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Evaluation of Scotland's Third Sector Interface Network Model and Voluntary Action Scotland - Executive Summary

PEOPLE, COMMUNITIES AND PLACES

social research

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Executive Summary

Introduction

As part of the Scottish Government's commitment to developing the role of communities and the Third Sector, it invested in the development of a network of Third Sector Interfaces (TSIs) across Scotland. In doing so, it aimed to ensure that the Third Sector was adequately supported and enabled to participate in community planning and contribute towards the achievement of local and national outcomes.

Third Sector Interfaces are funded by the Scottish Government to deliver four core functions:

- Volunteering development (support for volunteers and organisations who support volunteers).
- Social enterprise development (to promote and develop social enterprise locally).
- Supporting and developing a strong Third Sector (support for Third Sector organisations on setting up a charity, training and development, and funding advice).
- Building the relationship with Community Planning (acting as the conduit and connecting the Third Sector with the implementation of the Single Outcome Agreements and Community Planning process).

In February 2016, Blake Stevenson Ltd. together with Arrivo Consulting Ltd. was commissioned to undertake an evaluation of Scotland's Third Sector Interface network model and of Voluntary Action Scotland (VAS). The aim of the evaluation was two-fold:

- To evaluate the role, function and effectiveness/impact of the Third Sector Interface network model and Voluntary Action Scotland.

- To explore with research participants what the future strategic direction and approach to Third Sector support in Scotland should be at the local level.

The research involved a survey of all TSI Chief Executive officers and Chairs; depth studies in 11 selected fieldwork areas; a survey of Third Sector organisations in the selected areas; interviews with wider stakeholders; interviews with VAS; interviews with key Scottish Government staff; and a literature review.

It is important to note that **the purpose of the depth studies was to enable us to understand the way in which the model works in practice – they were not undertaken to evaluate the effectiveness or impact of individual TSIs**.

Context for the evaluation

The policy and operational environment has changed significantly since the TSI network model was established in 2011 because of: The Christie Commission report on the future delivery of public services in June 2011; the Scottish Government and the Convention of Scottish Local Authorities (COSLA) shared Statement of Ambition in 2012; the Public Bodies (Joint Working) (Scotland) Act 2014 which sets out the legislative framework for integrating health and social care; and most recently the Community Empowerment (Scotland) Act, all of which emphasise the Government's commitment to involving the Third Sector as a strategic partner. These changes are a real opportunity for TSIs to further consolidate their position, but also present a challenge in terms of the demands on TSIs to take on new roles in developing and supporting new collaborative approaches. It is important to note too that the TSIs are still at a relatively early stage in their development, compared with other pre-existing support organisations.

This evaluation sought to establish the extent to which the intended role of TSIs has developed to date, and whether the current model is fit for purpose going forward.

Background

In March 2008, Scottish Ministers reviewed the funding of the 120 separate organisations delivering support for volunteering, social enterprise and Third Sector organisations at a local level, resulting in the creation of 32 single funding agreements to support a network model of integrated service delivery and representation - the Third Sector Interfaces. The aim was to provide a

single point of access for support and advice for the Third Sector within each Local Authority area and to create strong coherent and cohesive representation of the sector to better align it with the Community Planning Partnerships and the Single Outcome Agreements.

Voluntary Action Scotland was established in 2009 and is the intermediary body established to represent the 32 Third Sector Interfaces. Its role is to develop, support and represent the Third Sector Interface network through promoting the positive impact that the Third Sector Interfaces have at the local level; encouraging good practice; raising the profile of the Third Sector Interfaces at national level; and facilitating peer support to the TSI network.

Structures and core purpose

Whilst the original intention in developing the TSI network model was to create uniformity of Third Sector support across the country, Scottish Government did not prescribe what form the local interfaces should take, recognising the need for local variation to dictate form. In practice, the TSIs are very different in structure, scale and in the range of services they deliver. 22 TSIs currently operate as single entities and 10 operate through partnerships.

The intention was to ensure that there was some equality in access to services available to the Third Sector across Scotland and a set of common values, approaches and services were developed to underpin the work of every TSI - these common values are leadership, collaboration, integrity, diversity, equality and excellence. A Common Services Framework outlined the core services that all Third Sector Interfaces were expected to provide. It incorporates a set of common outcomes which in turn drive the work plans for each TSI. These are:

- more people have increased opportunity and enthusiasm to volunteer;
- volunteer involving organisations are better able to recruit, manage and retain volunteers;
- social enterprise develops and grows;
- Third Sector organisations are run well and deliver quality services;
- different organisations and sectors are more connected and understand each other better;
- Third Sector organisations feel better able to influence and contribute to public policy; and
- Third Sector Interfaces are well run and quality driven organisations.

The Scottish Government also specified in its grant offer letter to TSIs that TSIs were expected to be responsive to the diversity of the community and to be well managed, governed and effective organisations.

Resources

The Scottish Government provides the TSI network model with core grant funding amounting to £8.154 million in 2015/16, and amounting to £44 million since 1 April 2011. Each TSI receives a share of the total funding based on the historic level of funding paid to Council for Voluntary Services (CVS), Volunteer Centre and social enterprise functions in each area. On average the Scottish Government grant is in the region of £200,000-£250,000, with a range from £182,400 to £683,200.

It is the responsibility of each TSI to distribute funds for the delivery of each of the four functions based on need in the area.

Key findings from the research

Third Sector Interface network model - structures

There is widespread agreement that a more integrated approach to supporting the Third Sector locally has been beneficial. Research participants noted in particular that it had simplified the Third Sector landscape reducing the number of organisations providing support, establishing a single point of contact and creating the potential to act more strategically. Other benefits included that it had: created a pool of expertise leading to better services and outcomes; led to improvements in collating evidence and intelligence from the Third Sector; improved planning and delivery of services enabling TSIs to be better placed to be able to take a strategic role; improved representation of the Third Sector and ability to influence; and improved connections between local partners (e.g. Community Planning Partners) and local Third Sector organisations.

82% of TSI Chief Executives and Chairs who responded to our survey confirmed that the TSI model has improved delivery to some or a great extent. However, we also heard that the integrated TSI model is working more effectively in some areas than in others and that this inconsistency needs to be addressed in order to avoid damaging the reputation of the network more widely.

Our research indicates there are benefits when the TSI operates as a single entity. Those TSIs that went through the process of a merger confirmed that the unified structure has clear benefits including: improved planning and delivery of integrated services; cost efficiencies; and creation of a single point of contact for the sector, leading to a more efficient and strategic organisation overall. However we recognise that there are a number of issues (including pension liabilities and assets) which at least for some partnerships may predicate against a formal merger.

Where partnerships work well, they are characterised by positive relationships between partners and the capacity for a common vision.

Third Sector Interface network model - resources

We found that in practice, the Scottish Government grant only enables TSIs to deliver each of the four functions on a limited scale. Many of the TSIs lever in additional funding from their Local Authority and other external sources which enable them to increase the scope of the core functions they deliver.

Many TSIs also receive additional funding from Local Authorities and other funders to deliver a range of different functions. Most TSIs also generate their own additional income. For example, some own property and generate income through rental of office accommodation to the sector, and some generate income through the delivery of services to the Third Sector – for example, bespoke training, Independent Examination of Accounts, back office services (payroll and HR) and consultancy services. Additional funding is used by TSIs to expand the number of staff and increase the scale and reach of services to the sector.

As a result, TSIs look very different: some are micro-organisations employing a few members of staff which are primarily focused around the TSI 'core functions,' whereas others are large multi-function organisations with large numbers of staff. This is often deceptive – for example, where a TSI is perceived as having 'lots of staff' but in fact the staff are often dedicated to other functions/services (project funding). It also results in confusion around what TSI services are.

All core functions are delivered in each area but the variation in the level of resources available to deliver these and the range of different approaches being taken, means that the original aspiration for "common services" has not been fulfilled. Furthermore, external stakeholders reported some confusion about the different levels and scope of services in each area which contributed to false expectations about the level of services that can or should be delivered in all.

Meeting the needs of the Third Sector

Third Sector Interfaces told us that they mostly provide organisational support to smaller and often new Third Sector organisations whom they assist with drafting constitutions, assistance with funding searches and applications. In addition medium sized and some larger organisations will access services to support service delivery e.g. training on governance issues, volunteer management, funding and practical skills training for workforce development;

and some small and medium sized organisations buy services from the TSIs - such as payroll services, Independent Examination of Accounts etc.. At the other end of the spectrum, TSIs told us that they also frequently provide intensive and highly specialised interventions to support organisations in crisis. Larger organisations are more likely to use TSI services which connect Third Sector organisations to each other and to external organisations including Community Planning Partners.

Respondents to our survey of the Third Sector in the 11 selected fieldwork areas reported a relatively high level of awareness of TSIs. Of 705 responses, 87% (613) were aware of their TSI and although people who were already familiar with the TSI network may have been more likely to respond, this is not necessarily indicative of awareness more widely. Even within this respondent group 13% (92) had never heard of the TSI. Further, 60% (423) of the 705 respondents had made use of TSI services, but 27% (192) had not.

What is clear from the research is that awareness and understanding of the TSI network is variable and there remains some lack of clarity about what its core purpose is. Those Third Sector organisations that do currently engage with their local TSI indicated that they also used a variety of other organisations for support.

Some Third Sector organisations do not use TSI services at all currently – some because they do not feel that they need them, and others do not seek support until their organisation has reached crisis point.

Feedback was mixed in relation to the quality of service that Third Sector organisations received from their TSI with some giving examples of excellent service and others indicating dissatisfaction with the support they receive, compounded in some areas by a lack of trust in the TSI's ability to advocate on behalf of the sector. 69% of respondents to our Third Sector survey rated the support they had received as good or very good; 20% rated it average; and 11% rated it poorly.

Capacity is a significant issue, with TSIs over-stretched by increasing demands for support already in many areas, meaning that extending the reach of the current model to satisfy demand would present challenges.

How effective are the Third Sector Interfaces (TSI) in the delivery of the core functions?

The TSIs are tasked with delivering four core functions:

- Volunteering development.
- To promote and develop social enterprise locally.

- Supporting and developing a strong Third Sector.
- Building the relationship with Community Planning; engaging and connecting the Third Sector.

As noted previously, there is significant variation currently in how these core functions are delivered across the network, depending on local circumstances and resources available, and it is evident from the research that a “one size fits all” approach would be ineffective.

Quality of delivery is also variable but what is clear is that good leadership and strong governance, adequate resourcing, strong local and national relationships and appropriate in-house expertise are key to effective delivery. However, it is also crucial that the external environment supports effective delivery – the effectiveness of local Community Planning Partnerships and other key partners, and their willingness to engage with the TSI and the local Third Sector is central to this. In addition, the lack of distinction currently between the role of the TSIs and other national intermediaries acts as an inhibitor.

The social enterprise function has been most contested as a core function of the TSI. There are a number of regional and national providers delivering social enterprise support and it is not always clear what the TSI’s role is in relation to these other suppliers.

Stakeholder perceptions of the TSI network are that it has struggled to engage effectively in social enterprise support, but that the picture is improving over time.

For the future, solutions must be tailored to take account of local circumstances – including levels of need, and the range of other social enterprise support services already in place. Where social enterprise support is already being delivered well by other organisations in an area, then it makes sense for the TSI’s role to focus on co-ordinating support and connecting organisations. Where good social enterprise support is lacking the TSI may have a role to play in provision of this support, or in sub-contracting with others to provide this support.

Most significantly our research suggests that the focus on functional capacity of the TSIs structures to deliver ‘the four functions’ has distracted from capacity of the TSI to deliver its core purpose. As referenced previously, the Government’s Statement of Ambition emphasises the role of the Third Sector as a strategic partner in Community Planning, and other policy developments re-enforce this strategic role in other domains such as health and social care. Focusing on delivering the core functions has hindered this more strategic role being developed in some areas.

How effectively is Voluntary Action Scotland (VAS) fulfilling its role?

Voluntary Action Scotland's role is to develop, support and represent the Third Sector Interface network, and was established in 2009 shortly after the TSI model itself was introduced. It is a membership organisation, governed by a board comprising a mix of TSI representatives (elected by the membership) and independent members. It is a small and relatively young organisation compared to other long-established national intermediaries. It receives a core grant of approximately £250,000 annually from Scottish Government and its remit is to:

- promote the positive impact that the Third Sector Interfaces have at local level;
- encourage good practice;
- raise the profile of the Third Sector Interfaces at national level, and
- facilitate peer support to the network.

The results of the survey we conducted with Chief Executive Officers and Chairs of TSIs during our consultation process indicate that views are very mixed in relation to the effectiveness of VAS in delivering on its objectives. As would be expected, amongst the 32 TSIs, individual experiences of the services being provided by VAS vary depending on whether the services meet their needs, what services they and their staff have accessed to date, and the closeness of their relationship with VAS.

Research participants described the quality of service being provided by VAS as inconsistent and not always addressing all needs. In addition, some felt that VAS had not yet achieved sufficient "positioning" and credibility in relation to championing the TSI network and policy influence.

However, research participants recognised the constraints that VAS was working under in terms of capacity to respond to the wide range of expectations and needs from the TSI network, within a complex environment, and most believed that whilst VAS has not yet fulfilled its core functions, it is an improving picture with the potential to improve further.

Research participants identified a clear need for an intermediary body dedicated to supporting the TSIs in future. Greater clarity of purpose, strengthened leadership and organisational structure, and addressing some of the governance challenges identified in the main report will be key to ensuring that VAS is able to fulfil this role effectively going forward.

Considerations for the future model

It is clear from this evaluation that the Third Sector Interface model currently in place is complex – comprising of 32 Third Sector Interfaces which have significant variations in the local context within which they work, the ways in which they deliver the core functions prescribed by Scottish Government, and the extent to which they have done so effectively.

Considerations for the future model being recommended in this report took account of a number of key issues:

- Feedback from research participants indicated no interest in a wholesale change in the model, however retaining the current model would risk some TSIs failing to deliver on the original vision for support for the Third Sector locally.
- National and local stakeholders emphasised that support for communities is best delivered at the local level and that support must be responsive to local need and priorities.
- A focus to date on delivery of core functions has in many TSIs distracted them from fulfilling their role as a strategic leader for the sector locally.
- Recent policy developments will only increase the demand on TSIs to take on a more strategic role.

In considering these issues our primary recommendation is that the core purpose of the Third Sector Interfaces in future should be on becoming a strategic vehicle for Third Sector involvement in Community Planning and integration (Recommendation 1).

As a strategic partner the driver for the TSI would be the delivery of local outcomes which would be co-produced at the local level and would respond to local priorities. This would re-position the TSI in relation to partners and the sector, and result in the work plan fully reflecting local priorities. The vision developed would be more explicitly aligned with Community Plan/locality plan priorities, and with integration priorities, creating greater understanding amongst partners of the value of the TSI and the sector to the delivery of local outcomes.

In taking forward this recommendation, we have identified a range of other recommendations to support this key recommendation being implemented successfully. These are listed below, and described and explained in further detail in the main report:

Recommendation 2: The development of Third Sector Interface structures should focus on building the capacity of the organisation for strategic engagement.

Recommendation 3: Scottish Government to fund a Third Sector Interface intermediary body to support the TSIs to deliver their core purpose.

Recommendation 4: Scottish Government, Third Sector Interface network and the intermediary body to work together to draw up partnership agreements which set out the purpose of and the expectations of each partner.

Recommendation 5: Voluntary Action Scotland to draw up proposals to improve its own governance including consolidation of recent moves to broaden board membership.

Recommendation 6: Voluntary Action Scotland and the Third Sector Interface network need to ensure quality standards for the delivery of services are put in place and implemented.

Recommendation 7: A programme of leadership development is put in place for Third Sector Interface Chief Executive Officers and senior staff as well as a development programme for TSI Board members.

Recommendation 8: Voluntary Action Scotland to develop stronger links to national intermediary bodies, to determine opportunities for more extensive collaboration and closer working relationships.

Recommendation 9: Voluntary Action Scotland to work with national intermediaries to ensure that databases hosted by them (including MILO) respond to the needs of TSIs and evolve to respond to needs arising from TSIs' enhanced new role.

Recommendation 10: Voluntary Action Scotland, through the Services, Quality and Impact Group (SQIG), together with the Third Sector Interface network and Scottish Government, to support the work on developing an outcomes framework for the TSI network. This could

include a menu of common outcomes which TSIs could be expected to deliver at the local level (although recognising that actual outcomes will be co-produced at the local level).

Recommendation 11: Voluntary Action Scotland and the Third Sector Interfaces undertake a review of their own governance arrangements to ensure that they are fit for purpose.

Recommendation 12: It is out of the scope of this study to consider the funding which the Scottish Government invests in the Third Sector infrastructure. However, the Scottish Government should consider its total investment in Third Sector intermediaries and infrastructure at a national level to reduce duplication and ensure best value.

Recommendation 13: Third Sector Interfaces to consider opportunities for increased efficiencies, including through exploring the potential for cross-boundary cost-sharing; sharing back-office functions; and sharing key staff posts.

Recommendation 14: Scottish Government should pursue strategic dialogue with other key funders to explore new opportunities for funding engagement and support of the sector at the local level.

Recommendation 15: Scottish Government to take further steps to reinforce the recommendations outlined in the Audit Commission report on Community Planning and host round table discussions with the National Community Planning Group and with national stakeholders to build awareness of purpose of the Third Sector Interface network.

Recommendation 16: The role of the Third Sector Interface intermediary organisation to be defined in relation to that of other national intermediaries.

Recommendation 17: Scottish Government to endorse the role of the network and promote and advocate on its behalf to consolidate its position among local partners and national intermediaries.

Recommendation 18: Scottish Government, the Third Sector Interfaces and their intermediary body to consider how best to raise awareness and understanding about the role of the TSIs moving forward to build a better understanding of the TSIs, of the sector and of the challenges at the local level. This could take the form of learning exchanges within the network and between the network and others.

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The views expressed in this report are those of the researcher and do not necessarily represent those of the Scottish Government or Scottish Ministers.

This document is also available from our website at www.gov.scot.
ISBN: 978-1-78652-651-9

The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

Produced for
the Scottish Government
by APS Group Scotland
PPDAS84459 (11/16)
Published by
the Scottish Government,
November 2016

GSR
GOVERNMENT SOCIAL RESEARCH
Social Science in Government

Social Research series
ISSN 2045 6964
ISBN 978-1-78652-651-9

Web and Print Publication
www.gov.scot/socialresearch

PPDAS84459 (11/16)