

Third sector organisation and public service: What can research tell us?

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Published in ESRC's annual magazine, Britain in 2010

The third sector is at the centre of policy planning in the UK at the beginning of the twenty-first century. It has been a key element in the government's *third way* for service development since 1997, filling the space between the state and the market that policymakers have been so keen to extol and exploit.

Among other things this has led to an enhanced, and increasing, role for third sector organisations (TSOs) in the delivery of public services within a new *mixed economy* of welfare providers. Although it should be remembered voluntary action and social enterprise have a long history of service provision and changing relations with the state and the market. We may have entered a new chapter at the beginning of the new century, but it is just one part of an older book.

What has been new about the policy environment since 1997 has been the more proactive role of government in supporting the third sector. A new *Office of the Third Sector (OTS)* was created in 2006. A *Compact* has been introduced to govern all relations between public agencies and TSOs.

New programmes of support have been rolled out - such as *Futurebuilders*, *ChangeUp*, and most recently *Communitybuilders* - to enhance and extend the capacity of TSOs. And these are just English initiatives - similar, though distinctive, programmes have also been developed by the devolved administrations in Scotland, Wales and Northern Ireland.

However the enhanced policy profile and public support for the third sector has also led many within the sector, and outside, to voice concerns about the potential threats to the distinctiveness and independence of the sector posed by its new relations with the state and the market. Some key questions have flowed from this, which go to the heart of the very existence of a third sector of social organisation:

- What do we know about the size, structure and dynamics of the third sector; and to what extent is it a single entity with shared characteristics and objectives?
- Can, and should, all third sector organisations be involved in delivering public services?
- What distinctive values does the third sector bring to public service?
- To what extent is this threatened by incorporation through public accountability and commercial competition?

One element of the public support for the third sector has been the establishment of a new resource for research on the sector. The Third Sector Research Centre (TSRC) was established in 2008 - funded jointly by the Economic and Social Research Council, the Office of the Third Sector and the Barrow Cadbury Trust - to carry out academic research on the key questions facing policy makers and practitioners. The work of the TSRC has only just begun, but already these four questions are driving much of theoretical analysis and empirical work.

The Centre is gathering together quantitative data about the sector in Britain and developing longitudinal qualitative analysis of its experiences and dynamics. These will tell us how big the sector is and how it is changing over time. What this is revealing already is that the sector is far from homogeneous and ranges from small local groups to major international agencies, all with very different needs and goals. These different forms of organisations also have differing degrees of engagement with government policies and policy makers; and even the wide ranging programmes such as Futurebuilders are not reaching all TSOs.

The role TSOs can play in service in delivering services must be critically evaluated. Some organisations have a long and strong history of service delivery, and others are gearing up to expand into this area; but some of the procedures for procurement and commissioning can make it difficult for new players to enter the field. Policy intervention must address both the demand and the supply side of the commissioning process. However, many organisations have no involvement in public service delivery, nor any intention of developing this. Research must explore all the different aims of TSOs, and policy makers must not overlook these other dimensions of the sector.

Third sector organisations are often valued by both the commissioners and the users of public services because of the distinctive approaches and values they bring to the provision of services. However, little research has been done to identify these approaches or to quantify these values. Evidence is needed of the distinctive nature of third sector practice, and imaginative engagement with practitioners will be needed to ensure that this is both shared and nurtured.

Linked to the distinctiveness of the third sector is the threat that may be posed to this by involvement in the development and delivery of public services. With public funding for service delivery comes regulation and accountability for activity and expenditure; and through the commissioning process TSOs will be required to compete for contracts with other providers including commercial companies.

Public accountability and commercial competition may be seen by some as the antithesis of third sector values; and the tension between these potentially contradictory forces has become one of the most important concerns of policy makers and one of the key questions for TSRC research.