically, this current research sees market-driven mechanisms determining the shape of future community services. In the climate of closer and more dependent relations permeating UK contexts, community groups are taking on the failures of mainstream services, often with minimal resources. Asked to be co-constructors of local solutions, the most vulnerable groups nevertheless suffer most where discontinuities in policy have ended funding streams. Sustaining community-level commitment to tackling social problems must also entail an obligation to act responsibly: that is, not to raise hopes in an area and then change the rules. Advocacy of community ownership of local area improvements (OCLG, 2006) can barely be symbolic while funding and planning decisions remain culturally and structurally remote.

### Conclusions

This article highlights conflicting features of social policy changes as they affect community organisations. Changes intended to strengthen services in socially deprived areas present significant barriers to community collaboration and locally designed provision. Competition is advanced as the means of generating fair decisions and efficient, effective services. It serves government interests in demonstrating accountability and controlling risks but disadvantages the smallest organisations, closest to those hardest to reach in communities, who potentially become the casualties of commissioning arrangements. Other, more resilient, organisations may accommodate new organisational demands which, however, distance them from their users and communities. Competitive funding and performance frameworks embedded in local area commissioning undermine collaboration and constrain innovative, front-line work, the very work for which community-based organisations have gained positive reputations for addressing social problems.

Any approach which aims to engage community organisations more effectively in the project of reducing inequalities needs a closer appreciation of the real work. This means respecting not only the value of current work but the enormous challenges involved that are rarely visible or observed from town hall level. It also means addressing inequalities in 'partnerships', and questioning

the appropriateness of commissioning through competitive contracts, and top-down planning and performance criteria. Such shifts require statutory agencies to be more open to risk, to create environments where failures can be shared without blame, and to pay more than lip service to local compacts: in brief, a significant turnaround in current organisational thinking and culture, and re-alignment of conflicting policy ideology.

As long as state remodelling of the third sector advances competitive frameworks for determining local services, the scope for increased collaboration at community level is problematic. Moreover, while social policies continue to call on organisations and individuals with least resources to resolve the fallout from social inequalities, the growing wealth, social and spatial separation of the richest remain unaddressed. In this context, it is hard to see how the engagement demanded of poor communities will be sustained unless institutional inequalities highlighted here become integral parts of the policy agenda.

### Notes

- 1 UK policy has recently shifted terminology from Voluntary and Community Sector (VCS) to Third Sector, including social enterprise and hybrid organisations. The terms Third Sector, Non-Government Organisations and Non-profits have more frequent use internationally. This article mainly refers to the third sector and community organisations, on which the second part of the paper focuses.
- 2 I recognise the terms community and communities are ambiguous. Policy (OCLG, 2006) proposes greater community involvement; whether this involves local organisations or groups of individuals is often unclear.
- 3 Views expressed are the author's based on study of the data, not those of the commissioning agency. All names and organisations are anonymised.

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