

Third-sector providers have often specialised in helping those furthest from the labour market



THE THIRD SECTOR

THE CHARITY CHALLENGE

How are third sector organisations faring in the provision of public services?

RECENT GOVERNMENTS in the UK have shown great interest in promoting the role of the third sector in delivering public services. But research by James Rees at the Third Sector Research Centre (TSRC) highlights how difficult it has been to realise these aspirations, and that significant barriers remain.

In 2010 the Coalition government appeared as enthusiastic to promote the role of the third sector in delivering public services as its predecessor. David Cameron promoted the creation of a 'Big Society' in which, as well as a flourishing of social action and philanthropy, it was envisaged charities, social enterprises, co-operatives and mutuals would play a greater part in the delivery of public services.

There are probably a number of reasons for this enthusiasm. Charities retain high levels of trust from the public, perhaps helping to blunt opposition to what some critics see as privatisation. They may also be cheaper and less bureaucratic than public sector providers, and more flexible and innovative. But what is clear from the Coalition's 'Open Public Services' agenda is that the most important theme is that of competition between independent providers (regardless of sector), who can challenge public sector monopolies and come up with better and cheaper services.

A PROCESS OF STRUGGLE

Recent changes have disappointed advocates of an enhanced role for the third sector. Research by James Rees and Rebecca Taylor at the TSRC on the high-profile 'Work Programme', introduced by the government in 2011, showed that third sector providers had struggled to gain a foothold in the 'supply chains' created by largely private sector 'Prime' contractors.

Third sector providers have often specialised in helping those furthest from the labour market, and have therefore been

adversely affected by the lower-than-expected movement of clients onto the programme with these sorts of needs. Also, because of their size, governance and access to funding, these organisations are often less well equipped to deal with the risks inherent in these new programmes. In particular there are risks

“**CHARITIES RETAIN HIGH LEVELS OF TRUST FROM THE PUBLIC**”

associated with the constrained resources for providers due to public sector 'austerity', and with the adoption of a payment-by-results system that mostly rewards providers with funding

only if they meet predefined service outcomes. In the 'Work Programme' this means participants finding and retaining jobs.

The research also found that all providers were incentivised by payment-by-results to 'cream and park' clients, focusing primarily on those easiest to place in work. In practice this undermines the claims that third sector organisations sometimes make to be more client-focused, independent, and mission-driven than their private sector competitors.

Not all public services that the third sector is involved in are like the 'Work Programme'; and there is much variation in practice between different areas of the country and different parts of central and local government. But government proposals to promote similar payment-by-results approaches in the reform of probation services, while claiming to have learnt lessons from the 'Work Programme' experience, suggests that challenges still remain in ensuring that the role of third sector organisations is able to blossom. ■

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NEWS IN BRIEF

EARNINGS UNCLEAR

Researchers from the University of Surrey and the Centre for Economic Performance found that fewer than half of school/college students surveyed knew that fees are paid after university and once they had a job. One in five students did not realise that staying longer in education increases the probability of finding a job. And many did not know that earnings vary depending on the subject studied and the university they attend. A test information campaign led students to think that staying in education would be affordable but media reporting led students to think that going to university would be 'too expensive'. This perception was significantly higher in comprehensive schools (compared with independent and selective state schools) and among children eligible for free school meals. Policy attention should focus on incentives for schools to invest time and effort in providing careers information as well as resources to ensure that information is conveyed in an appropriate way.

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Sandra McNally, Centre for Economic Performance



PROBATION STEREOTYPES

Probation workers feel their work is misunderstood by the general public and ignored or distorted by the media. A study by Dr Rob Mawby and Professor Anne Worrall found that probation workers today are highly educated, skilled and deeply motivated people. They are multi-specialists who recognise the importance of inter-agency work despite its tensions and relish working alongside the courts, the police and the prison service. They are committed to the value of working with offenders in the community, but don't question the importance of risk assessment and public protection. Probation cultures are complex but, if properly understood, enhance rather than undermine the supervision of offenders and offender management.

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