INDEPENDENCE – IS IT A MYTH?

Dr Matthew Dutton and Dr Valerie Egdell
Employment Research Institute
Edinburgh Napier University

Contact: m.dutton@napier.ac.uk
What is this workshop about?

• How have changes to the landscape of public service provision affected the independence, mission and principles of third sector organisations (TSOs)?

  • Do contracts with local and central government undermine the third sectors capacity to influence and shape policy that affects their service users?

  • Are there possible tensions between the role of TSOs as service providers and agents of social change?

  • Does commissioning impact on TSOs ability to campaign for the interests of those they represent?
• Draws on a four-year (2009-2013) qualitative longitudinal study of the opportunities and challenges facing third sector organisations (TSOs) in Scotland in the delivery of public services.

• Undertaken on behalf of the Scottish Government by the Employment Research Institute at Edinburgh Napier University and the Centre for Public Services Research at Edinburgh University.

• This presentation draws on the Year 4 report: http://goo.gl/TpKQvD
Methodology

• 21 TSOs based in different locations across Scotland
• Covering a range of public services including: health and social care; employability; and learning
• National, regional and local providers
• A mix of larger and smaller organisations
• Qualitative longitudinal approach - patterns of social, economic and political change at a time of major change
• In-depth case studies with eight TSOs
• Three focus groups involving 13 TSOs
Policy Context
Social Care (Self-directed Support) (Scotland) Act 2013
Policy Context - Scotland

• 2007 Concordat between the Scottish Government and local government

• Public-social partnership programme (2009) - public sector and the third sector working in partnership to design and deliver public services

• Social Return on Investment project (2009-2011)

• Christie Commission report (June 2011) on how Scotland's public services can be delivered in the future to secure improved outcomes for communities

• Change Funds - Investment in preventative approaches (supporting adult social care; early years and tackling re-offending)

• Social Care (Self-directed Support) (Scotland) Bill (2012)

• Living wage for the public sector (November 2012)

• Scottish Independence Referendum
Policy context - UK

- UK Conservative and Liberal Democrat Coalition Government (May 2010)
- Public spending review and deficit reduction
- Reduced Scottish Budget
- Major changes affecting the welfare system including the Work Programme
Impacts of Policy and Funding Change
Localism

• Often supported but impact in practice may be problematic e.g. organisations having to negotiate with numerous local authorities and ‘disconnected’ policies, perceived inconsistency in approaches.

• “In some ways consistency is much more important than simplicity ...32 local authorities remain too many to have a relationship with” (Senior Manager, Employability Provider)

• ‘Accountability gap’ - not clear whether national or local government had responsibility for policy.
The Christie Commission

- Recommendation: partnership, prevention; reducing duplication and sharing services.

- Most supported the recommendations - an approach that many were taking already.

- Concern that there was no additional funding – priority still to address ‘crisis’ rather than ‘prevention’:

  “I still think there is a lag between the intention and the language and the reality. Because if you have a tight budget in a local authority...you have got to deal with the front of the crisis” (Senior Manager, Employability Provider)
The Work Programme

• A number were sub-contractors.

• Presented challenges rather than opportunities.

• Investment of a significant amount of time and money preparing for delivery of the programme.

• Sub-contractors had no control over the volume of referrals – few referrals and loss of funding.

“...there was an awful lot of development work...In terms of costing that whole development process we spent in the run up to that there was significant investment on it. And we anticipated getting a lot more back from it than we ultimately did” (Manager, Health and Social Care Provider)
The Independence Referendum

• Most had **not prepared for the Scottish independence referendum** - the majority of the interviews were conducted before the date of the referendum was announced in March 2013.

• Many were keen to stress that they did not have a position on the referendum – important for organisations to **remain a-political**: “keep [their] head down” (Senior Manager, Health and Social Care Provider)
Changes in the Funding Environment

• Persistent theme of **problems securing core funding**.

  “So in a way the training and development part used to be taken for granted as it was essential is becoming much more of a luxury in the organisation” (Senior Officer, Learning Provider)

• **Short term nature of funding**

• **New opportunities for funding** were emerging – but sometimes only for new projects.

• **Diversifying funding base**
Commissioning Models

- **Competitive tendering** as dominant model

- Concerns that *creativity is hampered* as third sector not feeding into service design, focus on cost rather than quality and partnership undermined.

- A general trend - perceived move towards *favouring larger organisations* (sometimes due to economies of scales)
Performance and outcome measures

• A focus on outcomes rather than outputs and increased compliance and scrutiny.

• Inconsistency in funders and commissioners regarding reporting performance and outcomes - additional resources having to be spent on providing similar information in different ways

• Some organisations had tried to directly engage with funders and commissioners to develop universal monitoring or had improved their own internal systems in order to address these challenges.
Organisational Responses to Change
Partnerships and External Relationships

• In times of economic pressure many tend to **defend their own interests**

• Participants perceived that third sector involvement in local authority decision making processes was usually **tokenistic**

  “...they want you to attend all these meetings...and they're just a token seat sometimes for the third sector, I feel as well. And it's a waste of my time but I have got to go because if I don't go they're on the phone to [Chief Executive] that there's no representation of [third sector organisation]...it just feels like you have got to answer to a lot of people that aren't actually giving you money. So that can get a bit overbearing sometimes...” (Manager, Learning Provider)

• **More emphasis on campaigning to influence policy**

• **Partnerships and relationships with private sector** e.g. Work Programme.
Changing Organisational Structures and Working Conditions

- **Tension between funding and maintaining organisational identity** - taking stock of purpose and refocusing on core client groups:

  “I would struggle if somebody phoned me up and said there is 12 million if you do A, B, C which is absolutely nothing [to do with work of the third sector organisation], I think you have to be strong…you don’t get £12 million for nothing…” (Senior Manager, Learning Provider)

- **Changing workforce and approach** - Staff having to become more focused in their work, only delivering what was required from them in contracts

  “We've actually had to pull people back to there's your job description, there's what's expected, these are the things that we don't want you to do anymore…we all need to be focused on achieving what we get paid to do” (Senior Manager, Employability Provider)
Independence – is it a myth?
• Do commissioning arrangements constrain autonomy?
• Meaningful engagement and consultation?
• Greater homogeneity of solutions and lack of innovation because of lack of support for core organisational capacity?
• Challenging policy makers – ‘biting the hand that feed you’?
• Is the future of smaller TSOs at risk?
• Changing working conditions, professionalisation and required skills across third sector service providers.
• Changing values as increased focus on outcomes?
• Mission drift
• Distinctiveness: Public, private and third sector as interchangeable service providers?
• Importance of relationships – public sector, private sector and third sector
• Interdependence rather than independence? (Crouch, 2011)
DISCUSSION:

Independence – is it a myth?

What are the threats to independence?

How can independence be fostered?

Independence or interdependence?

