



# From providers to partners: What will it take?



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This report draws on the contributions of over 50 leaders from across the voluntary, public and business sectors in Scotland. It draws on in-depth qualitative interviews, focus groups and workshops held through summer 2014, and an online survey of CCPS members. Consultations were taken under Chatham House rules to protect the anonymity of participants. Our thanks go to these individuals and organisations who have made this report possible through their honest assessments and willingness to share their expertise. For more information on methodology, please contact Collaborate and CCPS.

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# Chapter 1 – Introduction

**“The quality of life in Scotland depends in no small measure on the quality of its public services.”**

Dr Campbell Christie, 2011

**“The old certainties no longer fit. We need a different approach to social work.”**

Scottish Local Government Official, July 2014

**“On paper, everything is right...”**

Voluntary Sector Leader, September 2014

The voluntary sector is part of the fabric of social work services in Scotland, providing care and support to individuals, families and communities throughout the life cycle. It is home to organisations who are at once advocates for the public that needs them, vital support networks for people who ‘fall through the gaps’ and a fundamental part of the public service industry in Scotland, accounting for almost one-third of a total annual spend of approximately £3bn. These charities and social enterprises are attempting to balance their roles in a changing context: where funding is tight, social need and demand is great, and where the legislative and policy landscape poses opportunity, but also a challenge to the business model that has hitherto seen many grow beyond recognition. It is a balance they are finding increasingly difficult, and will be even more so in future.

This is the sector that has commissioned this independent report via convening body the Coalition of Care and Support Providers in Scotland (CCPS), which – recognising this changing context – has sought to ask three searching questions which are fundamental to its future, and to the way public services are designed, delivered and accounted for in Scotland:

- 1 If we all agree on the direction of travel in public services set by the Christie Commission<sup>1</sup>, then why do so many of our relationships with commissioning authorities still feel so far away from this social market ideal?
- 2 What would it take to change this; to enact a shift in culture and behaviour from arms-length service provision and routine tendering, to real collaboration for social outcomes between commissioners and providers?
- 3 What would this feel like, and most importantly, how can we build readiness as a sector to take the initiative and help to make it happen in practice? What, in other words, would it take?

The following five chapters will unpack these questions, explore the assumptions on which they are based, and ask why this matters to the citizens and communities of Scotland. We argue strongly that getting personalisation, co-production and integrated support right will require the whole range of Scottish social partners to embrace the need for change. Our suggestions of ‘what it will take’ to do this are outlined in the pages below.

## Continuity and Change in Scotland's Public Services

Scotland's public services are at a critical juncture. Their future, like that of the country and its government as a whole, is changing as we speak – being re-formed in real time by a shifting set of political, legislative, and socio-economic factors. Much will be determined by the post-referendum negotiations that are ongoing at the time of writing, not least the model of tax-and-spend that underpins the funding and delivery of public goods and services. Citizens on both sides of the independence debate have demanded change, and these demands will need to be heeded and made real in a new settlement for a population that will not accept a return to the status quo.

There is continuity as well as change. The long-term challenges for public services are already well known, and there is remarkable consensus on the principles enshrined in the late Campbell Christie's landmark report published in 2011. They form the basis of an evolving 'Scottish Approach' that prioritises co-production, asset-based prevention and data-driven service improvement.<sup>2</sup> The problem, as ever, is aligning rhetoric with reality: not for want of diverse progress on-the-ground or openness to change; but of the scale that would effect what Cabinet Secretary for Finance and Sustainable Growth, John Swinney MSP, has called a 'decisive shift to prevention' over the medium term.

**“We have seen a change (since Christie) in the language of commissioners and greater collaborative language, but procurement still remains process driven.”**

We should not expect this to be simple. Creating a shift in the way public services are organised will require a change in culture and behaviour, as well as structural change and intelligent design. Those innovating at the margins are often doing so against the grain of seventy years of established practice – much of it intended to create the very same social good as we are aiming for now. Those within government and providing public services are keenly aware that keeping the ship afloat against a rising tide of social demand is difficult enough. Yet there is consensus around Christie principles because we know that, though our values may remain consistent, the context within which we work does not.

Public services will begin to fail the public without more fully embracing the changes in culture, behaviour and practice that have already become part of the Scottish reform lexicon. Social change at scale will not happen without real collaboration across sectors, nor in the absence of a shared stake in the process and outcomes of reform. Outcomes will struggle to be improved without co-production and innovation at the front-line. These are some of the views we encountered in researching this report. They are dramatic, but they are also realistic without an openness to behaviour change across the board, and some practical steps in place to demonstrate it.

Partnership is indeed an over-used and much misused word in public policy, but it absolutely needs to drive a new way of working both within and outside of government in Scotland. It needs to start where delivery is shaped and where, as we have heard during a six-month research project, the need is most critical and the commissioning and provision of social work services most at risk of dysfunction. There is thus a burning platform

but also a tangible sense of opportunity. A space for progressive reform has been carved out through smart legislation, future-oriented policy change and the pressure exerted by innovators in civil society and beyond. There is a tangible sense from all quarters that now is the time; that emergent practice around self-directed support, public social partnerships and joint improvement between commissioners and providers could portend a future in which decisions on service delivery will not be driven by scale and cost, but will be determined by quality relationships and outcomes.

**“Commissioners and providers need to be prepared to step up and have a relationship... get beyond the ‘provider event’ and talk about how we improve outcomes...”**

This report is all about how we collectively make the most of this opportunity. Its starting point is the voluntary sector within public services, but its scope of enquiry has gone broader and deeper. Since May this year we have spoken with Scottish voluntary sector leaders, convening bodies, officials in central and local government, commissioning managers and directors of social work, citizen representatives, policymakers and care practitioners, plus cross-sector leaders south of the border. Our recommendations are delivered to CCPS, but they are, at root, about the terms of engagement between the spectrum of organisations delivering services to the public now and in future.



## Chapter 2 – The stage is set?

There have been considerable changes in Scotland's public services agenda in recent years, pushing the country significantly – though arguably not yet far enough – towards a more joined-up, collaborative system that prioritises co-terminosity and functional integration above the dynamics of the market. The value of good commissioning and procurement has been part of this dialogue, with the 2006 McClelland report, for example, noting an “insufficient level of practical priority given to it”, and the need for “investment in skills and resources” as an urgent priority.<sup>3</sup> The clearest articulation of why this would be needed is, however, provided by the 2011 *Future Delivery of Public Services in Scotland* report.

Dr Christie's analysis called for radical change to a system of public services that can feel ‘fragmented, complex and opaque’, and ‘unresponsive to the needs of citizens and communities’. His prescription was a swathe of measures promoting a more bottom-up, outcomes-led, preventative and integrated system: of services ‘working closely with individuals and communities to understand their needs, maximise talents and resources, support self-reliance, and build resilience’. There is broad consensus on these principles. The question now, as then, is how we get there.

**“There is a lot of thinking and planning at the moment, but you can only go so far without implementation.”**

Successive legislation passing through Holyrood has aimed to answer this question in part by enshrining some of Christie's principles onto the statute books. Notable developments include the establishment of the Change Funds and (subsequently) the Integrated Care Fund; the Procurement Reform Programme; the Social Care (Self-directed) Support (Scotland) Act 2013; and the Public Bodies (Joint Working) Scotland Act 2014, which promises the integration of health and social care. Additionally, we have seen the introduction of Community Planning Partnerships (CPPs) and Public Social Partnerships (PSPs), both of which focus on strengthening the relationship between the public and voluntary sectors.

Between the lines of policy and legislation, bodies such as Audit Scotland,<sup>4</sup> CCPS, Social Work Scotland, COSLA and others have argued for their version of a more holistic, outcomes-driven model of public service commissioning and provision. Both CPPs and PSPs are indeed a recognition of the necessity and value of partnership, if not yet the ideal enabling environment for it. Throughout our research we learned about much good and novel practice from individual local authorities, health boards and networks of providers; and efforts at ‘joint improvement’ notably have momentum and funding behind them. Rhetorically, Finance Secretary John Swinney has kept up the pressure, calling for a

**“Clear focus on improving performance, working in partnership and engaging the people we work with and for”**

As the quote heading this report notes, much of this feels ‘right on paper’. The stage is set for a more collaborative and outcomes-driven relationship between commissioners, providers and partners across the broader social economy. Indeed, legislation mandates

this. And if anything, the referendum could serve as a quickening force for changes in public services based on a new relationship with citizens. Yet for many in the social sector, the day-to-day reality of commissioning and procurement – the means by which contracts are won and delivery norms are set – feels much more prosaic. Most sector leaders we spoke to felt that cost, volume and scale still trumps quality and innovation, and many felt pessimistic about this changing in a context of fiscal constraint and rising demand. As one interviewee put it, “the race to the bottom is (already) causing many problems”.



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## Chapter 3 – An inflection point for commissioners and providers

This report was commissioned because voluntary sector providers find themselves at an inflection point. As the context changes but the everyday market realities do not, they face a short-term problem of sustaining large-scale provision at incrementally lower unit cost. As SDS implementation develops, they face the prospect of service transformation not as traditionally from government down, but from the citizen up. And as rhetoric of partnership and collaboration becomes louder, they face the ongoing reality of competitive tendering under conditions which they would not themselves recognise as progressive.

The view from commissioners is somewhat different, though no less stark. Financial constraint is driving tough decisions, but many commissioners lament the lack of a more ‘grown up’ conversation and shared understanding with providers. Some see a mirror-image of provider complaints: that service innovation is marginal, with more effort going into winning contracts than grasping the reality of personalisation and shifting the model accordingly. For others, a lack of ‘science’ around quality and outcomes is a problem – giving commissioners little incentive to look beyond price or incumbency.

The extent to which providers and commissioners can share a language and create collaborative solutions will depend upon how well they understand each other’s starting point. Our research indicated that we have some way to go against this mark, and that we need to see progress against five key challenges:

### 1. Closing the rhetoric-to-reality gap on Christie

**“Progress has been made, in the sense that the Christie Commission is referred to, though (progress) on the ground remains limited”**

Public sector siloes, inflexible procurement practices, distrust and inadequate communication between providers and local authorities were all cited as barriers to reform. Some providers, however, are enthusiastic about the changes in commissioning and procurement, though many believed that genuine reform across Scotland’s 32 local authorities may not be realised for several years.

**“Despite all these wonderful ideas and innovations, the management of resources and fear of change remain key barriers. People are cautious of transferring resources and mainly stick to the crisis-driven response and approach.”**

The Scottish Government established three change funds (Reshaping Care for Older People (RCOP), Reducing Re-offending, and Early Years, worth around £500m) to enable authorities to begin the shift from acute services towards more preventative approaches, with hitherto mixed results. Some pointedly argue that the third sector has always been ready to make the shift, and the problem is a government agenda that seeks prevention and integration, but pushes the market in the other direction.



## 2. Taking the opportunities of legislative and policy change

**“Legislation from Holyrood can have a widespread impact, but whether it can change or alter attitudes and behaviour is an entirely different matter.”**

Self-directed support and health and social care integration are major test-cases for the extent to which legislation can drive better practice, portending disruptive change for the whole system of health care. Several interviewees felt that both commissioners and providers had not yet come to terms with the implications of real personalisation or integrated working (and thus have not translated the benefits to service users), but this could be a “game-changer” in future.

**“Local authorities tend to leave the procurement process to legal and finance teams that are full of people unable or unwilling to put the rulebook to one side.”**

Procurement reform is ongoing, with amendments to the Procurement Reform (Scotland) Bill earlier in 2014 giving Scottish local authorities more discretion over competitive tendering for care and support services. Several interviewees felt that, set alongside efforts to strengthen joint-strategic-commissioning and early pilots of PSPs, this has the potential to create different relationships – but only if we look beyond lowest-common-denominator cost and volume as criteria.

## 3. Meeting future supply and demand challenges through working together

**“With integration lies great potential, particularly in how we tackle strategic planning. Providers need to be key players in the planning process. We need to identify local needs in order for this to be truly successful.”**

Most interviewees agreed that the future supply-and-demand challenges facing public services would require resources and innovation that could only come through working better together across the commissioner-provider divide. Yet many of the same people cited fundamental blocks beyond competition, including language, stereotyping, ignorance and – above all – poor communication. We heard a strong sense from both sides that a ‘seat at the table’ needs to come with the condition of open and constructive dialogue.

**“There should be greater efforts to develop lasting partnerships through joint-working. Some organisations certainly need to think about their service capability and potential for future growth.”**

Where does the impulse to work in partnership come from? At root, the desire to improve personal and collective outcomes for the public. In a sector that exists to do this, we heard some surprising views about the extent to which survival, competition and growth of the bigger providers is undermining the potential for collaboration and diversity in the market. As one government officer wondered, “would the propensity for collaboration be greater with more fluidity and interactivity between smaller service providers?”

## 4. Understanding and working with outcomes

**“We all say it, but there is still very little science behind it...”**

Commissioning for outcomes feels some way off for providers, with co-production marginal, and early-stage collaboration undermined by the prospect of losing competitive tenders after significant effort. Some argue for stronger national commissioning frameworks (citing the 2012 Public Services (Social Value) Act), but without clearer and more widely-used ways of defining outcomes *with* citizens, it is difficult to see how this would improve practice in the absence of good government-provider-community relationships that must underpin SDS.

**“There certainly needs to be different ways of doing things in different communities. No locality is the same.”**

Operational realities affect the ability of local services to achieve outcomes in different ways. We heard, for example, about the difficulty of relating to other local providers whilst simultaneously competing with them; about the challenges to service provision in rural areas of Scotland from a lack of capacity or skills; about the ways in which an entrenched dependency culture and local government incumbency undermine citizen choice and deny a plurality of providers. Some providers felt that commissioners did not fully understand these factors.

## 5. Making the case through evidence and impact

**“Progress can’t be achieved without evidence.”**

Services provided by the voluntary sector regularly ‘top the gradings’<sup>5</sup> of the Scottish regulatory body for care services, the Care Inspectorate – yet many leaders we interviewed felt their organisations should be doing more to generate and articulate evidence of their added value, and the broader community benefit (such as social capital, community resilience) that they contribute to. This is uncomfortable territory for some, but without this, some believe that the sector will be impotent to arguments about the narrowness of procurement or the outside perception of services that “haven’t really changed for twenty years.”

**“Success – if you make a difference to services users in the long term”**

If making a positive difference to people’s lives is the ultimate measure of outcomes and impact, then Scottish partners need to build a picture of what that means – and how they determine it – together. SDS is part of the solution, but the responsibility cannot solely be on citizens to re-shape the market in the face of established institutions. Prevention requires us to look between the cracks of service provision, at the root causes of need and demand, and do this by sharing information and collaborating above and beyond the standard ‘provider day’-type interaction.

### What do providers want from commissioners?

- Clearer lines of sight between evidence, strategy and commissioning plans
- Better information sharing on need, demand and service performance
- Clarity and openness about local market conditions and operating challenges
- Quicker take-up of SDS legislation and better dialogue around this
- Efforts to reduce silo working and unhelpfully bureaucratic processes
- More innovation and openness to dialogue in strategic commissioning

### What do commissioners want from providers?

- Improve governance, accountability and coherence of the sector
- Better information sharing and less default assumption of competition
- Considering joint-working and merging services to avoid service duplication
- Greater efforts to retain quality staff through paying the living wage
- Reducing dependence on public funding and sometimes danger of over-supply
- More demonstrable innovation in provision to improve commissioning



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## Chapter 4 – Contesting the future

“To be completely honest, the dynamic between local authorities and providers is almost similar to the parent–child relationship... Individually, providers certainly want more power. Collectively, however, they want you to be the leader... providers are so reliant on contracts that they fear to make their voices heard in case they cause offence and lose business!”

“Providers should not continue being content with just crumbs from the table!”

Commissioners and providers of Scotland’s public services have choices. In marked contrast to the language of local authorities and providers south of the border, there is no resignation to the prospect of ‘managing decline’. The bar is set high; the question is not whether we should be working differently and modernising public services, but how. In this sense, the ‘lowest common denominator’ practice we heard about is relative – there is, for example, little immediate threat to voluntary sector social service providers of being quickly undercut by the private sector, and little chance of the language of partnership and ‘joint–improvement’ being usurped by a push to really diversify the care and support market.

Yet as the operating context changes and legislative and policy change begins to take shape, there is every chance that both commissioners and providers could sleepwalk into a relationship that neither truly wants, and that will never deliver the promise of Christie or the relationship with citizens that the public demands. Few people we spoke to want to see this. But the alternative will not happen by accident, and will require a proactive approach

### Scenario one – Sleepwalking backwards....?

Despite a huge amount of effort and activity to prevent this, public services in Scotland risk sleepwalking into a future that no–one really wants – shaped by the short–term imperatives of austerity, competition and survival at the expense of service users and communities. This is a future in which the sector’s delivery role will be precisely and specifically circumscribed – with even less collaboration with commissioners and with each other; where space for innovation and coproduction is even further squeezed by competitive pressure; and where hugely influential providers find themselves fitting in to policies, structures and cost constraints imposed by others without the levers to change them. The result? A reversal of undoubted gains made so far, and a shallow version of personalised support which could undermine the principles of SDS and push the social care market down a road it will struggle to come back from.

## Scenario two – Ambitious but realistic goals...?

What can we reasonably expect from the effort already being made by many in the sector to shift the narrative? This would be a future in which the service innovation currently happening at the margins is consolidated and promoted; where individual pilots and creative practice – such as Includem’s work with embedded designers, or Penumbra’s I.ROC recovery model – begin to be shared and replicated, circulating innovation within the sector. Experiments in creative commissioning such as Edinburgh’s ‘Total Craigroyston’ and East Ayrshire’s collaborative approach to SDS implementation would become increasingly widespread. And collaborative modes of financing and delivery – such as the YMCA Perth social impact bond or the trialling of payment-by-results – would lead the way for increasingly diverse models to emerge in line with local circumstances and appetites for reform. Through a range of means, the purchaser-provider split would begin to feel less like an impermeable boundary and more like the basis of a different relationship – driven on both sides by a recognition that sustainable change and effective competition for outcomes must be brokered together.

## Scenario three – Best case....?

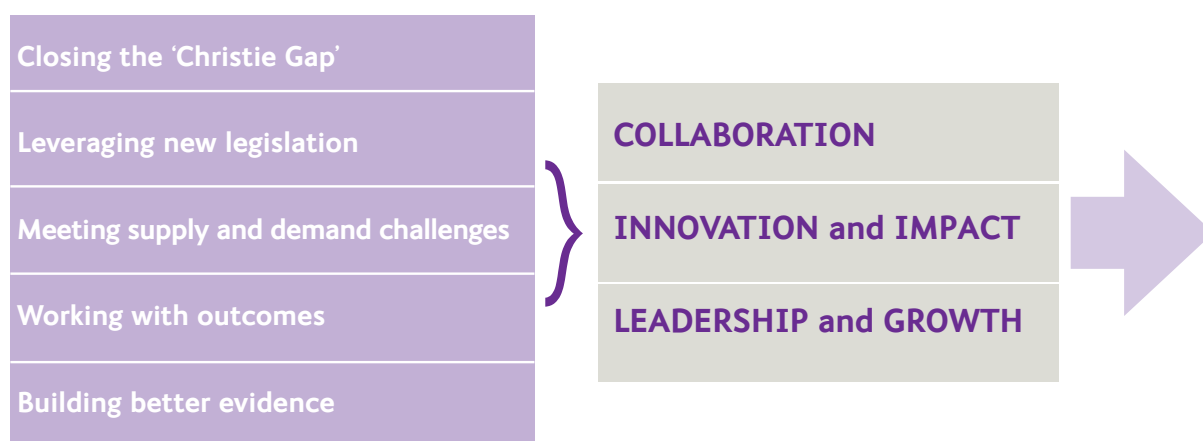
Securing even incremental change is hard enough, but without a vision of success, even this will be under threat. So what would a more profound shift from providers to partners mean for the sector? This is a future in which the social sector is the driver of innovation in commissioning and delivery. It actively prototypes innovative approaches to financing and delivering social change; experiments with new forms of collaboration *within* the sector, and plays a more obvious incubation and market shaping role. In this future, the sector takes the initiative and sets out behaviours and values that can be brokered with government and social partners; and commits itself to a new model of service leadership, accountability and ‘disruptive innovation’ that will make this real to the public and its partners. In short – the sector begins to create the market for social goods that it wants to be a part of in future.

The key to unlocking this progressive future is primarily a matter of behaviour, not policy. Scotland has a raft of legislation that – adopted wholesale – could transform the way public services respond to citizens, and the way the market for integrated care services is set up as a result. Providers and citizens are sceptical it will do this not because the structures or levers are lacking, but because it will require collaborative behaviour that works against the grain of established thinking and practice.

The journey from feeling like arms-length providers to real partners with government and service users will require the sector to take the moral high ground and embody the behavioural traits it wants to see across the board. Those who point to what they perceive to be poor commissioning practice must proactively demonstrate what citizen-centricity really means. Those accused of lacking evidence or impact must do most to articulate their role, purpose and value. And a sector that acknowledges its need to keep innovating to improve outcomes must be proactive in creating the means to do this. The next chapter suggests how.

## Chapter 5 – Providers as partners: what will it take to get there?

Collaborate’s research suggests that making the shift from providers to partners will depend on progress against three key issues: collaboration; evaluation and impact; leadership and growth. In the sections below we explore what this means in practice, and ask how the sector can take the lead and embody the changes it wants to see in commissioning and provision more broadly.



### **COLLABORATION – Shifting behaviours and building partnerships**

“This isn’t all about telling government they are getting it wrong... we as providers need to change too. We need a bit more self-reflection...”

Getting beyond surface-level partnership is vital – both across the purchaser-provider divide, and within the care provider sector itself. If recent history is not to repeat itself, providers themselves need to visibly and self-consciously model a new way of working.

#### **1 Meet commissioners half way....**

It is crucial that different players in the public service delivery ecosystem ‘get’ each other’s perspective on the challenges they face. Without properly understanding respective starting points, structural reform and policy consensus around joint strategic outcomes will remain at a shallow surface level. Shared responsibility for financial constraint is crucial to this. Rightly or wrongly, there is a perception in government that providers do not understand – and are not doing enough to

innovate against – the pressures that commissioners are under. As one senior figure told us, “you tell us how we magic the money from somewhere!” The sector’s response should be to meet this challenge head on, leading dialogue on new models of – and financial mechanisms for – risk-sharing and cost-control.

“The main problems we face are based on the relationships that local authorities have with third sector providers. What is the true nature of this relationship? Why is it...so hostile?”

## **2 Practice what you wish for on behaviour change.**

Most interviewees spoke about the need for better communication and dialogue from commissioners on market conditions, outcomes, and ‘horizon scanning’ that would allow them to plan and provide more effectively. This is absolutely right, and will need to be a core component of any strengthened PSP or commissioning framework development process in future. We need better dialogue between commissioners, too, across a local government landscape that feels diverse, difficult and often confusing to providers. But if providers want this, they need to mirror and pre-empt these behaviours. Share learning within the sector, and not only at a leadership level. Bring smaller charities more obviously into the discourse. Champion innovative practice even when it rubs against the grain of vested interest and short-term competition. Much is happening already, but it is not obvious or mainstream enough.

“We shouldn’t be making demands in prescriptive ways. Let’s be assertive, open and willing to help commissioners problem-solve.”

## **3 Drive new terms of engagement from the citizen perspective**

The sector should embrace changes already in train at a governance level. The evolution, for example, of the Association of Directors of Social Work (ADSW) into the potentially more inclusive Social Work Scotland is an opportunity for the sector to “be alongside and influence as equal leaders”. This should be grasped; not as a conversation between professionals about service delivery, but as a means of bringing the disruptive citizen perspective right to the centre of decision-making on future modes of care and support. As one citizen activist told us, “it is not enough to create frameworks...the sector needs to be setting the benchmark of success in terms of real outcomes defined by service users”. This is the ‘missing piece’ of dialogue around health and social care integration and SDS, which is in danger of being defined and shaped for the public without the sector working to its comparative advantage and living up to its core role and purpose.

“Citizens need to have greater influence. We need to engage people... respect is everything.”

## **INNOVATION and IMPACT - Leading creativity in public services**

“Most of us (commissioners) want prevention, better performance and more empowerment.. but these services just keep going and create their own logic...”

### **4 Build the evidence to compete on social value**

Should independent providers do more to build evidence of their service and broader social impact? This has been a recurring theme of our research, with some diversity of opinion on the extent to which providers need to go above and beyond public sector incumbents to build the case for their services. There is a great deal of thinking and practice in this space, drawing on an emerging international science being developed in the UK by organisations like New Philanthropy Capital, the Third Sector Research Centre and, in Scotland, the Institute for Research and Innovation in Social Services (IRISS).<sup>6</sup> Our view is that the sector should embrace and develop this science. If we want competitive processes in public services to truly recognise quality, value, productivity and innovation as well as price, then organisations at the vanguard need to create the metrics to compete on this basis. A focal point for this should be building the case for prevention and early intervention – for which the longitudinal evidence-base is well-established, but which struggles to be implemented without a strong cost-benefit case that can make sense across organisational siloes. Social sector providers could be the incubator for this thinking.

“If we pooled together and set the terms of engagement, our bargaining power to shape the market could be massive...”

### **5 Create space to innovate...become the public service R&D lab**

Innovation in public service design needs to be a truly collaborative process – with providers, commissioners and other social partners working directly with communities. This needs to happen ‘outside of the contract’<sup>7</sup> because competition can undermine collaboration – and the sector itself (potentially convened by CCPS with the ESRC What Works Centre and others) should create a shared space to do this. This should be outward-looking and future-orientated – reflecting emerging practice in Scotland and by members, but also recognising where practice from elsewhere could be valuable or adapted to local conditions. Could, for example, a Scottish evolution of payment-by-results help incentivise integrated commissioning for complex needs? Could Perth’s experiment in (localised) social finance open the door for other public-private-social partnerships that encourage collaboration for prevention? How could providers integrate social network-based solutions such as those trialled by organisations like Shared Lives, Tyze, Good Gym or Casserole Club?<sup>8</sup> Early pilots of public-social-partnerships set the stage for a very different approach to that south of the border, and we should celebrate this, but be careful not to ignore both the baby and the bathwater as the operating context evolves.

“If we are innovating it is perceived as a threat to existing services, not complementary to them... but in future this will be about bespoke needs, not block tendencies...”



## **LEADERSHIP and GROWTH - Securing the sector's future**

“They need to face up to how things are changing. Power is going to the citizen, and this creates more risk for the providers.... All of a sudden, it isn't all in their gift...”

### **6 Disrupt your own business models!**

Christie was clear that “a cycle of deprivation and low aspiration has been allowed to persist because preventative measures have not been prioritised”. Most in the social sector would agree, and most organisations we spoke to are actively and consciously working through what it takes to redefine their roles in response to this imperative and the possibilities of SDS. Yet it has been striking to reflect on how few sector leaders openly acknowledge this shift as a transformative change to their own organisational business models. Perhaps this is because procurement practice has so obviously not caught up. Others feel they have “always done things this way”. Yet some are more reflective, and recognise that different capacities, leadership styles, skills and resources will be needed to make a more personalised and collaborative system of ‘services to the public’ real. These are the leaders the sector needs to listen to as we head into new political territory in which citizen engagement and responsiveness will be an even stronger part of the public service dialogue.

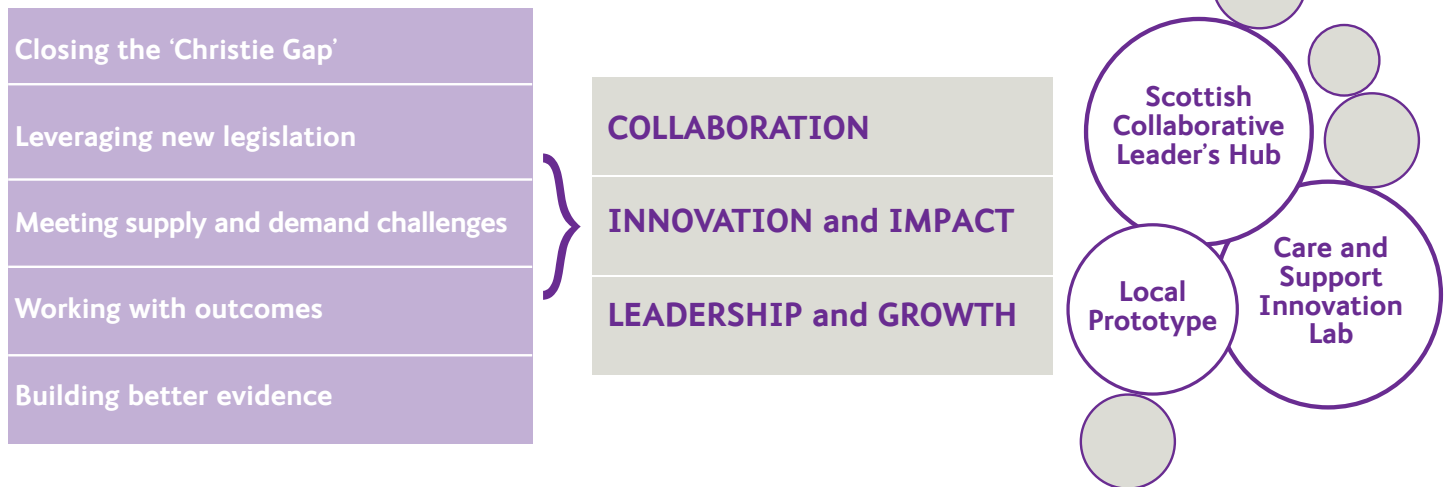
“We have to stop following the market, playing catch-up and put our creative resources into thinking about what next”.

### **7 Explore the balance between growth, innovation and impact**

Growth in voluntary sector market share in public service provision is a controversial topic across the UK. One recent review of ‘sector independence’<sup>9</sup> argues that bidding and winning contracts has distorted the ability of the bigger charities to advocate properly for the citizens they were established to serve.<sup>10</sup> There is indeed a conversation needed about the relationship between size, scale and the ability to provide quality public services – particularly as the shape of these services becomes more personal and bespoke. This should not just be an argument for ‘small is beautiful’; it is about behaviours and values, not necessarily size. The sector needs to be open and honest about the role of different providers across a spectrum of activities from meeting acute individual needs, to building resilience and social capital in the round. PSPs could be a useful route in to these conversations, and there is potential for a lead agency (perhaps a larger charity) to take on the role (and the risk) of convener and ‘incubator’ of integrated, multi-agency delivery models. If we care more about the ends than the means, then it is right for the sector to be asking the existential questions of itself; meeting what one commissioner reflected as local government’s own sometimes ‘lazy’ practice with a constantly evolving offer of its own.

“We should stop being protective of models that we know don't deliver the best outcomes. The (voluntary) sector is more ready than the public sector to embrace Christie, so we need to lead...”

## Chapter 6 – What next?

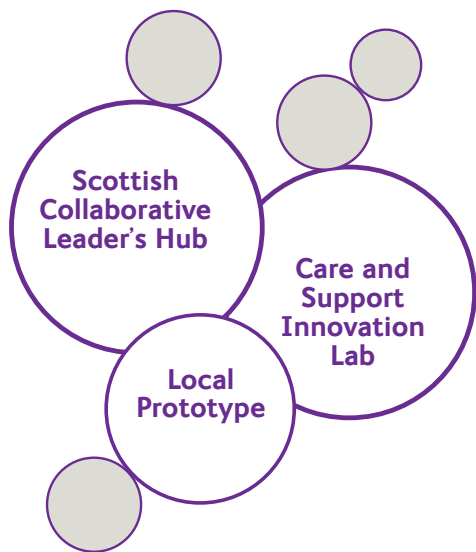


This report could have been ten times as long as it is, especially given the importance of the subject matter. It captures a moment in time (largely researched immediately prior to the 2014 independence referendum) in a country that may never feel or do things quite the same afterwards; and unpicks a set of relationships that are, however difficult or dysfunctional they feel, about people supporting people.

The question we began with was 'what it would take' for the voluntary sector to shift from providers to partners. The answer, perhaps predictably, is a mixture of practical action, changes in culture and behaviour and a willingness to make this happen from all sides to the benefit of citizens. None of it is easy, but there are entry points to change – some of which we hope to have highlighted through this report.

To paraphrase one voluntary sector leader, none of us should be in the business of prescribing pre-cooked recommendations. This is about setting the right strategic direction, convening partners together, and brokering collaborative solutions to the shared problem of effecting positive social change in Scotland. What is clear from our research is that few are calling for better or more overall policy frameworks or the 'right' legislation – indeed, much of this is already in place with specific exceptions. Rather, this is primarily about what sits under the bonnet – the behaviours, values and relational qualities of the different organisations and individuals who are charged with improving lives on the ground. We need to be proactive about addressing this and building readiness to work with each other in different ways.

These are long term shifts, but we think that CCPS and its partners could stimulate the process through developing three strands of work:



## **1 SCOTTISH COLLABORATIVE LEADERS HUB – a shared cross-sector space**

**“We should form a collaborative body...”**

We have argued already that mainstreaming different cultures and behaviours will not happen by accident. So the question is, how can we create the conditions to hothouse great practice and give those wanting to develop new skills a space to learn, share and work? Our first instinct should be to work with the grain – build, for example, on the collaborative space carved out by the Scottish Leaders Forum, Social Work Scotland, the Joint Improvement Team and the developing Health and Social Care Academy hosted by the ALLIANCE. Yet we also need to ask why, even with these undoubted opportunities to engage, both commissioners and providers still talk about the need for more focus on values and behaviours. Our view is that this needs addressing more explicitly. The Collaborative Leaders Hub is an idea that CCPS could develop with other willing partners and as part of the fora noted above. It could be based on Collaborate’s ‘Hub’ model, and might include facilitated deliberative learning sets, opportunities for co-consulting and a platform for sharing stories and learning. The explicit intention would be to support a cohort of leaders and soon-to-be-leaders who want to design, compete for and deliver services in a different way.

## **2 CARE AND SUPPORT INNOVATION LAB – supporting creative sector leaders**

**“We need to put more resource into innovation...”**

Voluntary sector providers need a better means of exposing, gathering and sharing innovation – above and beyond the forums for agenda-specific deliberation convened by organisations like CCPS, the Scottish Council for Voluntary Organisations (SCVO), the ALLIANCE and others. It is ‘lab’ because its role would combine a national and comparative (international) observatory function with a space for Scottish sector

leaders (on the commissioner or provider side) to work through new models in theory and practice. This could be a vital resource for the sector and beyond – supporting leaders hungry for new ideas, helping others to problem solve and compare, and serving a ‘critical friend’ function through holding up a mirror to practice in Scotland relative to other contexts. It should work in active partnership with IRISS, the What Works Centre and with sector bodies, and should ideally be mix funded with some independent funding support and a founding role for CCPS. The Lab should be held to account for generating the ‘long term view’ – serving the vital purpose of lifting the sector’s gaze, and creating adaptive capacity to address the shifts in context and technology that will shape future service design.

Both the Lab and the Collaborative Leaders Hub would need very careful and thorough scoping to ensure an appropriate strategic ‘fit’ with existing initiatives.

### **3 LOCAL PROTOTYPE – the ‘Public Social Partnership with teeth’...**

**“Providers should come together... work collaboratively and (support) a better understanding of needs-based commissioning.”**

A practical next step should be to begin developing a deep-dive local prototype for a more explicitly collaborative model of commissioning and provision. This should be a test case for the ‘Scottish Approach’, focusing on prevention and complex needs, bringing in alternative financing and payment mechanisms, involving a range of providers and commissioning siloes at an early stage, and tendering for integrated models of delivery that encourage providers to collaborate against outcomes co-produced with service users and the broader community. This could draw from existing best practice and English experiments in connected care, social finance, responsive local services<sup>11</sup> and multi-sector PBR delivery models.<sup>12</sup> It should learn from early stage work on initiatives like the ‘Partners for Change’ programme led by Social Innovation Scotland, and begin to develop a PSP 2.0 through the process which could boost confidence in the method and encourage broader use across local government.

“Everything is right on paper” is one of the epigraphs that heads this report. It speaks to a central point that we have sought to emphasise: that the legislative and policy frameworks (indeed, mandates) are in place. But making partnership real is a matter of behaviour and culture, not only structure. And changing it will take a proactive stance from all of the stakeholders involved in the delivery of services to the public in Scotland. Over the last six months we have come across many of these stakeholders who want to start shaping the future in a different, more collaborative way. It should be a matter of pride for voluntary sector providers to take the lead in supporting them.

## (Endnotes)

- 1 <http://www.scotland.gov.uk/About/Review/publicservicescommission>
- 2 See for example [http://www.esrc.ac.uk/\\_images/WWS%20Call%20spec%20FINAL%2006%20Jan%202014\\_tcm8-29575.pdf](http://www.esrc.ac.uk/_images/WWS%20Call%20spec%20FINAL%2006%20Jan%202014_tcm8-29575.pdf)
- 3 <http://www.scotland.gov.uk/resource/doc/96269/0023302.pdf>
- 4 [http://www.audit-scotland.gov.uk/docs/health/2012/nr\\_120301\\_social\\_care.pdf](http://www.audit-scotland.gov.uk/docs/health/2012/nr_120301_social_care.pdf)
- 5 <http://www.ccpsscotland.org/news/voluntary-sector-tops-gradings-tables-according-latest-care-inspectorate-report/>
- 6 See for example Harlock, J. (2013) 'Impact Measurement Practice in the UK Third Sector: a review of emerging evidence' TSRC online at <http://socialwelfare.bl.uk/subject-areas/services-activity/community-development/thirdsectorresearchcentre/152552LinkClickwp106.pdf>
- 7 See for example Crowe, D., Gash, T. & Kippin, H. (2014) 'Beyond Big Contracts: commissioning public services for better outcomes' Institute for Government & Collaborate <http://www.instituteforgovernment.org.uk/sites/default/files/publications/Beyond%20Big%20Contracts.pdf>
- 8 See for example Randle, A. & Kippin, H. (2014) Managing Demand: Building Future Public Services [http://www.thersa.org/\\_data/assets/pdf\\_file/0019/1540126/RSA\\_Managing-Demand\\_Revision4.pdf](http://www.thersa.org/_data/assets/pdf_file/0019/1540126/RSA_Managing-Demand_Revision4.pdf)
- 9 See for example Various (2014) 'Making Good: the future of the voluntary sector' Civil Exchange. The collection includes a contribution by Collaborate. <http://www.civilexchange.org.uk/wp-content/uploads/2014/11/Making-Good-Essays-web.pdf>
- 10 [http://www.civilsociety.co.uk/governance/blogs/content/18285/the\\_sector\\_risks\\_becoming\\_nothing\\_but\\_a\\_voiceless\\_and\\_toothless\\_instrument\\_of\\_a\\_shrunken\\_state](http://www.civilsociety.co.uk/governance/blogs/content/18285/the_sector_risks_becoming_nothing_but_a_voiceless_and_toothless_instrument_of_a_shrunken_state)
- 11 [http://www.thersa.org/\\_data/assets/pdf\\_file/0006/568059/2020\\_Sunderland\\_report.pdf](http://www.thersa.org/_data/assets/pdf_file/0006/568059/2020_Sunderland_report.pdf)
- 12 See for example <http://www.turning-point.co.uk/media/23688/connectedcarebrochure.pdf>



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## About CCPS

CCPS exists to identify, represent, promote and safeguard the interests of third sector and not-for-profit social care and support providers in Scotland, so that they can maximise the impact they have on meeting social need.

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**Collaborate CIC** is an independent policy and practice hub based at London South Bank University. It was established in 2012 to support the development of collaborative models of public service delivery – helping leaders to work better across sectors for the benefit of citizens. It is chaired by Lord Victor Adebawale CBE, and are governed by a board and advisory council of leaders drawn from across the public, social and business sectors. Find out more about its work at [www.collaboratei.com](http://www.collaboratei.com)