

Third Sector Partnerships for Service Delivery

Housing Partnerships and Consortia in Northern Ireland

David Mullins, Third Sector Research Centre, University of Birmingham with
Nick Acheson, University of Ulster, Jenny Muir Queens University, Belfast

Case Study Summary

Context

This case study explores forms of partnership associated with the two most significant streams of Government funding for the third sector in Northern Ireland: housing support services funded through the Supporting People programme; and the procurement of new social housing developments. The devolved policy context has some distinctive features for these two fields with different forms of housing partnership compared to GB including the lesser role of local government, the distinctive role played by the Northern Ireland Housing Executive (NIHE) in both fields, the more stable and ring-fenced funding regime for Supporting People and the more directive stance taken to the formation of procurement groups to develop new social housing. The feel of the context captured by case study interviews highlights the dominance of public procurement policy and regulation particularly in the case of new build social housing and the more nuanced 'intelligent commissioning' approach adopted for Supporting People. Greater attention to the Compact between Government and the Voluntary and Community Sector in Northern Ireland (Northern Ireland Office 1998) is evident in relation to Supporting People than social housing procurement, supporting the view that the principles of the Compact are *'not widely or consistently applied'* (NIAO, 2010).

Types of partnership and collaboration

The case study was designed to compare and contrast experiences of enforced collaboration between housing associations through procurement groups for new social housing with the impact of the efficiency agenda on individual partnerships between housing associations and predominantly third sector support providers funded under the Supporting People programme. In both cases the contribution to the wider TSRC study was in relation to understanding the issues arising for externally driven partnerships. The remainder of the report focuses on these two types of partnerships but the interviews also identified three other interesting examples of collaboration which are briefly summarised in this part of the report:

- Partnerships with sister organisations in other UK jurisdictions and ROI
- Informal Collaborative links
- Partnerships with the private sector

The two main fields that are the focus of the case study can be distinguished by the larger number of small 1:1 partnerships based on individual schemes involved in Supporting People and the smaller number of multiple organisation and intended multi-purpose partnerships in the procurement groups. While most SP partnerships are long-standing and stable, the procurement groups are the product of recent top down policy and have already exhibited instability. However the fields share a number of features including the importance of procurement and regulation in establishing powerful external partners who may have greater influence than partners directly involved inside the partnerships, and the relative powerlessness of tenants and service users in influencing the partnerships. Both also involve representation by executive rather than board members, and neither involves private sector partners in any direct way. This comparison is detailed in Table 1 in the main report.

Drivers of and barriers to partnership and collaboration

Supporting people partnerships are founded on a division of roles and specialist skills between housing providers and support providers which is often grounded in wider work with specific client groups. Current

drivers involve a static budget, a context in which there is considerable support for efficiency, voluntary collaboration and partnership initiatives from funders and umbrella bodies. There has been a small amount of forced merger activity following finance and governance failures but overall quite a low level of merger activity either voluntary or forced.

Individual supporting people partnerships have been remarkably stable but have their *'ups and downs'* *'usually involving money'*. The shift from joint management agreements (JMAs) to service level agreements (SLAs) is partly about transferring risks associated with occupancy and rental income to the support provider and is being contested. Other perceived (but so far unrealised) threats to partnerships involve the potential for HAs with in-house support services to move services away from third sector support partners. There are also some larger multi-client support providers who could bring scale economies. There has been very little private sector competition in this field. Potential competition within the third sector has required a more 'mature approach' to collaboration, e.g. in sharing information on bidding strategies (to bid jointly or to compete).

SP partnerships are scheme specific and therefore very locally based. They are influenced by the wider policies of the single SP commissioner for NI and in some cases by related policies of the Health and Social Care Commission Board and five Area Health and Social Care Trusts. The new Supported Housing Strategy which will be consulted on in Autumn 2011 will be a key future driver; current policies based on 'intelligent commissioning' have sought to balance efficiency with relationship management, based on clear understanding of the value of voluntary and community providers in bringing special skills and harnessing other funding sources to add to SP outcomes.

Social Housing Procurement drivers for partnerships between HAs are much more recent and specific involving the roll out of procurement strategies to the housing association sector, based on the classification of associations as public bodies and the proportion of public funding involved in each scheme (exceeds 50% threshold). To qualify for development funding HAs must be in procurement groups, and there has been considerable prescription of governance and operational issues through sign off of business plans, health checks and other external controls which have so far tended to be as concerned with process issues as with outcomes.

The main barriers encountered in the development of PGs can be related to conflicts with organisational independence and the map of previous voluntary collaborations. PGs highlight some of the impacts of imposed partnerships on motivation and effectiveness. While some HAs have been able to make use of the opportunities provided by PGs to facilitate their growth and organisational development, others have found it difficult to collaborate effectively and one of the four original PGs has already collapsed. Further barriers have arisen from the interaction with regulation, with 7 HAs suspended from development activity as a result of 'unacceptable' inspection ratings during the first two years of the PGs.

Procurement Groups are a NI wide initiative affecting all HAs, whether developing or not. Local decisions have not played an important role, indeed the option of organising procurement groups on a geographical basis was rejected when the policy was being developed. The main driver for future of the PGs will be the Procurement Strategy and proposed roll out for housing development and contractors' frameworks to other aspects of procurement such as repairs and maintenance.

Impacts of partnership and collaboration

Users and Outcomes:

A common feature of both fields has been the very limited opportunities provided for users to influence partnership structures, operation or to have a say in what the outcomes should be.

In the SP field there had been limited use of the Inclusive Forum and no significant progress on the personalisation agenda although some providers were user/membership organisations. There is also an emphasis on support packages that follow the individual and the Quality Assessment Framework (QAF) used to review service quality was said to have led to better and more consistent standards for users.

In the PGs there was much less emphasis on user engagement still. Outcomes were being assessed in relation to the 'excellence agenda maturity grid', modern methods of construction and efficiency savings targets. However, these tools provided only indirect reference to user benefits and none to user involvement

in the procurement or design process itself. In discussion it was felt that users' interests were included via design quality conformance with the HA Guide and by customer surveys. There was little concern amongst interviewees that by separating development procurement from housing management an important user feedback opportunity had been lost. PGs had not been structured geographically, thus limiting scope for community input to design.

Changes within the organisation:

It was clear that the PGs were already having a considerable impact on HAs and some impressive statistics concerning efficiency impacts were available. However, change to date had fallen short of the expectations associated with the Procurement Strategy intentions. Efficiency savings on contractors may have resulted from the depressed market conditions rather than PGs themselves. Moves towards a single development team within PGs were expected to generate efficiency savings but were being resisted. Barriers included potential redundancies across the sector, weakening the power base and sense of organisational unity and mission within individual HAs and difficulties in reaching agreement on whose standards and procedures should be adopted across PGs. There was variable progress between the PGs towards the goal of integration within PGs and establishment as legal entities envisaged by promoters of the Procurement Strategy. There were also delays in proceeding to incorporate other forms of procurement into the groups because of pre-existing contracts. These barriers partly reflect the imposed nature of the groups rather than building organically on existing collaborations, cultural barriers were also important and had probably been underestimated. To date the PGs had led to less change in NIHE responsibilities for programme and financial management than might have been anticipated with contacts with individual HAs rather than PGs the norm since PG leads still have 'the day job'. There were thought to be risks and potential conflicts of interest in transferring programme management responsibilities to the PGs.

What has been learnt by collaborating?

HAs had taken very different stances to the introduction of PGs and there were clear winners and losers. PGs were being set up at the same time as regulatory action against seven developing HAs. This affected programme delivery as well as adding to the difficulties of collaboration between members with and without programme allocations. PGs were a new level of inter-organisational co-ordination in the sector and raised challenges for the umbrella body. Key learning included the need for political acumen to keep ahead of the game, to exert the maximum influence on which partners were involved in your group and to build the technical skills and resources necessary to operate in the new environment. Less successful adaptation seemed to have been associated with personality clashes and differences of style, and confirmed other studies finding that '*culture eats strategy for breakfast*' and that imposed structures are much less likely to succeed than those that have been developed by the actors involved. Another learning point was the pace of change with a number of different policy agendas hitting HAs at the same time requiring joined up responses.

The Future

The future of social housing partnerships will be affected by the bigger picture of change for social housing in NI in particular the fundamental review of the NIHE and the resulting shape and structure of the social housing sector as a whole including the enabling and regulatory bodies. Other relevant considerations will be the public spending trajectory and impacts on SP and new social housing funding. The interplay between the public procurement agenda and the Concordat and aspirations for wider involvement of the voluntary and community sector in public service delivery will also be important. The balance will reflect the value placed on the distinct contribution of voluntary and community sector providers such as HAs and support providers and whether this is seen to distinguish them from public bodies. Future research should track the implementation of PGs and the new SP strategy within the context of the new Concordat. It should also take into account the experience of other parts of the UK in hybrid delivery of services by public, private and third sector organisations.