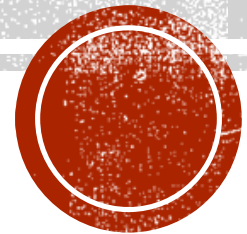


THIRD SECTOR INDEPENDENCE: RELATIONS WITH THE STATE IN AN AGE OF AUSTERITY.

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BACKGROUND

- Four year (2009-2013) study on the role of the third sector in the delivery of public services
- Funded by the Scottish Government
- Researchers from Edinburgh Napier University and Edinburgh University
- 16 third sector organisations (TSO): 6 in health and social care, 10 in employment support.
- TSOs operated nationally, regionally and locally.
- Annual interviews and focus groups with front-line and management staff across the 16 TSOs.



- We used a measure of independence provided by the Independence Panel
- The Panel describes 3 elements of independence: purpose, voice and action.

DEFINING INDEPENDENCE



DEFINING INDEPENDENCE

- Independence of purpose as allowing: *‘organisations to be freely established, shaped and run to meet changing needs ... accountability to those served is crucial, along with strong independent governance’*
- Independence of voice: *‘the ability to protest, campaign or negotiate without fear of retribution’*
- Independence of action: *to design and deliver effective activities, to innovate and take risks. Can be threatened when partners constrain freedom of action through unnecessary rules, under-funding, or tell them how to do their job’*



- Moves by TSOs to diversify their funding streams
- Some felt that in previous years the sector had been over reliant on public funding, and could not be considered as “*the independent third sector with this level of dependency on public sector expenditure*”
- One participant stated that the withdrawal of local authority funding had helped them “*realise that we have to deliver and we’re not dependent*”

INDEPENDENCE OF PURPOSE



- TSOs took stock of their purpose and strategic direction.
- In year 1, some felt that there had been parts of the sector that, in the context of high availability of public funding, had been ‘chasing’ funding or sought to ‘fit’ their activities to policy direction with little regard for core organisational values:

*“[There’s] the issue of funding dictating the project, so funding’s available for [client group] ... the third sector chase the funding, they alter the project to do that group”
(employability and learning, year 1).*

INDEPENDENCE OF PURPOSE



INDEPENDENCE OF VOICE

- Threats to independence of voice came from:
 - unsupportive funding agreements
 - political pressure
 - a lack of funds for policy and advocacy work
- Funders were increasingly unwilling to meet costs such as staff salaries, rent and other HQ costs.



- A strong campaigning voice could create tensions between alignment to government policy and advocating for the needs of clients.
- *'It has never been for me a more complex environment in terms of how to position your mission.... Sometimes that does challenge our voice of [clients'] argument where we are trying to position [clients] in policy, we are trying to influence policy, challenge the government positions. But at the same time we want to be supportive in key government initiatives.'* Employability provider

INDEPENDENCE OF VOICE



- The ways in which TSOs were contracted in terms of eligibility and contract length presented barriers to innovation and meeting client needs.
- Short-term funding and an emphasis on funding new projects, rather than existing ones, was identified in particular
- The unique and innovative styles of service provision delivered by TSOs may be narrowed by the need to meet contract priorities on commercial timescales

INDEPENDENCE OF ACTION



INDEPENDENCE OF ACTION

- Among the TSOs, tendering did not encourage creativity in service design and development because services became quite *'boxed'* and tied to particular prescribed service outcomes.
- *'you've got policy intent, wanting creative solutions ... they then go to their procurement people who tie it down ... it becomes quite boxed ... rather than being an iterative dialogue between delivery bodies and commissioners'* – Learning Provider



- *‘That can be really frustrating if you know there is a better way of doing it that probably costs less and can be done quicker and more efficiently. But because the tender lays it out in a particular way without any room for creativity, any movement or change, they can be very frustrating’* (Employability and learning, year 3)

INDEPENDENCE OF ACTION



- Government outsourcing of public services through competitive tendering creates opportunities for TSOs to expand the range of actions they undertook has imposed contractual discipline that constrains their voice and actions.
- Campaigning on behalf of service users carries a risk that non-agreement with government policy is 'potentially a signal of untrustworthiness to government, threatening reputation and funding'

IMPLICATIONS FOR CIVIL SOCIETY



- ‘The economic and political climate is pushing charities from ‘changing the world’ mode into ‘steady the ship’ mode’ – AECVO, 2017
- Despite campaigning being a part of charitable history and philosophy, over the last five years there have been numerous interventions in the campaigning space which have had a significant ‘chilling effect’ on charities.
 - Impact of the Lobbying Act
 - Local and national government funding
 - Risk averse leadership

IMPLICATIONS FOR CIVIL SOCIETY

