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NPC perspectives

# Proving your worth to Whitehall

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# Proving your worth to Whitehall

As it prepares for a tough Comprehensive Spending Review this autumn, the Treasury has posed a series of questions to government departments to force them to focus on which services are essential and which can be cut.<sup>1</sup> The questions, which you can read on page 6, are, in the words of one journalist, *'brutal'*.

## Charities proving their worth

Charities are understandably nervous about prospects for public spending and many are facing cuts already. One hesitates to add to this anxiety. But if charities are to survive and even thrive in these tough times, they need to face up to the challenge. This means subjecting themselves to the same scrutiny faced by government spending departments. Charities need to talk to government on its own terms.

If charities can successfully answer the questions being asked of Whitehall departments, they could build a stronger case for survival. They might become more resistant to departments looking to make cuts. Their case could be more compelling to local authorities. They could even build a stronger case for being scaled up, as discussed in NPC's recent report, [Scaling up for the Big Society](#).<sup>2</sup>

The Treasury questions are not designed with charities in mind, but we think that charities are capable of answering them.

## An example: Volunteers in Child Protection

To show how this can be done, we have answered the Treasury's nine questions on behalf of [Volunteers in Child Protection \(ViCP\)](#), a project run by Community Service Volunteers (CSV).

ViCP is a scheme that matches volunteers with families whose children have been placed on the Child Protection Register by social services. A family gets a great deal of support while a child protection plan is in place. But many children who are taken off the Register simply get in trouble again when the support is withdrawn, so end up being put on it again.

By listening to families, acting as a strong role model and giving practical help and support, ViCP's volunteers help families stabilise and keep children off the Child Protection Register. To date, the charity reports that none of the children who have been helped by its volunteers have been put back on to the register.

Keeping children off the register also benefits the taxpayer. A social worker with a typical case load costs £3,270 per family, and an assessment itself costs close to £1,200. And these can be just the start of the costs. Looking after a child away from his or her family is very expensive. For one child, foster care costs £489 a week, and a children's home costs almost £2,500 a

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<sup>1</sup> HM Treasury website, <http://spendingchallenge.hm-treasury.gov.uk/2010/08/spending-challenge-and-the-spending-review/>, visited 13 August 2010.

<sup>2</sup> *Scaling up for the Big Society* suggests ways for civil servants to assess evidence of impact and social benefit, and provides guidance on what to scale up and how. You can download the report from NPC's website: [www.philanthropycapital.org](http://www.philanthropycapital.org).

week. In contrast, CSV estimates that it costs £2,400 to match a family with a volunteer for a year.

In many respects, CSV epitomises the spirit of Big Society, with its focus on volunteering and local engagement. It is also one of the organisations we highlight in *Scaling up for the Big Society*. Yet despite the benefits and cost savings of the project, ViCP has not been sufficiently scaled up. Local authorities are not yet able to invest adequately in such preventative services, and CSV lacks the capacity to scale up the work as much as it could be.

On pages 4 and 5, we set out our answers to the Treasury's questions, for ViCP. These answers are not comprehensive, but they make a good start. There is one question we have not answered: *Does the government need to fund it?* The evidence provided in the answers to the other eight questions should help the government to conclude whether or not this service is worth funding. In the case of ViCP, there are compelling answers to the questions, suggesting that the government should fund ViCP. In short, it is the sort of scheme that needs to grow—that is why we included it in *Scaling up for the Big Society*. (And if the government does not behave rationally but decides not to grow or even to cut ViCP, then private funders should support it in order to help vulnerable children.)

## A call to membership organisations

Charities cannot take public sector support for granted; they are in the firing line of spending cuts. While the rhetoric from the Office for Civil Society is friendly, the reality looks set to be quite different. A recent paper from the Centre for Social Justice warned that ministers are effectively 'flying blind' with upcoming cuts, and that there is real potential that *'effective programmes will be axed, while other wasteful or pointless spending will survive.'*<sup>1</sup> This is one reason why we have produced this short booklet containing the Treasury questions, along with *Scaling up for the Big Society*.

We would like all membership organisations to ask their members to answer the nine Treasury questions. By collecting these answers, memberships organisations can help to provide a more compelling narrative for the sector in the face of cuts. You can find a blank copy of the table of questions to fill in on page 6.

At NPC, we are committed to helping charities achieve greater impact. We do not want to see funding for excellent charities cut. We hope that by answering these questions, charities will feel better equipped to prove their worth to a deficit-cutting government, making their case stronger and more difficult to ignore.

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<sup>1</sup> The Centre for Social Justice (2010) Response to the Spending Review Framework 2010: Maximising Social Value

# Answering the Treasury's questions

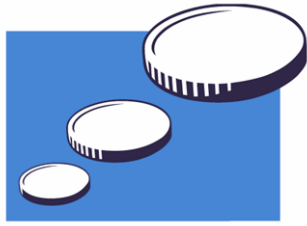
## On behalf of Volunteers in Child Protection

HM Treasury question	Answers for Volunteers in Child Protection	Comments
1. Is the activity essential to meet government priorities?	Yes, there are government objectives directly related to child protection.	Local authorities are incentivised by National Indicators to reduce the number of children becoming the subject of a child protection plan for a second time.
2. Does the government need to fund it?	[The evidence provided in the answers to the other eight questions should help the government to decide whether or not this service is worth funding.]	
3. Does it provide substantial economic value?	Yes. None of the children helped by ViCP have been put on or back on the Child Protection Register. A social worker with a typical workload costs £3,270 per child and an assessment costs £1,180. Taking a vulnerable child into care costs £2,000 a week. ViCP's work costs £2,400 per family per year.	ViCP is in the process of producing a fuller cost-benefit analysis (or social return on investment) to make its case even more compelling.
4. Can it be targeted at those most in need?	It is already targeted at children identified as at risk of harm. Many have been on the Child Protection Register or are heading for this unless something is done.	Local authorities' social services teams advise ViCP on which families might benefit from the service. This means its volunteers are able to cope and children in real need of help are reached.
5. How can it be provided more cheaply?	ViCP already uses volunteers—this is at the heart of its model. Because of this, the scheme only costs £2,400 per family per year. It is conceivable it might be delivered more cheaply, through more efficient working alongside social service teams. In other words, set-up costs are relatively high, but ongoing running costs could come down.	ViCP's work came out of the inquiry into the death of Victoria Climbié in Haringey. It borrowed the idea from a similar scheme in California. The idea of using volunteers was new and deemed by many to be risky, so CSV's use of it was groundbreaking. It has now proved that properly supervised volunteers are not risky. This approach is at the heart of the low costs of running the scheme.
6. How can it be provided more effectively?	It is possible that more effective delivery can be devised as the scheme matures and becomes more widespread.	An evaluation into the working of ViCP is now underway and might highlight how to make it more effective still.

HM Treasury question	Answers for Volunteers in Child Protection	Comments
<p><b>7. Can the activity come from a non-state provider or by citizens, wholly or in partnership?</b></p>	<p>ViCP is run by a non-state provider: Community Service Volunteers (CSV). It is run, though, in partnership with social services. This is an essential feature of its approach to ensure that children who are at risk can be identified and supported.</p>	<p>Local authorities need to have confidence in ViCP for it to work effectively. Without a genuine partnership, the scheme would not be effective, as it would be unable to access children who need help or work efficiently. Government 'buy-in', including funding, is vital.</p>
<p><b>8. Can non-state providers be paid to carry it out according to the results they achieve?</b></p>	<p>ViCP might be interested in payment by results.</p>	<p>One could design a contract that pays out depending on whether a child is kept off the Child Protection Register. The analysis for this would be fairly straightforward. The sort of children helped by ViCP are usually closely monitored and feature in many databases held by government. Quantitative analysis for payment by results is therefore feasible.</p>
<p><b>9. Can local bodies, as opposed to central government, provide it?</b></p>	<p>ViCP is a project run by a charity, CSV, in partnership with local authorities. Central government does not support the scheme, either operationally or in funding.</p>	<p>Central government has a role to play in encouraging local authorities to take up this scheme. For many local authorities, the choice is between a social worker or ViCP. That is a false choice based on current cash considerations rather than on the investment case for working for ViCP.</p>

## The nine Treasury questions

HM Treasury question	Answers for your organisation	Comments
1. Is the activity essential to meet government priorities?		
2. Does the government need to fund it?		
3. Does it provide substantial economic value?		
4. Can it be targeted at those most in need?		
5. How can it be provided more cheaply?		
6. How can it be provided more effectively?		
7. Can the activity come from a non-state provider or by citizens, wholly or in partnership?		
8. Can non-state providers be paid to carry it out according to the results they achieve?		
9. Can local bodies, as opposed to central government, provide it?		



## New Philanthropy Capital

New Philanthropy Capital (NPC) is a consultancy and think tank dedicated to helping funders and charities to achieve a greater impact.

We provide independent research, tools and advice for funders and charities, and shape the debate about what makes charities effective.

We have an ambitious vision: to create a world in which charities and their funders are as effective as possible in improving people's lives and creating lasting change for the better.

For charities, this means focusing on activities that achieve a real difference, using evidence of results to improve performance, making good use of resources, and being ambitious to solve problems. This requires high-quality leadership and staff, and good financial management.

For funders, it means understanding what makes charities effective and supporting their endeavours to become effective. It includes using evidence of charities' results to make funding decisions and to measure their own impact.

### **Our work with charities**

NPC has worked with hundreds of charities, from big household names to small, local community organisations. Our support ranges from help setting strategy to advice on carrying out evaluations and measuring impact.

We are experts in charity analysis—carrying out health checks of an organisation to provide charities with an in-depth, independent view of where they are making an impact and where they could improve. Our analysis has been shown to help charities in a number of ways, from supporting their case for funding, to helping to guide decision making around what priorities should be for the charity and what activities it should develop.

If this paper has raised any questions, you have a question you'd like NPC's help answering, or you just want to find out more about our work, then please call us on 020 7785 6300.

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