The Plowden Papers
Rethinking Governance?

Papers from the William Plowden Fellowship 2012–18
The William Plowden Fellowship in Good Governance

The William Plowden Fellowship started in 2012. Throughout his career William believed strongly in the need to improve the way we are governed, at all levels. He proposed practical approaches to public policy, sensitive to the needs and experiences of real people. At this time of change and challenge across the political and social scene the Fellowship will build on his legacy. It has enabled an outstanding mid-career professional each year to explore the implications of the theme of good governance in public policy and come up with positive ideas for new approaches in his or her field.

William Plowden, who died in 2010, began his career as a civil servant, was a founding member of the Central Policy Review Staff and later Director-General of the Royal Institute of Public Administration and Executive Director of the UK Harkness Fellowships.

The overarching theme for the Fellowship has been the role of good governance in supporting innovation and achieving positive social impacts, reflecting William Plowden's work. The Fellowship has supported individuals with a substantial record of achievement in a relevant area, giving time away from their day job to focus on an idea they want to explore and see applied more widely. This has enabled each of the Fellows to challenge the ways in which the system works and inject new ideas into the debate.

The Fellows:

2013

Richard Lang: Co-operative Housing
Mentor: David Mullins, Professor of Housing Policy, University of Birmingham

Fozia Yamin: Performance Measurement in Charities
Mentor: Patrick Dunleavy, Professor of Political Science and Public Policy, London School of Economics

2015

Alison Gilchrist: Working with communities
Mentor: Angus McCabe, Senior Research Fellow, University of Birmingham

Tamlyn Rabey: Policy-making in Small Countries
Mentor: Stephen Martin, Professor of Public Policy and Management, Cardiff Business School

2016

David Nicholson: Co-operative Governance in Prisons
Mentor: Dr Cilla Ross, vice-Principal, The Co-operative College

Michael Cross: School Governance and Social Mobility
Mentor: Anne West, Professor of Education Policy, London School of Economics

2017

Rebecca Johnstone: Involving Children and Young People in Governance*
Mentor: Daniel Francis, Senior Governance and Leadership Consultant, National Council for Voluntary Organisations

2018

Penny Lawrence: The Role and Relevance of Large INGOs
Mentor: Angus McCabe, Senior Research Fellow, University of Birmingham

* Rebecca Johnstone was unable to contribute to this collection due to unforeseen circumstances.
Foreword

Veronica Plowden

The idea of a fellowship in William’s memory, rather than a lecture or other familiar notion, was Nicholas Deakin’s own brainchild. It was ideal for the reasons he gives, but also because of William’s lifelong attachment to the idea of fellowships (especially, but not only the Harkness Fellowships) as a tool for enhancing individuals’ careers and lives, and influencing the academic and policy areas in which they work.

Some of us were not at first convinced about the notion of employers providing salary support while the Fellows were away from their desks, and guessed that we might need another round of fundraising. In the event it did work, with employers seeing the benefit to their organisations, although we always kept open the possibility of providing a stipend if essential. With one, very understandable, exception even self-employed Fellows managed with just expenses provided by the project.

I know William would have been delighted with the idea, and with the Fellows and what they have achieved.

I am immensely grateful to Nicholas, the donors, the advisory group, NCVO and the mentors for imagining it and making it happen; to Belinda Pratten for her editing feat, and to the Fellows themselves. I hope this publication will inspire implementation of some of the creative policy ideas put forward, and maybe similar schemes in other contexts.
Introduction

After William Plowden’s death in 2010 a small group of his friends and colleagues came together with his wife Veronica to consider what they could do to commemorate his work in developing critical approaches to public policy. Among the options we considered were the familiar ones – a named lecture, a prize perhaps a scholarship. But on further thought we developed a different approach. This, we felt, would better reflect the range and diversity of William’s interests and his concern to promote the principles and practice of good governance, supporting innovation and achieving positive social impacts.

The concept that we settled on was what became the William Plowden Fellowship. This would offer potential fellows an interval – three months away from their current work for reflection on a public policy issue of their choice, essentially a gift of time and space, with support from a well-qualified mentor. The commitment on accepting a Fellowship would be to produce a report on the chosen topic and to present a lecture to an invited audience. In this way, we wanted to provide an opportunity to liberate energies and imagination and help the Fellows develop their research skills.

From the outset the idea appeared to have traction; but it also required enthusiastic engagement both to promote the Fellowship concept and provide the essential practical support. Here the help provided to us by the National Council for Voluntary Organisations and its Chief Executive, Sir Stuart Etherington, was crucial in providing us with logistical assistance and a base from which to operate. As Stuart made clear when making the offer, William’s own contribution to the study and promotion of civil society at home and internationally made NCVO a logical place in which to locate the project.

The other members of the Advisory Group that developed the basic idea and took responsibility for the selection and management of Fellows’ programmes were Baroness Tessa Blackstone, Timothy Hornsby and Kate Jenkins, together with myself and Veronica Plowden. Professor George Jones, Paul McQuail and Sir Nicholas Monck also took part but sadly died during the project. An essential component was the provision of academic support for selected Fellows with a named mentor in an academic institution. These University partners initially agreed to take part, and other institutions later became involved to fit the topics that Fellows had selected. One of these mentors, Angus McCabe (Third Sector Research Centre at the University of Birmingham) has written a detailed account of his experience as a mentor which is included in this book. Our gratitude goes to him and to all the others who worked so hard to ensure that the Fellowship operated deep cuts clearly restricted the numbers of applicants from central and local government agencies. Civil society organisations also came under severe pressure, which made releasing key staff even for a relatively brief period highly problematic.

Nevertheless, we were fortunate enough to be able to appoint a series of Fellows who undertook some excellent original research, from which they drew some significant conclusions and, in some cases, important policy recommendations. A quick glance at the papers included in this volume will reveal both the originality and diversity of topics chosen for scrutiny.

Richard Lang examines both the impact of the Coalition Government’s fiscal agenda on the community-led housing sector in the UK and the role of the sector as a catalyst for localism. A specific focus is the potential of co-operative forms of governance to stimulate local engagement and community-building in urban areas. Drawing on the experience of housing co-operatives in Vienna and the West Midlands, he considers what support mechanisms the sector needs to become sustainable and effective.

Fozia Yamin is concerned with the rise of the ‘contract culture’ and the increasing pressure on charities and the public sector to manage and measure their performance to meet extended targets and become more business-like in their approach. Yamin challenges this approach, arguing that charities, with their strong focus on organisational mission and the needs and interests of their users, may be a more appropriate model for public service delivery than business.

Alison Gilchrist is also critical of the contract culture and the resulting pressure on community groups to formalise their management arrangements. She suggests that informal approaches may be more effective at generating inclusive community participation and mutual support at a grassroots level. She is rarely recognized or valued at all by policy-makers. Examining the strengths and weaknesses of formal and informal approaches to community participation in local decision-making, she argues that this requires a ‘judicious mix’ of both to make the most of people’s contribution.

Tamlyn Rabey considers the potential strengths of smaller nations, such as Wales and Ireland, in relation to policy-making. She finds that there is greater potential to build more cohesive policy networks and to ‘join-up’ different organisations, in both the public and third sectors. This diversity makes it difficult, but not impossible, to draw out some broad themes. For example, we can see here an echo of William Plowden’s own concerns for improvements in government, both better relations of citizens, users and communities; issues around policy implementation and some of its unintended consequences for staff and users of services, and the vital role of innovation from the ground upwards, leading to the possibilities for sharing experience across sectors and sizes of organisation.

Conclusion

At a time when relentless pressures to compete or emulate other sectors drive everyone in terms of hours spent at the workplace, the culture in both the public sector and civil society tends to crowd out any space for pursuing independent initiatives or unconventional concerns. But these are exactly what is desperately needed in both sectors if they are to survive, thrive and innovate.

So as a modest step towards addressing that issue we would hope that schemes like the William Plowden Fellowship could find a place in the human resources armoury of larger organisations, in both the public and third sectors. We also hope that smaller organisations could be persuaded to make some space for independent thinking, even on a limited scale. We hope that our Fellowship programme, in terms of costs and time, will provide a useful learning experience for others. As one of them put it to us, our Fellowship had been ‘one of the most enjoyable and valuable experiences of my career’.

Nicholas Deakin

October 2018
The Plowden Fellowship: A mentor’s reflections

Between my finger and my thumb
The squat pen rests.
I’ll dig with it.
—Seamus Heaney, ‘Digging’ (Death of a Naturalist, 1966)

Why become a Plowden fellowship mentor? After all, it’s an unpaid role. It takes time when people, to use a well-worn phrase, are already ‘time poor’. It does not really contribute to academic career progression in terms of highly cited, single authored, journal articles or that all important measure of ‘impact’. So why do it?

The simple answer is – I was asked. After all, that is how most people become involved in any form of voluntary action. Being asked by someone they know and respect. Or being asked by someone who is very persuasive and saying ‘no’ is not really an option.

There is, of course, a more intellectual rationale. The ethos of the Plowden Fellowship itself. Fellowships offer practitioners, in a wide variety of voluntary sector settings, time to reflect: to step back from the pressures of their day-to-day practice to actually think about what they are doing, how they are doing it and, crucially, why. More than this is provides fellows with the resource to undertake primary research – to test out their practice and thinking with, and sometimes against, other practitioners. It allows the space to relate practice to more theoretical understandings of social interventions and how society operates more generally – and the place of voluntary action within it. It presents opportunities to challenge – and be challenged (both as a mentor and mentee) in a safe environment. Without wishing to speak for fellows who have been involved – I feel sure that all have found these gifts of time, space and resources to think precious. I am also convinced that these opportunities have, at times, been transformational in the thinking and practice of those involved.

Then there is a more personal motivation. In academic institutions there is always a danger that theory loses its anchor in the realities of living and working; is not grounded in lived experience. Many of the debates in mentoring sessions have been invaluable in re-connecting theory and practice – and vice versa. How might these practices, these ways of working, relate to and inform more theoretical thinking – and how might theory help to make sense to the chaos, or pressures, of the every day? The Plowden Fellowship has offered that space and time to reflect when, with ever increasing pressure, there is a danger we think of this as an unaffordable luxury rather than an absolutely essential part of practice.

This linkage of practice, theory and ‘research into practice’ has underpinned the approach to false. It is a process of shared learning between mentor and mentee, of learning together – rather than a teaching model of the ‘great and wise’ academic imparting their wisdom from on high. Mentoring has, therefore, been challenging and at times an uncomfortable process as a mentor. Just to give a flavour. Mentoring sessions often lasted up to three hours. Alison Gilchrist (reflecting on the interplay between formal requirements and informal processes) and Penny Lawrence (thinking critically about the role and future of international NGOs) have been rigorous in challenging everything – why do you think that; why are you saying that; where is your evidence? I fundamentally disagree with you about…
'You may agree or disagree with the arguments put forward in these papers – but they fulfil their intended purpose. They make us think – more deeply.'

And that has been a two way process. Thinking about the Seamus Heaney quote, we may no longer use a pen of any kind, but the process of producing these Plowden Fellowship papers has been one of hard scholarship and reflection – the labour of digging and digging deeper.

Whilst I might disagree with the final papers both Penny and Alison have produced the process of getting to those papers has made me re-think much of my own practice and, more importantly, the values and principles which underlie that practice. For neither was the presentation of received wisdom acceptable. Any ‘ sloppy thinking’ on my part was immediately pointed out. Pronouncements of ‘fake’ news’ were duly shot down. As a result – whether we agreed or disagreed is not the point – those challenges have made me reflect much more deeply on critical issues about how and why we do things than would otherwise, or normally, be the case. I now, for example, know much more about the moral dilemmas of international aid than I did before – and the discussions (or was it arguments?) on the importance of networking have forced me to rethink both the potentially inclusive nature of networks and informal ways of working – but also the capacity of these to exclude and reinforce privilege.

As the current publication illustrates, this process of peer learning and shared development has been important in the Plowden Fellowships and fellows producing such an impressive and varied body of work in a relatively short period of time. Work that is not remote and academic (though it is rigorous) but is challenging, provocative and hopefully influential in terms of developing theory, policy and practice in difficult times. Like me, you may agree or disagree with the arguments put forward in these papers – but they fulfil their intended purpose. They make us think – more deeply.

So have I answered the question of why be a Plowden Fellowship mentor? Not really. There is one more crucial element which has been passed over so far. It’s been hard work, it’s been challenging. It’s been an intellectually challenging process. It has, hopefully, been a helpful one for everyone concerned – and for stimulating wider debates on voluntary and community action. But above all else – it’s been (dare I say it in the current climate) fun. It has reawakened those feelings that learning is an enjoyable and enriching process and not simply ‘a chore’. So thank you Penny, Alison and everyone involved with the Plowden Fellowships and the production of this publication.

Being involved has been a privilege – and the role of mentor may be unpaid – but it has been an invaluable experience.

Biographies

Richard Lang is Assistant Professor at the Institute of Innovation Management at Johannes Kepler University Linz, Austria. Previously, he was Marie Curie Senior Research Fellow at University of Birmingham, UK, and APART-Fellow of the Austrian Academy of Sciences. His research interests include collaborative housing, social innovation and social enterprises in urban and regional development. He has published several contributions to international peer-reviewed journals, such as European Planning Studies, International Journal of Housing Policy, International Small Business Journal, Journal of Rural Studies, and Voluntas.

Fozia Yamin worked in public policy early on in her career, working with The National Trust and leading partnership working initiatives for Local Authorities across the West Midlands. More recently, she retrained as a Teacher through TeachFirst, and currently teaches English at a school in Birmingham.

Alison Gilchrist is an independent consultant and research fellow at the University of Birmingham. She has a long-standing interest in networking and inequalities strategies and has worked for almost four decades in community development as an activist, practitioner, trainer, researcher, policy advisor and manager. Her career began in the early 1980s as an activist and worker at neighbourhood level, and she has drawn on this experience and subsequent research to teach others and publish academic papers, practical guidance, research reports, evaluations and books. The 3rd edition of the Well-connected community: A networking approach to community development will be available in 2019.

Tamlyn Raby worked in social work, probation, homelessness and welfare rights before becoming a civil servant at the Welsh Office and, after devolution, at the Welsh Government. She held strategy, policy development and policy implementation roles there in areas including economic development, local government reform, housing and homelessness, the third sector and education.

David Nicholson has been at the cutting edge of social enterprise and co-operative innovation in the Criminal Justice System for over 20 years. He pioneered ex-offender-led social enterprises in local regeneration and went on to found Ex-Cell Solutions, the only Co-operative Development Body in the UK working exclusively with offenders and ex-offenders. He has worked with the Ministry of Justice developing co-operative and mutual approaches to reducing reoffending and has published widely on this. He continues this work as Chair of the Social Enterprise Research and Innovation Foundation (http://serif-foundation.org/) and Director of The Ideas Mine (http://www.theideasmine.co.uk/) and Co-operative and Mutual Solutions (www.cms.coop).

Angus McCabe has a background in community development work both in inner city and settings on peripheral estates. His research interests include resident led change, health and crime as well as community based education. He is currently working with the Third Sector Research Centre at the University of Birmingham and leading on the ‘below the radar’ work stream which is researching the experiences of small community based groups and activities. For more information on current work please visit the Third Sector Research Centre website. He also leads the national multi-media evaluation of Big Local, a resident led change programme in 150 areas in England (see Our Bigger Story website). He is also a Board Member of the International Community Development Journal, an Honorary Fellow at the Faiths and Civil Society Unit (Goldsmiths, University of London).

Penny Lawrence was Deputy Chief Executive at Oxfam GB until March 2010 leading on strategy and organisational change. As Oxfam GB’s Programmes Director from 2006–2014, Penny was strategic and operational lead of Oxfam’s programmes in over 60 countries and Oxfam’s humanitarian response teams. Penny combines operational and strategic leadership experience in large INGOs with organisational development skills and a life-long commitment to social justice. Penny has lived and worked in Sudan, Zimbabwe and Ghana and worked in senior roles in VSO and ActionAid as well as Oxfam. Penny is now an independent researcher, coach, consultant and charity trustee.

Michael Cross is Director and vice-Chair, Twyford Church of England Academy Trust and Director and co-founder of Rezatec Ltd, the global satellite data science company and Blue Mirror Insights Ltd, the global occupational data intelligence company. Currently a Regent of the University of Edinburgh, Michael is the author of several books on regional economics, skills and organisational change and Michael has held Fellowships at the following universities: City University, Durham, Imperial College, Manchester Business School, and University College London. A former Chair and co-founder of Navigate Group, the school improvement business, he has also built businesses in clothing and textiles, packaging and pharmaceuticals sectors which operated across Europe and Asia.
1. Introduction
The Coalition Government’s ‘Big Society’ and localism agendas sought to devolve power from government to communities, with the aim of giving local people more control over local services. This research examines the prospects for the community-led housing sector arising from these policies, as well as exploring the potential that co-operative governance offers for effective localism and sustainable community building.

Community-led housing broadly refers to homes developed to meet the needs of the residents and/or the wider community who are themselves substantially involved in the development and management of the housing schemes. As such it would seem to be a very promising area where the ideas of mutualism and localism can be mainstreamed, given the existing infrastructure in the social housing sector in England and the number of good practice models of co-operative and community-based schemes. It therefore provides an excellent case in which to apply William Plowden’s insistence on ensuring that policies have the effects intended based on a real understanding of impacts on people, particularly in relation to governance and social innovation.

The aims of this research were to:
• assess the relevance of the localism agenda and related reforms in housing policy for the community-led housing sector;
• develop a better understanding of the structure of the community-led sector and relevant support mechanisms;
• test out a coherent framework for analysing localism practice and its links to different community-led housing models (Community Land Trusts, self-help housing, co-operatives);
• explore the potential of international models of support for effective localism and sustainable community building, such as the Austrian co-operative governance model; and
• establish research links with the community-led and mutual housing sector in England through partnership with the Confederation of Co-operative Housing (CCH), self-help-housing.org, the Community Land Trusts Network, and other actors involved in the Mutual Housing Group.

This chapter is based on a more comprehensive report published as a working paper of the Housing and Communities Research Group. That paper explores these issues in more detail, drawing out the practical implications from the research results for urban and rural development and housing policy as well as for the management of housing organisations.
‘housing co-operatives may engage residents in social entrepreneurship, civic engagement and democratic practices which form key aspects of sustainability in urban development.’

2. Policy Context

With the Localism Act 2011, the neighbourhood could become a key scale for governance reform and innovation with the potential to build sustainable communities. Localism had a strong policy resonance both for the previous Labour government and the Coalition Government’s ‘Big Society’ agenda of devolving services from government to communities. In this context, the role of community-led housing has gained increasing attention in England.

Community-led housing has strong connections with the co-operative housing tradition. Both Historical, and international experience in this field therefore has strong relevance for implementing localism today. Although the concept is widespread, and has a long tradition in the UK, co-operative housing practice today is still little-known and is only just being rediscovered as an innovative alternative to renting properties in order to tackle the demand for affordable housing after the housing crisis. Despite a significant growth in private renting, individual home ownership still is the predominant form of tenure.

In England, the concrete configuration of co-operative and mutual housing, and thus also of its organisational governance models, differ considerably between regions and cities. Different co-operative governance models have been good at meeting specific housing needs at particular times. Recent changes in the policy environment for housing have created new opportunities for co-operative forms of housing, but have also redefined their societal role and organisational identity beyond that of member-oriented housing providers.

Co-operative housing initiatives often fill the gap left by the withdrawal of the state, not only in affordable housing provision but also in urban development, which increasingly involves them in processes of external societal governance, such as urban renewal. The current political interest in co-operative housing has been partly sparked by the nature of its organisational governance model, which is said to have positive implications for sustainable urban development.

Positive external effects of co-operative governance practices are mainly seen in the stabilisation and even increasing attractiveness of neighbourhoods through long-term investments in social relationships among residents, or in the physical quality of their housing stocks. Where residents make a financial and organisational commitment to their housing provider, they have a vested interest in keeping rents down and housing quality up, which in turn generates spill-over effects on the housing stock across the rest of the city. Moreover, housing co-operatives may engage residents in social entrepreneurship, civic engagement and democratic practices which form key aspects of sustainability in urban development.

In opposition to a neo-liberal policy regime, austerity and the lack of real housing options for many, England has seen a re-emergence of community-led housing initiatives in recent years. The co-housing and Community Land Trust (CLT) sectors have sprung out of different social movements, not always linked to the co-operative housing tradition but clearly exhibiting co-operative principles in their governance. Self-help housing has also expanded as a result of a convergence between empty homes initiatives and wider employment and training initiatives and stimulated by a programme ring-fenced to community-led groups. It can be assumed that community-led housing will become more important as fewer people can afford home ownership and as new solutions are promoted to urban renewal in an era of more constrained public expenditure.

Advocates of the co-operative and community-led housing sector point to 40 years of co-producing well designed and managed places, with high levels of resident and neighbour satisfaction. Research has explored the role of co-operative forms of housing as a catalyst for community involvement in urban governance. However, co-operative housing has remained a small sector, accounting for less than 1% of housing in England. The wider range of community-led initiatives now under way provides an interesting arena in which to explore competing governance models and assess success conditions. Given the growing strategic role for co-operative and community-led housing, international experiences of promotion of co-operative forms of housing can provide important lessons for implementing a real localism agenda in England.

The localism agenda in England could potentially stimulate organisational autonomy, and a stronger agency role to be played by local actors through co-operative forms of governance. However, implementing effective localism involves walking a tightrope between organisational agency and structural partnerships (help from within and help from without). International experience shows that community building cannot simply be triggered by developing a stronger role to individual housing providers in neighbourhood governance without wider institutional support. The German case highlights the risks of devolving control while at the same time abolishing public promotion and support. The Austrian case shows how public promotion and institutional support beyond local governance have enabled professionalised housing co-operatives to leverage community ideas and practices leading to a solidarity-based housing policy. It also shows the risk that hierarchical and bureaucratic governance cultures of public promotion can endanger bottom-up resident action in co-operatives and so community-led social innovations may lose their dynamic.

3. Methods

The three-month Plowden fellowship project built on previous research by the author, and involved the following methodological steps:

- a systematic review of recent policies from the Localism Act and forms of organisational response emerging in the community-led and mutual housing sectors.
- developing and applying a typology of co-operative governance models derived from the literature and international experiences.
- undertaking semi-structured stakeholder interviews with representatives of the co-operative and community-led housing sector in the English West Midlands as well as visits to a sample of innovative projects and analysis of case studies in the various mutual housing fields.

The case studies were carried out in the Spring of 2013. The literature review and exploratory interviews with stakeholders had identified three (already well-established) organisational fields and respective governance models: Housing Co-operatives; Community Land Trusts and Self-help housing organisations. One case study from each group was selected for further analysis.

International experience in this field, such as the well-established Austrian co-operative housing sector, has strong relevance for implementing localism. For this reason a cross-country study was undertaken, focusing on the Vienna city region, to examine lessons that could be learnt for community-led and co-operative housing in England.

Housing organisations’ role in building linking social capital

The field study analysed residents’ ‘linking social capital’ which refers to the linkages between residents and people in positions of influence and power in formal institutions. The main domains for operationalising linking social capital in this study are displayed in Table 1.

Table 2. Institutional design principles for building linking social capital

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<tr>
<th>Table 3. Domains of ‘linking social capital’ (adapted from Lang and Novy 2014)</th>
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<tr>
<td>Attachment to the housing organisation</td>
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<td>Participation in activities of the housing organisation</td>
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<td>Perceived relevance of participation</td>
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Drawing on the insight that residents’ linking social capital can be stimulated by the governance of housing organisations, this study adopts Ostrom’s institutional design principles for common-pool resources (Table 2).
4. Localism and the mutual and community-led housing sector

The structure of the sector

Community-led housing is not a new phenomenon in England. Different initiatives, such as co-operative housing, have a long tradition but received little public promotion after the 1970s. The sector offers a variety of organisational models as a response to the increasing need for affordable housing in both rural and urban England, such as self-help housing, the co-housing movement (with Danish and North American roots) or the community land trust sector (with North American and Scottish strands). Although these initiatives sprang out of different social movements and are not always linked to the co-operative housing tradition, they clearly exhibit co-operative principles in their governance. Nevertheless, the identity of the sector and its boundaries have become blurred due to the different labels (externally and internally) assigned to it.

Community-led housing is actually a very small sector, but has attracted much interest recently. The target groups of community-led initiatives differ according to territory, goals of local stakeholders, and tenures offered. Whereas the co-operative model has a tradition of targeting lower income people, the target group of some other models, such as community land trusts (CLTs) or co-housing, ranges from lower income groups who are in need of low-cost housing to groups in the middle income bracket who are seeking alternatives to existing market housing and represent the ‘can’t rent, can’t buy’ generation. This is also reflected in mixed-tenure approaches which may serve as a tool for cross-financing affordable homes within community-led schemes. CLTs and other community-led models tend not to produce high volumes of new homes but can ensure the long-term affordability of homes that respond to the needs of local communities.

The identity of new community-led models differs in an important aspect from traditional co-operative housing models. The participation principle mainly translates into ‘community participation’ rather than only ‘member participation’ (see Figure 1) or the self-help provision of affordable housing by the actual residents. Thus, ‘new co-operative’ housing models within the community-led sector are centred on the idea of ‘extended self-help’ meaning not (only) by actual users or members of a formal organisation but by engaging a wider local community (see Figure 2).

The empirical evidence presented in this report provides support for earlier studies that in ‘co-operative community models’, such as CLTs, a shared place identity among residents is crucial for the sustainability of the community-based governance model, at least in early stages. The reference to emblematic past experiences of the communities concerned, such as losing a social centre, is an essential element of this place identity which can be seen as reinforcing reciprocal transactions among residents.24

The sector’s own approach to localism

The case analysis shows that community-led housing is more about involving residents in a participation process than about delivering a ready-made product, i.e. affordable homes. Community building already starts with the selection of residents and the anticipation of the right fit between future residents. Representatives of community-led initiatives accept that not every resident consequently seeks active participation. Although a community of residents cannot be artificially created, external enablers can provide residents with space to build a community. Involving tenants early in the planning and letting process, combined with informal meetings, is more likely to create a community than the anonymous and impersonal environment of larger social housing providers.

In all analysed cases, residents are quickly put into governance roles and they are given responsibility so that they feel they really own the projects. Participation is relevant to residents in the co-operative case, as they are disillusioned by the paternalist experiences of council housing and parts of the Housing Association (HA) sector. The attachment of residents to their housing provider is based on their identification with organisations’ co-operative principles. Secondary co-operatives can support attachment through the distinct design of sites where residents are actively involved.

For residents involved in the CLT case, having a say is relevant in local development more generally. This may be a way to overcome NIMBYISM. Here, residents’ attachment mainly refers to the wider village and parish as a place where they have been living for a long time. A wider motivation for participation is concern for future development of the villages, such as the availability of a social centre or a village pub; the affordable housing project may be instrumental to broader aims.

5. Support mechanisms for community-led housing

Social innovations at the local level are an important challenge to the dominance of scale economies and reduced local control that have characterised recent housing reform in England.25 However, evidence to date is of patchy institutional support for such innovation and contested models for spreading innovation through ‘scaling-up’ or ‘going viral’.26

The case studies have shown that external support mechanisms play a crucial role in the development of different community-led models, thereby confirming the findings of Moore and Mullins on CLTs and self-help housing. This is due to the specific challenges that community-led initiatives are facing in order to ensure long-term building and management activity.27 These challenges include the lack of sustainable funding and financing structures for producing affordable housing; technical expertise, management and governance competence among residents who run the schemes; or the weak political and institutional legitimacy of the sector as a whole and its sub-sectors.

In principle, there are two ways in which the community-led sector could respond to these challenges. Either, a grassroots community mobilises the resources needed, i.e. a bottom-up approach (see Figures 1 and 2). This self-help approach might also include the ‘external’ support structures provided by sector umbrella bodies. Or the sector goes into partnership with local authorities and HAs for funding and...
A key aspect of partnerships between community-led initiatives and housing associations is to make the latter work in a more community-oriented way.

The Paradigm of Housing Associations

HAs can play a key role in supporting community-led initiatives through advising on management and governance, competence, consultancy, funding, securing sites and providing development services or even by establishing their own community-led projects. HAs can bring in their own reputation as housing specialists and their expertise on schemes and professionalism to support and complement volunteer work. HAs may even initiate CLTs themselves based on the case that their managements are intrinsically motivated to support community-led housing, and they are well positioned to access grant funding and deliver programmes within tight timescales, which would be more difficult for community-led schemes starting from scratch. Parts of the sector, such as housing co-operatives, have already decided to pursue a ‘bottom-linked approach’, meaning to look for institutional support structures outside the movement such as going into partnerships with HAs – even mainstream providers – to develop new homes. Having an external service and management provider is actually a traditional approach of co-operative housing, in terms of effectiveness, to have a grass root housing co-operative and a larger professional service provider working together. In this respect, scale is important in terms of service provision to community-led schemes but not for the schemes itself.

The transfer of some 2.5 million council homes to the housing association sector has fundamentally changed the nature of these social landlords over the past two decades. In many cases, this was subsequently followed by merger and ‘group co-operative’ leading to governance and management growing in scale and becoming more distant from local communities. This suggests that the internal governance structure of HAs might be an issue in partnerships with community initiatives. Although the legal structures allow democratic governance, few HAs implement this within their organisations – how then will they handle the crucial issue of tenant participation in community-led schemes?

The findings of the case study analyses point to high levels of linking social capital to be found among the residents of community-led housing schemes in England, in part due to their close interaction with tenants’ groups and local community leadership. For some actors in the housing associations sector, rather than direct to community-led bodies.

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The key challenge of partnerships between community-led initiatives and HAs is to make the latter work in a community-oriented way (e.g. speak the tenants’ language and foster local community leadership). For some actors within the community-led sector, as empirical data on CLTs shows, the (direct) involvement of HA is not welcomed as they fear it would undermine the community-based character of schemes. Nevertheless, the idea to have HA as partners is broadly accepted.

Government bodies and local authorities

An alternative model is for providers to work in partnership with local authorities. In general, there is only limited public promotion for affordable housing in England, which is in stark contrast to some other European countries, such as Austria. The concept of ‘public promotion’ generally refers to the responsibility of the state to provide an adequate material basis for the provision of a sufficient amount of good quality housing. More precisely, this means that the state exercises a direct influence on the supply of different tenures, using a range of policy levers in the land, finance and housing markets. While this is a familiar concept in countries such as Austria, France or Switzerland, it is less known in housing co-operatives or countries such as the UK, despite the long term role of central government funding and regulation and local authority support. Nevertheless, a variety of funding streams were provided for community-led schemes in a rather supply-side approach by the Coalition Government, all over, however relatively small-scale. For this purpose, part of an affordable housing fund has been earmarked for community-led housing, with the Homes and Communities Agency (HCA) a key partner for the sector in terms of funding distribution and support services. Furthermore, following lobbying and research support, an earmarked funding scheme was provided for non-registered providers within the Empty Homes Programme. (Government bodies and quangos, like the HCA, are generally mandated to provide housing grant funding directly or indirectly to housing associations, rather than direct to community-led bodies.)

The case studies identified a number of challenges for community-led initiatives working (or wanting to work) in partnership with local authorities. Taking the CLT Field as an example, it was evident that some local authorities had fundamental objections to new community-led models. Skepticism as to whether the CLT model can really empower communities, especially in urban areas, makes it difficult to convince a local authority of the need for a CLT to provide new affordable housing schemes. In contrast, it seems that co-operative housing is still more accepted among public authorities. Thus, for representatives of the co-operative sector, it makes more sense to convince local authorities to facilitate co-operative schemes in urban settings.

In order to get government support and access funding for community-led schemes in England schemes need to fit a complex set of programme requirements and conditions and stereotypes about their organisations. In order to win community support, it is also important to choose the right labelling of schemes (e.g. not social housing) and tenure mix (buying options, equity etc.). Differences in experience between two community-led sectors in the same city suggest that individual relationships and brokerage remain important additional factors in the relationship with the local state.

6. Relevance of international experience: Lessons from the Austrian case

The findings of the case study analyses point to high levels of linking social capital to be found among the residents of community-led housing schemes in England, in part due to their close interaction with tenants’ groups and local community leadership. For some actors in the housing associations sector, rather than direct to community-led bodies.

In Austria, the creation of a powerful central umbrella body together with the state promotion model has led to increased standardisation within the third sector. However, the co-operative idea in housing is based on local communities inventing and experimenting with new organisational structures and with umbrella bodies (e.g. the Vienna city region) supporting particular local needs in which turn keeps the co-operative idea alive.

Thus, in their relationships with government bodies, umbrella bodies, such as the recently-formed Mutual Housing Group and those of the different sub-sectors, have encouraged a diversity of organisational forms in order to support social innovation within the sector. This is not an easy endeavour since, as is also the case in Austria, public funding favours standardised models. Strengthening residents’ linking social capital always means walking a tightrope between organisational agency and structural partnerships with governments, for-profit or professional third sector providers.
Putting out funding is not enough if local communities do not have the necessary resources for community-led development. For example, in building social and affordable housing by actively using the new public accountability for resources. The results of the cross-country study in this report contribute to a better understanding of the need for infrastructure and facilitation bodies in the promotion of community-led housing in England. A crucial precondition for such partnerships seems to be that community-led initiatives can draw on an external service partner who is genuinely committed to co-operative principles and community-based development. This seems to be the case for a part of the HA sector which supports community-led housing by providing the necessary resources for the sector to grow.

An analysis of localism reforms under the Coalition Government reveals two contradicting understandings of localism and decentralisation. On the one hand, there is a focus on efficiency and cost reduction which is evident from the Localism Act itself. On the other hand, the localism agenda provides useful guidelines for strengthening local accountability. Thus, larger social housing providers have been more likely to make strategic choices in terms of the type of ‘localism’ approach they want to follow. Realistically, it will only be the small group of HAs which have a bent towards supporting community leadership and can bring forward real localism in social and affordable housing by actively using the new community rights in partnerships with smaller community-led initiatives and local authorities. However, this does not imply that an HA to support a community-led housing solution they need to be of a particular size or have a certain organisational structure. It can even come down to particular members of staff and board members who can establish the necessary link to local communities.

Finally, the different community-led models should not only be discussed in terms of providing alternative approaches to affordable housing. Their relevance for the localism debate can also be seen in providing different opportunity structures for active citizenship. CLTs, for instance, may involve a wide range of local residents rather than being concentrated in the specific housing scheme, as in the case of housing co-operatives. Nevertheless, compared to the co-operative model, the lack of institutionalisation of newer community-led models raises questions about their long-term sustainability, especially if funding is reduced. Integrating the innovative CLT model with traditional governance elements of co-operative housing could help in creating new community-led bodies which would democratically represent the residents of a neighbourhood in local planning and housing policy. This would complement the recently introduced community rights with necessary community-based governance structures on the local level.

† Thanks to Professor George Jones for suggestions for a greater focus on links to local democratic governance.

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7. Conclusion

Under the Localism Act, the current government has introduced various community rights to increase local accountability and community control over local services (right to build, neighbourhood planning, right to challenge, right to bid). The problem with these community rights, however, is that they are not well known and local communities often lack the skills to use them effectively. In general, local communities need more information and training on models of participation and community-based governance, as well as the effective use of funds for community initiatives. The government, it seems, has not understood that funding schemes need more explanation and that essential community skills need to be gradually built up with the help of sectorumbrellas and confusion of offices. Putting out funding is not enough if local communities do not know how to access and use it to initiate community-led housing schemes.

‘Putting out funding is not enough if local communities do not know how to access and use it to initiate community-led housing schemes.’
Performance Management:
What can be learnt from UK charities?

Fozia Yamin
William Plowden Fellow 2013

1. Introduction
This paper looks at best practice performance management across a sample of charities, focusing specifically on performance measurement for the purposes of monitoring and evaluation, rather than organisational and human resource management more broadly. Its aim is to consider whether there are lessons to be learned from these charities that could be applied across the public and wider charitable sectors.

For too long government and charities have looked to the private sector to lead the way in performance management. Under the banner of the ‘New Public Management’, the efficiency and effectiveness of business has been held up as an example to the public and charitable sector, with competition seen as the spur to improved performance.

However, the debate around the relevance and appropriateness of this model is increasingly being brought into question. Amid the current austerity measures the public and charitable sector is increasingly being asked to evidence their outcomes. Yet against a backdrop of widely publicised government service failures, would the charitable sector provide a better model for performance management?

Besley and Ghatak have argued that the private sector approach of choice and competition fails to provide choice or deliver public services efficiently. Instead, they suggest that the charitable sector provides a better model because ‘these organisations (charities) share similar organisational design concerns relating to the structure of accountability, incentives and the extent of competition’. They recommended a model of public service delivery which ‘coheres around a mission’ and is decentralised in order ‘to raise productivity by matching motivated workers to their preferred missions’.

This study explores these ideas in practice, identifying good practice in performance management in the charitable sector. It suggests that a strong focus on an organisation’s mission helps to tether decisions and actions back to its core purpose, motivating staff and ensuring that the needs of service users are always at the fore. This shifts the focus from a concern with externally imposed targets and indicators to an intrinsic interest in how to deliver better quality services efficiently and effectively.

2. Setting the context:
Performance Management and Outsourcing

During the New Labour governments of 1997–2010 the idea of greater partnership working across economic sectors and services under the ‘Third Way’ became prominent. This included a new role for the charitable sector both as providers of public services and as key players in the development of local and national policy. Although this marked a more prominent role for the sector, the reality did not fully realise the potential. However, as more public services were commissioned from charities, statutory funding to the sector saw a significant shift from grants to contracts: between 2001/2 and 2010/11 contract income increased by 152%. With this came new pressures on charities to effectively demonstrate the difference that
‘Although the idea of impact measurement is admirable, in reality it is proving difficult to implement, particularly for smaller charities.’

their work is making in order to deliver services through government contracts. Since then the requirement for effective performance management under contract agreements has not shown signs of abating.

Under the Coalition Government, the sector was seen as a key part of David Cameron’s ‘Big Society’, not only bidding to provide services but also in their role as ‘a vital and vibrant part of civil society’. However, the 2008 global financial crisis and consequent austerity has meant changes to welfare provision and a demand for government to become more efficient in the spending of taxpayers’ money. Blyth describes ‘austerity’ as ‘a form of voluntary deflation in which the economy adjusts through the reduction of wages, prices and public spending to restore competitiveness, which is best achieved by cutting the state’s budget, debts and deficits.’

With these cuts in budgets comes the increase in contracting out of public services at a presumably cheaper cost, most often to the private sector, as seen through the Work Programme. Services that were once provided by local government are now put out to tender, ‘making the UK the largest outsourcing market outside the US’, worth more than £3.7 billion in 2013.0

In theory this creates significant opportunities for charities to be involved in delivering public services, in practice it has become more difficult for small and medium charities to win contracts in their own right.

‘The way things are now, it’s very difficult for small organisations to win contracts, I think previously that has been the case and it probably was for us …The only public service contracts that we’re delivering on now is as a sub-contractor for the NHS around alcohol outreach and hospital liaison and they’re sub-contracted to another voluntary organisation.’

In such a highly competitive environment it is likely that the requirement for better performance management, to achieve better services with fewer resources, is not going to subside. It has become a key means by which providers of public services are held to account, but in the process questions have been raised as to whether the prevailing model, with its focus on targets and measures, does not actually get in the way of delivering a better quality of service efficiently, at least some of the time, in what the Berwick Commission memorably described as ‘hitting the target, but missing the point’.32

At the time of writing the charitable sector is facing a barrage of ‘impact measurement’ rhetoric. Under this sector-wide development, the focus is on measuring ‘the difference being made’, with greater focus on measuring outcomes instead of outputs.14 Although this development marks a positive shift for the sector to be addressing PM in a more collaborative and holistic manner, the initial response to this initiative has been poor. According to Harlock, ‘despite the recent growth in impact measurement, practice and understanding are inconsistent’, with many charities finding the approach being advocated confusing and difficult.15 Although the idea of impact measurement is admirable, in reality it is proving difficult to implement, particularly for smaller charities.

This paper examines some of the challenges associated with performance management and the existing strengths of the charitable sector, arguing that these strengths provide a basis for the development of a more effective approach to PM. Drawing on examples of good practice in the sector, it shows how this approach could be applied more widely across all public services to improve service delivery and outcomes.

3. Methodology

The methodology for this research was based on a literature review relating to past and present performance management (PM) practices across the public, private and charitable sectors. Having established a contextual overview, primary research was then conducted in the form of fifteen interviews with 10 stakeholders from the charitable sector and five from across the public and private sector.

Interviews were conducted with charities of all sizes and structures, from grass-roots to nationwide and across a variety of service provision. Interviewees also included experts in the field of performance management as well as organisations who advocate and represent charities, and those who work with charities. The line of questioning focussed on PM practices and the strengths and weaknesses of the approaches discussed. Discussions with wider stakeholders concerned the rationale for working with charities and the implications for PM within the current social and economic climate.

4. Problems with performance management

Decoupling

At the time of writing the case of Mid-Staffordshire Primary Care Trust, and less recently, the ‘Baby P’ case have been widely reported in the media. In both of these cases the roles of performance targets and indicators ‘crowding out’ service delivery outcomes was highlighted as a key cause of service failure. This ‘crowding out’ process occurs when targets become the focus, leading to services being delivered with a blinkered approach, ultimately proving a distraction from the needs of their service users.

According to Power, studies across a range of service areas (medicine, education, policing) have shown that ‘a proliferation of performance targets tends to ‘crowd out’ other, perhaps more embedded, understandings of good performance’. While staff try to balance their conception of service with the need to meet targets this ‘decoupling’, as it is called, is hard to sustain over time. Targets eventually attract attention, staff time and resources, and thereby become validated. Activities which fall outside the scope of targets become quite literally invisible and illegitimate.’

Making it meaningful

Performance targets and processes that are driven by contract requirements may have less resonance with staff who are responsible for implementing them and for collecting the data required. A lack of ownership over measures causes resentment in data collection, as it is not seen to be linked to a person’s ‘day job’, as one interviewee with expertise in the area of PM said:

‘you can have exactly the same PI metrics in two organisations but in one organisation they have a sense of ownership, they know why they’re doing this, “this is my PI and I’m using it for …”, and the other one is experienced as “this is what the centre wants me to do”.’

Although the PI is technically identical there are actually two different PM systems, one is ‘owned’ and a sense of ownership of the processes and what they’re for, versus alienation of the PM system.”

He went on to suggest that this question of ownership is central to debates about effective performance management, ‘with un-owned PM systems people start to fiddle around with them and do inventive things with it and don’t care and do it to get the job done’.

There is also the question of whether the measures themselves are seen to be meaningful and appropriate. It is hard to get buy-in for measures that do not value activities that staff see as essential to delivering high quality services. To use Power’s phrase, there is a need for ‘more embedded understanding of good performance. Building on this point further, there is a school of thought that believes to cultivate this engaged attitude requires staff to be recognised and appreciated for their good performance, making this a two-way process where staff are valued for their work and so perform to a high standard.’

Knowing your communities

The idea of basing performance management around the needs of clients has become a common practice across the public, private and charitable sectors. However, there is a distinct difference between the public and private sector, with public services ‘provided for the benefit of the public at large’.13 This can make client satisfaction a poor performance measure, as one interviewee, an academic, said:

‘So I have students who may have been a bit fed-up with one of our courses, three years later they turn up to say that was fantastic, because we know that’s what they need, so the pain of the process is producing dissatisfaction but the outcome is not.’

Client satisfaction is not an entirely useless indicator, indeed improvements in satisfaction are indicative of a major problem. The point here is that the focus should always be to identify and meet the needs of the client and doing what best meets their needs over the long term. Furthermore, an over emphasis on levels of satisfaction can become a distraction within performance management:

‘Customer Satisfaction is measuring something because we can’t measure what’s really important, it’s a substitute indicator … So I think that there is an almost institutionalised gravitation towards these things because you feel you have to do it and you have to show that because only 87% of our customers were satisfied and last year it was 84%, so we’re doing things a lot better’.

The problem is that this ‘institutionalised gravitation’ towards targets can lead to organisations focussing on the wrong priorities:

‘In some organisations, in the place of the prime directive, “the needs of the patient come first”, goals of (a) hitting targets and (b) reducing costs have taken centre stage. Although other goals are also important, where the central focus on patients fails, signals to staff, both at the front line and in regulatory and supervisory bodies, can become contaminated. Listening to and responding to patients’ needs then become, at best, secondary aims. Bad news becomes unwelcome and, over time, it is too often silenced. Under such conditions organisations can hit the target, but miss the point.’

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‘... the focus should always be to identify and meet the needs of the client and doing what best meets their needs over the long term.’

5. Tethering Performance to Mission

As ‘crowding out’ has been increasingly observed across the public sector, the idea of the charitable sector’s unique use of their mission, and their relationship with their users, becomes more pertinent. The section below examines whether key features of the charitable sector, at its best, can help to overcome the problems identified above.

Although the existence of an organisational mission is by no means unique to the charitable sector, a charity’s trustees have a legal obligation to ensure that its charitable purpose, or mission, is at the centre of all actions and thinking and that its resources are only used to further that purpose. The specific ways in which charities do this will be identified a little later. The charitable sector’s use of mission is by no means a recent observation. However, although ‘mission drift’, in which the organisation defers from its set mission, and more recently, the dilution of charities’ missions to allow for public service delivery, has been researched, the relationship between mission and effective performance management has not.

As part of the research conducted for this paper it was found that charities view toward their mission varied, but could be

mission, they may have a more a positive and open attitude to the collection of data. As one of the charities interviewed for this study said: ‘I think when we introduced some of the new quality measures there was a bit of feeling of “we’re too busy delivering services to deal with all this” but I think most people can see the benefit of it, it’s really about more good practice in delivering on outcomes.’

7. Effective narratives

The development of organisational stories that follow and practically demonstrate the values and beliefs of the organisation is widely used across the charitable sector. This use of an effective narrative to constantly reinforce the reasoning behind the charity’s work and the benefits to its clients is a key part of effectively using the ‘tethering’ process. Across a range of charities interviewed, good communication helped to keep staff committed and ‘tethered’ to the charities mission and able to see the benefits of PM.

‘We also communicated about the system through focus groups, quality road shows, newsletters, it was talked about on our intranet and was the focus of our staff conference and that sort of thing, so we do a bit to make it an easier process, and we also produced a guide at every stage so if you’re mystified by it, this is what you need to do and they’re already doing it a lot of the time but the guide would help to show how you evidence it. We also have a Recruitment Group, who represent and support “ordinary staff” which has really helped a lot.’

Encouraging and enabling staff to be involved in the process, means that activities that value their value are more likely to be included, leading to the development of measures that are seen to be meaningful and appropriate and giving staff a vested interest in collecting the data required. As one interviewee from the public sector said, this approach promotes ‘a much more sensible performance conversation’.

It may also promote accountability, with individuals wanting to be held accountable for their contribution to the organisation, and its performance, in a way that is trusting, open and honest.

Across the research sample the practice of having ‘value activities’ and recognising the contribution that their staff and volunteers were making was prevalent within most charities, big and small. At the Citizens Advice Bureau (CAB), for example, positive media coverage given to CAB issues and campaigns led to friends and family of staff and volunteers recognising the importance of their work and vocalising their appreciation and approval. This recognition of their contribution, that goes beyond the walls of the organisation, was said to be the most powerful incentive for ‘value activity’ across the organisation.

8. Knowing your communities

In 2008 a Select Committee Report into the charitable sector found that one of the sector’s strengths was its ‘user focus’. The report highlighted the sector’s closeness to its communities, whether this was due to the direct experience of the issues they sought to address, the organisational structure of including clients and volunteers, or simply because they were located within the communities they served.

This view was also held by the charities, and those who worked with charities, interviewed as part of this research.

Most, if not all of the charities interviewed had strong, committed leaders, who, quite often, had been directly affected by the problems charities aimed to address. At UserVoice, for example, a relatively small charity working with ex-offenders, the Chief Executive is himself an ex-offender and most staff who work for the charity have similar histories. The value of having leadership with direct experience of the issues being addressed is also said to keep the workforce motivated, in no doubt of the mission and its’ practical benefit, and close to their users.

In interview the strength of their relationship to their users was reiterated across all sized charities. In smaller charities it was often a situation of a local person identifying a local need and seeking to address it within their own community. In larger charities there was evidence of a rigorous two-way conversation between the clients and charity through the use of regular newsletters, updates and the encouragement of dialogue with members:

“We’ve got various levels of governance, we’ve got our members feeding back on lots of Boards and our membership survey, so it’s all about our members feeding back to us what’s important, it’s that kind of thing, with people going ‘actually welfare is a massive thing for us’ or ‘we’re really concerned about the lack of crisis care provision in our area’ and it’s when you start seeing a trend in those kinds of thinking through, it then makes us as an organisation go “well, we need to make sure that we’re doing something about this”, so it’s kind of an accountability and a finger on the pulse thing, and just a bit of a link to the front line.”

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As part of the research conducted for this paper it was found that charities view toward their mission varied, but could be categorised under three broad abilities:

1. Those who saw their mission as the core of the organisation, the driving force to delivery:

   [7]This project was started by two cathedrals sister and this area was a bit of a link to the front line, so they moved into this road … and the nurses used to go out and chat to the gits, chat to them bring them a sandwich and cup of tea and built a relationship and just gradually grew from them. And I think that’s the difference, that isn’t the sort of service that a local authority is going to do, they’re not going to go out with cups of tea and a sandwich at one o’clock in the morning to a load of women walking the street. And that’s born out of an ethos of an organisation that is caring, wants to reach the marginalised, the oppressed, desires something for those people who have fallen through the cracks …

2. Those who had a broad mission, providing a basis for service delivery and a holistic approach to meeting people’s needs (enabling them to apply for funding in a difficult economic climate):

   I suppose our strap line is “tackling homelessness and alcohol misuse” because that encapsulates our two main aims … but we do an awful lot more than that … we were two charities that merged. So one charity was very focussed on alcohol issues and the other was more general, working with people who are homeless, socially isolated or unemployed, so putting those things together already gave us quite a wide remit, but we’ve developed that further in response to peoples’ needs.’ (Medium charity)

3) And finally those who saw their mission as underpinning their business plan, with a stronger focus on having in place efficient and effective processes:

‘We have an overall Business Plan, and we have to meet targets and priorities within that, and we also have financial targets linked to that and we have targets and they’re all linked to the quality statistics that we want to meet. So, in our current Business Plan the priorities are: Service Development, Quality Service and User Involvement, they’re main priorities; so anything is in that joined-up approach …’

Across the interviews for this study, staff and stakeholders involved in their charity’s mission and saw it as central to the effective delivery of services, consistently using it to motivate and underpin actions and decisions. As a result, all actions are ‘tethered’ back to the core of the organisation and so generate loyalty, commitment, and good productivity across the workforce and volunteers. This ‘tethering’ approach is illustrated in the diagram below.

6. Mission and Matching

Unlike the public sector, where there is a requirement to provide an array of services, in most cases the charitable sector keep their mission to a particular service area, or population, which remains strong at the heart of the organisation. Furthermore, because they are able to communicate this strong mission to others, they are also able to attract staff and volunteers who want to share in delivering this mission:

‘How do you quantify the ethos of an organisation and what makes it different? You could go in and look at structures at that kind of thing and replicate that somewhere else, but you can’t really quantify that. So that’s why anybody who comes and works for us, we ask them at their interview, do you understand the ethos of the organisation? Are you happy to abide by that?’

Having the organisation’s ‘Mission’ ‘tethered’ to its PM can help the workforce pay due regard to their outcomes and service delivery functions outside of the PM framework, as the overarching values work to harness all actions to their ultimate purpose. This suggests that staff may feel a stronger sense of ownership when performance management systems are tethered to an organisation’s mission. If staff are motivated and incentivised by this mission, they may have a more a positive and open attitude to the collection of data. As one of the charities interviewed for this study said:

‘I think when we introduced some of the new quality measures there was a bit of feeling of “we’re too busy delivering services to deal with all this” but I think most people can see the benefit of it, it’s really about more good practice in delivering on outcomes.’

7. Effective narratives

The development of organisational stories that follow and practically demonstrate the values and beliefs of the organisation is widely used across the charitable sector. This use of an effective narrative to constantly reinforce the reasoning behind the charity’s work and the benefits to its clients is a key part of effectively using the ‘tethering’ process. Across a range of charities interviewed, good communication helped to keep staff committed and ‘tethered’ to the charities mission and able to see the benefits of PM:

‘We also communicated about the system through focus groups, quality road shows, newsletters, it was talked about on our intranet and was the focus of our staff conference and that sort of thing, so we do a bit to make it an easier process, and we also produced a guide at every stage so if you’re mystified by it, this is what you need to do and they’re already doing it a lot of the time but the guide would help to show how you evidence it. We also have a Recommendation Group, who represent and support “ordinary staff” which has really helped a lot.’

Encouraging and enabling staff to be involved in the process, means that activities that value their value are more likely to be included, leading to the development of measures that are seen to be meaningful and appropriate and giving...
9. Performance Management in practice

A recurring theme in this study is that the data that charities are asked to provide is not seen to be meaningful or appropriate to the task of monitoring and improving performance. This issue arose again and again in interviews with charities with very different perspectives. On the whole, smaller charities tended to have the view that data collection as a burdensome and sometimes confusing aspect of tendering or contract requirements. On the other hand, larger charities had a more balanced view of data collection for contract requirements: ‘Different contracts operate in different ways, so generalisations cannot be made as not all contracts operate in the same way’. But this too can create difficulties:

So they were investing around 3.6 million and they didn’t think about what we’re going to collect ... they eventually gave us this Excel sheet to complete, and it was fine but it didn’t really tell you anything. There’s a section on the last page about Outcomes under the line PathWays, but the indicators weren’t very ... they were a bit woolly and they came out with these percentages, percentage positive improvement and they were actually absolutely meaningless, absolutely meaningless.

New Philanthropy Capital has also highlighted the lack of funding for PM activities:

Charities say that a lack of funding for impact measurement is the main barrier to making progress. They are also concerned that funders generally have different reporting requirements, which are not aligned with the charities own needs .... Funders can improve practice – ensuring their requirements help charities learn and improve, are proportionate and align with other funders.

Recently, the charitable sector has been the target of the wider drive in inspiring impact programme (a project to help charities capture the ‘difference’ being made through their work). This advocates the collection of meaningful and appropriate data, encouraging charities to negotiate their required indicators with their commissioners. Although the charitable sector are still at the early stages of doing this, the idea itself has merit and application across all public services and, indeed, the public sector more generally. If government agencies themselves were to have a more questioning attitude to the data they are being asked to collect, usually from central government, then the lack of ownership prevalent amongst public sector performance management practices would also be helped. Staff who have been engaged in developing a measure would have more ownership of that measure. This suggests that to address the shortcomings of PM, the model that is driving it needs to change, focusing less on targets and measures and more on developing meaningful indicators that can be used to help deliver a better quality of service.

10. Conclusion

This study suggests that within the charitable sector there are examples of good practice in relation to performance management that provide a model not just for the wider sector, but for the public sector as well. In particular it has highlighted the needs of many charities that, if applied more widely, could counter some of the known problems of PM systems: the ‘decoupling’ of targets from service delivery outcomes; a lack of staff engagement and ownership, leading to low motivation to collect performance data; and a lack of focus on client needs.

Charities’ duty to focus on their mission means that all actions, including those related to PM, are ‘tethered’ back to this core, giving meaning to those actions. At the same time, staff and volunteers may choose to work for the charity because of its mission, in this way it helps to generate staff loyalty, commitment and productivity. Linking this to PM, it suggests that staff are attracted to an organisation because they want to make a difference and therefore have an interest in measuring the difference they make. Involving staff in developing performance targets and indicators and identifying activities that add value not only increases their motivation and accountability, ultimately it leads to better performance and higher quality services. More importantly, a charity’s mission is primarily concerned with understanding and meeting the needs of its clients, so tethering PM back to the core implies a strong user-focus that goes beyond simple measurement of client satisfaction. This focus on ‘knowing your communities’, and responding to their needs, leads to the development and delivery of more effective services.

There is no reason why this model, with its strong focus on collaboration and client needs, should not drive PM within the public sector more generally, for example in education, health or social care. What it requires is a shift away from top-down targets towards a stronger focus on front-line delivery; understanding the needs of service users and the motivations of staff as well as the need for accountability.

By getting buy-in from all stakeholders, PM becomes a mutually beneficial and meaningful process that helps to drive performance and productivity.

References

2. Ibid p.8
Alison Gilchrist | 29

Blending, Braiding, Balancing: Strategies for managing the interplay between formal and informal ways of working with communities

1. Introduction

This paper examines the interplay between formal and informal ways of organising for collective action and the tensions and anomalies this can generate. Formal procedures and structures are commonly regarded by policymakers and public officials as the optimal or default mode for working with communities. This research poses an alternative view, arguing that informal processes are crucial and beneficial for inclusive community participation at grassroots level and that policy could better accommodate this approach to become more agile, adapting practice to suit varying circumstances.

Formality and informality perform different functions in community and organisational settings, and both have advantages and disadvantages, depending on the circumstances, phase of development and the people involved. Rather than formal and informal being regarded as two ends of a continuum or opposite sides of the same coin, their interactions are much more complicated and the focus of a skilled and, often sophisticated set of choices, comprising a ‘praxis’ that has not previously been examined.

The Fellowship study explores the frictions and dilemmas arising from their interplay and identifies various strategies for blending, braiding and balancing informal processes with formal structures and procedures in order to make the most of people’s commitment and effort. Its focus is the tensions at the nexus between communities and institutions, where informal processes operate within, around or alongside formal protocols and constitutions. This chapter explores what is happening at these ‘sites of interplay’:

- Firstly, in relation to the pressure to formalise (perceived and real) as loose networks become semi-formal groups. Sometimes this is an internal choice to ensure transparent and shared accountability, other times it may be externally imposed by funders.

- Secondly, in arrangements for multi-agency working and co-production, where (as responsibilities grow) the drive for accountable decision making and effective delivery necessitates formal mechanisms, such as financial accounts, contracts and Management Boards.

- Thirdly, in the context of community engagement or public consultation exercises. These might be regular forums, such as neighbourhood panels of Health Watch, or one-off events, for example a ‘town hall meeting’ about a proposed development.

A combination of formal, semi-formal and informal modes lies at the core of most successful collective action and cross-sectoral collaboration. The research presented here champions the informal aspects of community life and citizen participation, arguing that effective community involvement in local planning, service delivery and partnership working requires a greater appreciation of how informality improves the overall experience and contributes to the outcomes. In so doing it challenges the view that ‘formal’ is the optimal or default mode for collective action or third sector organising.

This chapter is based on a more comprehensive report published as a working paper of the Third Sector Research Centre. That paper explores these issues in more detail, drawing out the implications for policy and practice arising from the research.
Community spaces and places provide opportunities for casual encounters, access to informal support and advice, care and the networking that supports collective organising.

2. Policy context

In recent decades policy has become increasingly oriented towards communities for both ideological and economic reasons. Governments of all political persuasions have sought to increase community engagement through programmes to enhance participatory democracy and active citizen or volunteering. This has been evident in the successive rhetoric of ‘devolution’, ‘community in control’, ‘localism’, ‘active citizenship’ and ‘doing things differently’. Most of the associated programmes, such as Together for嘎, City Deals, and various area-based initiatives, have emphasised the importance of subsidiarity, joined up working and variations in the context of austerity. On the other hand, government an agenda of self-help and ‘community rights’ that aims on the theme of community empowerment and civic importance of subsidiarity, joined up working and variations

Evidence was gathered through an extensive review of academic and ‘grey’ literature, including policy papers, practical guidance, and evaluation reports of various funding programmes. Interviews, workshops and a roundtable discussion with a range of experienced practitioners, politicians, academics, funders and policymakers provided an opportunity to explore the issues in depth and from different perspectives. Community development values of equality, empowerment and experiential learning framed the inquiry, the analysis as well as policy and practice recommendations.

The views that emerged from the various discussions revealed the complicated and equivocal nature of formal and informal modes of operating. Many of the contributors found themselves reflecting for the first time on this aspect of their experience and practice, while others have undertaken substantial research in the areas of volunteering and third sector organisations without explicitly recognising the complex interplay between, and interweaving of, formal and informal approaches.

4. Informal vs Formal – opportunities and drawbacks

Broadly speaking community life can be characterised as relatively informal, with interactions shaped by personal choice and circumstances. ‘Community’ is a notoriously slippery term, but nevertheless it is generally used with positive connotations and associated with humanitarian values, such as trust, co-operation, kindness, solidarity and inclusion, that are sometimes bundled up in the concept of social or community capital. Self-organised activities that come under the rubric of ‘community action’ encompass self-help, mutual aid, campaigning, philanthropic volunteering and being a good neighbour. Community spaces and places provide opportunities for casual encounters, access to informal support and advice, care and the networking that supports collective organising.

Our experience of community usually emerges from a sense of common concerns and mutual commitment, all of which are mediated through informal interactions. It is the quality of these relationships and interactions that characterise people’s willingness to act together, sometimes termed ‘collective efficacy.’ Informal inter-personal networks provide a foundation for all kinds of exchanges (currently described as comprising the ‘informal economy’). They offer a vital safety net for coping with poverty and challenging inequalities, occasionally as a springboard to self-help and entrepreneurship.

Community-level ways of getting things done primarily incorporate elements of sociability: the human inclination to seek companionship, to help one another and to co-operate. The affective aspects of small community groups are central, with both human needs being met through companionship, empathy and compassionate assistance, an aspect of ‘below the radar’ activity that is often overlooked.” Hobbies and pastimes, for example, can encourage interaction across generations and provide a basis for mutual support. Few of these clubs, societies and associations are hooked into mainstream information or collect data about their activities. Nevertheless the nature of these connections can enhance or detract from community capacity to co-produce a wide range of public goods, as well as deliver specific policy objectives.

But informality also has its downsides. It may exclude people who are not (yet) in the know or who cannot conform, for example, because they cannot join in the politics of the local pub (for reasons of cash flow, access, childcare or religion). Similarly, informal behaviours can give an impression that everyone (else) belongs to a tight group of friends, who are all acquainted and can afford to tease, joke and gossip amongst themselves without realising that this may make others (such as newcomers or those from a different background) feel disfranchised. This cosmos can lead to eventual stagnation or even the demise of the group through failure to resolve disagreements, recruit new energies.

In contrast, we associate formalities with work settings, significant rites of passage, encounters with statutory institutions and possibly in situations where disagreements or dilemmas need to be resolved. Formal models may have strategic advantages: they assist in getting things done, following up tasks, recording decisions and maintaining accountability. Formal constitutions and management structures enable an organisation to exist independently of its founders or individual members, in terms of clarifying roles, liability, accountability and internal democracy. Vision statements and standing orders, for example, may enable a group to maintain its focus, refresh the team of officers and volunteers, supervise staff and address conflicts of interest without too much disruption or rancour. Formal procedures may also help to control the behaviour of ‘wreckers’ and ‘mavericks’ who may be causing mischief and schisms, sometimes unintentionally. In these ways formality can help to provide a fairer and more transparent distribution of power and accountability.

A key finding of this study is that formal and informal approaches intersect in complex and multi-faceted ways, often shaped by local circumstances, policies and inequalities. Formal protocols and informal styles of interaction play different roles in the everyday life of communities, affecting decision-making and people’s motivation to participate in communal and civic activities. Each has benefits and drawbacks which need to be understood in order to create the optimum conditions for collective action, while accommodating community traditions and personal aspirations.

Equality, inclusivity and diversity

The tensions and anxieties that are sometimes generated by this interplay between formal and informal approaches can be seen in relation to questions of equality, diversity and inclusion. Formal procedures can sometimes preserve elite positions, yet may also be used to challenge such privilege through, for example, equal opportunities policies, mechanisms for succession (open elections and finite terms of office) or shared accountability. Unstructured informal processes tend to reproduce social biases or personal prejudices and can be discriminatory, as is evident in the ‘canteen cultures’ of many large institutions.

Already disadvantaged social groups, such as women, people from Black, Asian and minority ethnic communities or young people, may be further marginalised by formal styles of leadership because they feel alienated and prefer to operate through more informal processes that seem more inclusive and ‘level’.” Certainly they tend to be disproportionately represented in informal sectors. Women, for example, are often active at grassroots but become less visible at intermediate levels and are even scarcer at higher, more formal echelons of the voluntary sector. But an over-reliance on informality can also be exclusive, as one participant said:

‘Informality can support inclusivity because you don’t have to be a fixed member of a group to go along; it’s open to everyone, everybody can have their say. You don’t have to have a role. But that can also be excluding to people because they don’t see the rules about how people can shape it how they want to.’

Those that already experience discrimination and oppression may be further marginalised through the unquestioned use of informal modes of operating that are not necessarily in the interests of people such as newcomers or those from a different background. In contrast, formal procedures can be seen in relation to questions of equality, diversity and inclusion. Formal constitutions and management structures enable an organisation to exist independently of its founders or individual members, in terms of clarifying roles, liability, accountability and internal democracy. Vision statements and standing orders, for example, may enable a group to maintain its focus, refresh the team of officers and volunteers, supervise staff and address conflicts of interest without too much disruption or rancour. Formal procedures may also help to control the behaviour of ‘wreckers’ and ‘mavericks’ who may be causing mischief and schisms, sometimes unintentionally. In these ways formality can help to provide a fairer and more transparent distribution of power and accountability.

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is more widespread recognition and rejection of such assumptions about people’s abilities, expected roles or cultures, formal equal opportunities policies will at least require people to consider issues around access and diversity even if the solutions are not always entirely effective.

5. Pressures to formalise

It is often the formal features of organisations that provide the stability which sustains collective visions and voluntary action over the long term. It is conceded that they form the basis for continuity, sustainability and legacy, but there is a tendency for groups to formalise prematurely, often using ‘off the shelf’ constitutions with designated officer posts, membership rules and restrictions on what may be discussed at meetings. These often feel alien and may not meet the needs of actual members. Sometimes the desire to formalise comes from within, as groups embark on a conveyor belt of formalisation that guides a familiar transition from a fledgling informal collective to becoming a ‘properly’ constituted and governed organisation. This may be decided upon to help the group move on from conflict, or because they want a fairer and more transparent distribution of power and responsibility. Or simply because it’s what they are used to in other settings or have been led to expect. At other times the pressure comes from funders and government programmes that require groups to become incorporated to be eligible for grants or to bid for contracts. Some groups consequently find that their desire to formalise stems from external pressures rather than being intrinsic to their aims and values. It is sometimes the case that groups are forced into adopting a more formal structure due to external demands, such as the need to comply with funding requirements or to bid for contracts. However, the desire for formalisation may also be driven by internal factors, such as the need for a more structured governance system to facilitate decision-making or to improve accountability.

One programme manager, with wide experience of supporting communities to develop formal organisations, was aware that in many instances inappropriate requirements were being imposed due to assumptions about risk or what constituted ‘best practice’. He contended that being recognised as ‘fit-for-purpose’ in managing statutory contracts or administering public funds should not necessarily require extensive formalisation of policies and procedures. Pressure to incorporate formality into an organisation should be accompanied by questions around anticipated benefits and what might be lost along the way. Formality consumes time, both for volunteers involved in maintaining their organisation’s structures and rules, and for the staff of funding bodies that have to administer contracts, monitor progress and evaluate impact. Delays in implementation are often the unintended consequences of over-regulation with these formal requirements obstructing progress and diverting energy from community activists, trustees and officials alike. For many volunteers and community members this siphons energy from their main concerns, with bureaucratic provisions regarded as ‘hoops to jump through’ that impede action without apparent justification.

Informal processes can speed things up, circumventing formalities and allowing expedient or spontaneous responses to urgent matters. But informal processes can themselves be distracting, with a danger that agendas are disregarded and meetings become engulfed in barter or gossip. Weaving time for fun and conviviality sensitively allows different functions to be performed effectively and creatively into or alongside formal proceedings would achieve the desired goals.

Informal and formal parts of the organisation need to complement each other, by supporting existing members and drawing in new participants, especially those inclined more to action than talking. This combined approach allows different functions to be performed effectively and inclusively, ideally enabling the organisation to work towards collective goals, refresh its leadership and be accountable to the wider community through the capillary relationships that reach out from the periphery and into the core. This creates what one interviewee described as ‘a bank of goodwill to do things differently’.

‘The key is to be aware of the different functions played by formality and informality in different situations and to understand how these can be combined or balanced to achieve the desired goals.’

6. Accountability and Risk

Formality is often seen as ‘standard’ and it can also be the means for upholding standards and managing shared responsibilities. In this study it appeared to offer communities some security, a way of spreading the liability and risk associated with the allocation of public money by insisting on transparent and consensual decision-making. Structure and clear roles can be experienced as supportive, enabling people to perform well and to be acknowledged or rewarded accordingly. At an organisational level, performance management frameworks can prove useful for evaluating progress towards specific goals. But they have also been found to distort priorities and demotivate staff, as the Berwick Review found, ‘hitting the target but missing the point’.

Some contributors, especially those working in the voluntary sector thought that funders (statutory and philanthropic) were becoming more controlling of the aims and activities of those organisations they assisted or commissioned. It was reported that rigid service delivery models and performance assessments, with their formal targets and service standards, tend to squeeze out the personal aspects of people’s care and commitment, resulting in less role satisfaction and lower morale for staff and volunteers, including trustees.

Community groups are often characterised as ‘disorganised, ineffective, lacking transparency in decision-making and insufficiently concerned with quality standards and equal opportunities’. And yet this caricature belies often remarkable feats of organising, enterprise and achievement. Research by the (now defunct) Community Development Foundation showed that ‘tailor-made’ projects run by community groups provide excellent value for
Government and local authorities could do more to create the conditions in which self-help can flourish, but must not seek to control it.

money in terms of health, well-being, community safety, improving the physical environment and contributing to the local economy. Realistic arguments are trust, flexibility, responsiveness, connectedness and reach. In other words, it is the informal ways in which they operate that enable them to harness local expertise and energy, and by and large avoid duplication. Standards and ethics are important: services or conditions that are below par can put people at risk through the provision of poor advice, lax safety measures, breaches of confidentiality and corruption. But it is not safe to seek to control it. The Hodgson report, Unravelling Good Neighbours: Recommendations for civil society, identified a number of restraints to volunteering and community action including fear of litigation, insurance costs and ‘over-zealous’ attention to risk. It asserted that skills gaps in community play a key role. Too often the tendency is to seek to control risk, especially in the voluntary and community sectors and defining what constitutes ‘good’ practice. The power differential can be seen as much in the lack of status accorded to lay knowledge as in the higher power, status and formality, as one interviewee said:

‘…you need to have trust to get at the truth.’

For communities, leadership appears in many different guises and finding the right balance between formal structures and informal methods for engaging with communities to empower and participative democracy. Policymakers and politicians need to be able to ‘mix and match’ formal and informal methods for engaging with communities to shape and deliver services. They need to present a human face while also acting as ‘agents of the state’, interpreting the rules with discretion and a sense of wider purpose and finding the right balance between formal structures and community leadership. This was a recurring theme in interviews and workshops:

‘Those [local authorities] that are doing well create spaces and opportunities for those more informal, solution-focused kind of discussions.’

‘Things like arts and creative interventions can be amazing. It allows people to be liberated, to think and … think what new ideas they may want to put forward. As the senior decision-maker … [it] was undoubtedly to use these informal approaches alongside the more formal processes.’

While informal activity is usually good for participation, inclusion and innovation, it does have drawbacks, especially when dealing with formal bodies and top-down styles of leadership. For example, the less formal, more participative way in which local government can engage attract high levels of involvement but are sometimes seen as lacking legitimacy because those who participate are non-representative and not necessarily accountable to the whole population.

Such tensions are sometimes due to misunderstandings around the respective roles of elected member versus community representative, with each vying for leadership status vis-à-vis the ‘silent majority’. In order to avoid the improper use of power and influence, councils have established formal councils, codes of conduct and procedures for declaring a personal stake, and contractual procedures to ensure ‘appropriate governance’. In contrast, community members who engage with local authorities are not representative in the same way (and nor should they be expected to be), but are driven by a range of interests, motivations and passions.

For communities, leadership appears in many different ways and is not always expressed overtly or through charismatic individuals taking on obvious or traditional roles in the community. Leadership may occur through the strength of inter-personal relationships and the nature of regular
interactions across networks at a micro-level, creating an informal power-base and networks of influence. Someone in a formal leadership position may not be the person who best represents local views or is able to mobilise activists or volunteers. Community members occupying positions of power can sometimes exert gatekeeping functions that are difficult to challenge or circumvent, especially if these are held informally or through nepotism.

These tensions are a perennial dilemma for anyone working in or with communities. It is important that politicians and officials alike understand the arguments on both sides and have the capacity and willingness to 'juggle' formal and informal methods of decision-making. A review of the early years of Health and Well-being Boards, for example, found that the most effective boards were those that were run formally but informed informally, in contrast to the formal structure of meetings to carry out developmental activities and build relationships. This created a more solutions-oriented atmosphere and enabled people from different sectors to work well together.

Quite simple alterations to a formal meeting or consultation, such as changing the room layout, can affect the power dynamics and improve the atmosphere of meetings, enabling people to be relaxed and willing to contribute. The tone or register of a conversation or message can also make a big difference to how readily people respond or share ideas. This includes the non-verbal aspects of communication, such as body language and presentation style. An over-reliance on formal 'official-ese' can be off-putting for those not familiar with such language and presentation style. An over-reliance on jargon or acronyms. Translation into local parlance is needed – or as one tenants leader put it, 'you need to bring your words down', as she challenged an officer to use plain language.

Informal processes can be deployed to create informal problem-solving space within formal settings, often by breaking large gatherings into smaller sets that invite participants to engage with each other, explore diverse views and to find common ideas. A judicious blending of informal processes with formal procedures may create the optimal conditions for shared learning, collective discussion, agreeing goals, making and managing decisions, involving people, keeping going, being fair and so on. This practical wisdom is demonstrated by experienced chairs, facilitators and community workers. It has implications for policymakers in that it serves key underpinning values frequently associated with government’s community-oriented policies – namely citizen participation, social inclusion and integration.

Yet it is often assumed in official and professional spheres that formalities offer a superior way of operating, useful for ironing out the kinks and risks inherent in community and volunteering activities. Formality is deemed to convey status and that things are being taken seriously. There are however many contradictions and tensions between the application of official policies and strategies and what actually happens in everyday life or how ideas get interpreted or implemented at community level. These are not always explicit or acknowledged. Explicit directives are often neglected or sabotaged within community settings by informal policies and practices.

Informality is a vital ingredient in the everyday life of communities. It deserves further consideration in the development of policy and practice...

8. Conclusion

It is notable how rarely the term ‘informality’ appears in the index of books on community, society or community work, and yet there is wide agreement that it is a vital ingredient in the everyday life of communities. Informality deserves further consideration in the development of policy and practice that seeks to provide or exploit the ideas and motivations to be found in the third sector.

Most of the contributors to this study have chosen to occupy informal roles and are accustomed to working across boundaries (indeed they were selected on this basis). They well understood the importance of combining informal and formal or being able to operate between the two modes. They felt that versatility was needed rather than simply a propensity to casual or maverick behaviour. There was a strong sense that the skills and aptitudes required for working through informal activities and spaces and for ‘light touch’ interventions is currently undervalued, with most participatory processes requiring deft judgements about how to select or integrate informal and formal approaches. The facilitation and brokering practices that are used to manage the interplay between formal and informal should be better recognised. For example, participants talked about tools and techniques that can be deployed to create informal problem-solving space within formal settings, often by breaking large gatherings into smaller sets that invite participants to engage with each other, explore diverse views and to find common ideas. A judicious blending of informal processes with formal procedures may create the optimal conditions for shared learning, collective discussion, agreeing goals, making and managing decisions, involving people, keeping going, being fair and so on. This practical wisdom is demonstrated by experienced chairs, facilitators and community workers. It has implications for policymakers in that it serves key underpinning values frequently associated with government’s community-oriented policies – namely citizen participation, social inclusion and integration.

Informality is a vital ingredient in the everyday life of communities. It deserves further consideration in the development of policy and practice...

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Connection and Coherence: 
Policy-making in smaller countries

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1. Introduction
The aim of the study was to explore how the size of smaller nations can be a positive factor, or can be exploited to play a positive role, in policy-making at the national level. It identifies potential strengths of smaller nations in relation to policy-making, and considers how these can be harnessed. The study synthesised current thinking and insights, from the literature and from experienced policy makers, commentators and academics, on how policy is made. The focus is policy-making as an activity, rather than actual policies that have resulted or the outcomes of those policies. Policy-making is taken to include the whole policy cycle from formulation through to delivery and evaluation.

This paper examines some of the potential advantages for smaller countries, these include strong policy networks; horizontal coherence within and across government and vertical coherence between strategy, policy and delivery. The full report examines these issues in more detail alongside the potential disadvantages of resource and capacity constraint.

2. Methodology
This research draws on a review of the literature on policy-making and interviews with key people in the devolved administrations of the UK and in the Republic of Ireland. The scoping stage of the study involved an overview of relevant themes in the literature on policy-making and initial interviews with a range of policy colleagues and contacts. This informed the topic guide for the field research, which consisted of semi-structured interviews with academics, commentators, civil service heads of policy profession and other leading civil servants in each of the countries studied. The scoping stage identified aspects of policy-making in which smaller countries might have advantages. Interviewees were asked whether, and how, operating at the small nation scale was an advantage in relation to each of these aspects, and how the potential advantages might best be exploited.

The methodology means the evidence is largely perceptual rather than based on an analysis of individual policies or outcomes. This approach made it possible to examine the workings of the policy-making process, and the forces operating on it, drawing on the extensive experience and insights of people who have worked at the heart of policy-making in their respective countries, and academics who have analysed the operation of government in those countries.

3. Policy networks
A potential advantage explored in the interviews was the closer or more inclusive networking that may be possible in smaller countries or regions. Rhodes and Marsh’s typology of policy networks is helpful in assessing the potential advantages of smaller nations. Their policy networks range on a continuum from tightly integrated, stable exclusive ‘policy communities’, to loose, open, less coherent ‘issue networks’. Each has a core and a periphery.

There is a practical limit to the number of ‘players’ that can be accommodated within a policy community, and particularly within its core. In smaller nations, the number
of players from the strategic centre will be smaller, allowing the core of a policy community to include a wider range of interests, including delivery agents. This provides greater challenge, more diverse views, earlier consideration of delivery and understanding of a wider range of issues and concerns. Communication between policy makers and delivery agents should result in ownership of strategic aims at all levels, and in faster and more accurate feedback about the effectiveness of policies, examples of good or bad practice, implementation problems or unintended consequences. The collective intelligence of the policy community as a whole, rather than a sample, should therefore be more grounded in reality, reducing the ‘operational disconnect’ between policy and implementation.

Rhodes often sees networks negatively, explaining instances of policy failure. He uses the metaphor of ‘players’ in a ‘game’ who try to maximise their own influence or resources by developing competitive strategies and protecting vested interests. He portrays networks as restricting access to the policy-making process, reinforcing exclusivity and insulation from other networks or the public. Restricting access to the policy-making process, reinforcing the existing balance of interests, constraining the policy agenda by favouring incremental change and acting as a ‘major source of policy inertia’. Pitfalls to be avoided include exclusivity and insulation from other networks or the public.

Kickett et al see networks as a necessity in modern societies, where the policy challenges are too complex to be controlled by ‘top down’ hierarchical government. They welcome the influence of multiple views and organisations and see a strong networking approach as offering “major opportunities for the public policy process.” However, this needs to be carefully managed, for example by varying the actors involved and supporting challenge and reflection. For smaller nations to maximise the benefit of policy communities then, they need to balance continuity against the need to periodically review and refresh membership and ensure an open approach. This will happen more naturally if the community includes players from further down the delivery chain, but should also be conscious practice. If part of the benefit of working at the smaller scale is having policy communities that embrace a greater range of viewpoints and sources of ideas or information then there must be a deliberate encouragement of challenge, alternative perspectives and innovative ideas.

Interviewees consistently cited networking as a strength of smaller nations – and one which, in their experience, was being relatively well exploited already. Almost every interviewee made a reference to a variant on the theme of the ability to ‘get everyone together in one room’ or ‘around one table’ to talk directly on a regular basis to every strategic stakeholder, partner or delivery agent. Interviewees identified four types of benefit for policy resulting from having effective networks. Firstly, generating shared understanding of parameters, issues and goals: “…people have a shared understanding of how life is... it gets people to focus on what is within the realm of the changeable.” Secondly, policy generated through networks tended to be ground up and based on an understanding of delivery. Logistical or pragmatic challenges are considered at the outset, in discussion with delivery partners. This influences policy selection and development, rather than being a separate issue to be addressed by others at a later stage. During implementation, shorter and faster feedback loops provide earlier warning about problems: “Solutions can be more in tune with downstream implementation and impact, because you are talking directly to those affected.”

Thirdly, the linked benefits of trust and challenge: building a trusted group of stakeholders creates the ability to share thinking, explore a wide range of options at an early stage and be open about risks. Gathering ideas and views from a number of sources, and being prepared to be challenged and to change course depended on this relationship of trust.

“If you have trusted groups of stakeholders who you know well, you can do good iterative development and test the waters with ideas, informally, under the radar, before going wider.”

Finally, interviewees noted that strong networks brought with them a fresh set of policy levers, such as persuasion and informal dialogue:

“Making speeches and enthusing has limited impact, whereas to have a seat at the table certainly gives people a chance to speak but they also have to listen in return. The framework that emerges if it’s done properly actually gives government levers or tools that direct policy.”

Factors making policy networks particularly effective in smaller countries included:

- Exhaustiveness: being able to talk to all strategic stakeholders or partners rather than a subset;
- Inclusiveness and diversity: including a wider range of bodies, interests or views, especially delivery agents and ‘hard-to-engage’ stakeholders;
- Direct communication: face-to-face discussions, and strong relationships with genuine dialogue (not ‘set piece’ presentations);
- Speed and agility: in arranging discussions or meetings and in decision making, because people with the authority to commit to decisions are ‘present in the room’;
- Informal as well as formal networking: the ability to ‘just pick up the phone to test out an idea’;
- Stability of membership of groups for effectiveness... balanced with periodic review of membership; and
- Openness to challenge and alternative points of view within agreed parameters.

The practical arrangements described for networking varied widely. They included literally ‘getting everyone in a room’ as a one-off event, short-term group or formal standing arrangement. Other arrangements included virtual teams, or larger scale policy-making or consultation events such as roadshows, workshops or conferences.

Interviewees pointed to two challenges associated with policy networks in smaller countries. The first is networks becoming closed or exclusive, lacking diversity of opinion or challenge and suffering from groupthink and ‘cosiness’.

“The negative is that fundamental assumptions are not challenged... because stakeholders tend to hold similar assumptions and views. Fewer stakeholders means less diversity, more grouped around average views and contributions.”

Interviewees said that this could be avoided by ensuring open debate without fear or favour, seeking input from outside the range of ‘usual suspects’.

The second risk is of networks becoming large and unwieldy, offering a show of inclusion without members having real meaning or authority. Over-enthusiasm for inclusivity could generate ineffective groups that become talking shops but do not reach decisions. Networking could become an end in itself and lose sight of policy objectives. Meeting and talking were not in themselves sufficient to ensure that members’ interests were being represented:

“What you find is there is a great deal of consultation, early on there were self-reported high levels of satisfaction... But... consulting stakeholders doesn’t necessarily mean empowering them or responding to their demands... there’s a disparity between groups that are well embedded and their strategic objectives map well onto what the government wants to do and they are well integrated in the policy process, and other groups who may get access... but they don’t see their demands reflected in policy.”

4. Horizontal coherence

Another potential advantage of working at a smaller national scale is that it should be easier to make coherent policy that spans traditional subject, functional or organisational boundaries, and benefits from synergy in terms of impact. Hood traces the history of co-ordination between units of government, demonstrating that policy makers have always tried, with varying degrees of success, to consider other policy areas when formulating and implementing policy. At the minimum, this means trying to avoid unexpected consequences in one area due to actions in another. At best, coherent policy is holistic, collaborative and delivered seamlessly through co-ordinated services that have an impact greater than the sum of their parts. The literature finds many potential benefits of joined-up government for policy-making:

- better informed policy, because evidence and knowledge/insights are shared between professions and perspectives;
- more effective policy, due to synergy between the activities of all those involved, or where single agencies or departments do not have sufficient powers or resources to tackle a problem;
- a focus on results and readiness to adapt to achieve these, rather than loyalty to familiar processes;
- policy that is less insular and self-serving (to departments), with less duplication;
- avoidance of unintended consequences; and
- more preventative policies, including those benefiting other departments’ budgets or objectives, or contributing to wider wellbeing.

Horizontal coherence is notoriously difficult to do. People must adapt to make structures and processes fit together. Klein and Plowden describe how ‘cross-cutting work requires people to learn new routines, new cultures and new languages…it imposes heavy costs on both organisations and individuals.’ There are human and bureaucratic instincts to protect turf, budgets, or autonomy. Process-based mechanisms can be viewed as a bureaucratic add-on, a tick box exercise or a hoop to jump through, rather than providing helpful challenge or improving outcomes.
Effective joint working takes time to develop and deliver results, which can frustrate politicians and officials used to being able to work with more autonomy and speed.

Structures and processes should be clear and simple and add value, and should not become an industry in themselves, with large volumes of guidance or form-filling. Where restructuring is needed, this can be costly, confusing and frustrating for staff and customers. Repeated restructuring leads to cynicism and loses loyalty. Commentators suggest that the most important success factors relate to culture and skills, rather than a recipe of structures or procedures. Trust is ‘the most important ingredient’, accompanied by commitment and a sense of common purpose around clear shared objectives (especially if governance or budgets remain separate). Other factors include openness to new ways of thinking, an understanding of the wider context, a culture of reflective learning, non-hierarchical leadership, and networking. Bardach sees genuine collaboration as requiring a radical change of culture: ‘Almost nothing about the bureaucratic ethos makes it hospitable to interagency collaboration. The collaborative ethos values equality, adaptability, discretion, and results; the bureaucratic ethos venerates hierarchy, stability, obedience, and procedures.’ However, others warn against over-ambition in attempts at wholesale culture change, noting the need to work with ‘the civil servants we have got, [rather] than to aspire to a new type of civil servant that we have not’. Effective joint working takes time to develop and deliver results, which can frustrate politicians and officials used to being able to work with more autonomy and speed. Continuity of people and clarity about roles, particularly in relation to goal setting and accountability is important, but it takes time for arrangements to bed in and relationships to be built.

Interviewees agreed that horizontal coherence was important and had many benefits, but there was also a note of caution that it was possible to go too far in trying to join everything up with everything else, with a resulting loss of efficiency. As one interviewee said, ‘We went completely over the top. If you try to join up everything you end up with total stasis’. The general difficulty of achieving horizontal coherence, as described in the literature, was well understood as a reality of life by interviewees:

‘The trouble is [cross-cutting responsibilities] get seen as additional or optional, the ‘real business’ is managing the silos.’

‘The shift in the culture of the civil service doesn’t happen overnight. If you’re used to a style of working and suddenly you have to start getting on the phone and inviting yourself to meetings and thinking outside your area that you work in. It takes time, leadership and it is to do with personalities.’

Interviewees said that it should be easier to achieve cross-cutting or coherent government policy in smaller nations:

‘Getting the government to be consistent … (because of physical proximity and a smaller talent pool) for example in Northern Ireland and the Republic of Ireland it has been quite narrowly drawn in some cases.’

‘The problem is that when a minister is in charge of something in a small country, they can more easily drive a coherent strategy. We have a range of different departments, but it’s more straightforward to achieve coherence because you can be more direct.’

‘With a smaller administration, there is more focus on how different areas fit together and the delivery of a coherent government policy, which can be difficult to achieve in a larger administration where there is a greater tendency to work in silos and focus on their own issues.’

‘In a smaller country there may be greater scope and need (because of physical proximity and a smaller talent pool) for individuals to move between subjects, departments, roles, organisations or sectors. It was suggested that this should lead to a better understanding of the wider policy context and of the pressures and constraints under which colleagues are operating, and more opportunities for identifying potential links, synergies or policy conflicts: more could be made of this advantage through greater use of secondments, placements or changes to recruitment practices.’

More corporate attitude to allocation of staff and budgets between areas, and built stronger teams and networks, with fewer members. An opportunity described by several interviewees was the potential to develop a clear sense of national direction, with a small number of shared, long-term priorities. However, some considered there is a long way to go before horizontal coherence was achieved:

‘We are a small country but we have relatively complex structures, institutions and layers – all trying to do things to the same set of people rather than stepping back and looking at the problem. Our smallness has contributed to complexity – it’s a very crowded space.’

‘If it is the case that effective synergies are limited or hampered by a silo effect and ministers competing with each other by using knowledge as a currency, keeping things to themselves rather than sharing, it throws down a big challenge to civil servants and policy makers more widely to have in place mechanisms, relationships and arrangements where we don’t operate in silos and we share information at the policy formation stage.’

It was noted that departments within the government organisation may not always be as corporately minded and inter-connected as might be hoped, for instance tending to protect their individual budgets or missing opportunities to have officials working closely across subject boundaries. In both Ireland and the devolved UK governments, the vertical departmental structures inherited from Whitehall were still strong, and there could in some cases still be a tendency for some ministers and senior officials to invest more strongly in the identity of their department than that of the government as a whole:

‘There’s still a very strong alignment to individual ministers so this question of getting onto other people’s territory arises – departments are pretty much aligned with ministers.’

‘Power bases can become quite entrenched with silos, which might be more pronounced in a small administration, where ministers eye each other jealousy and are protective of their turf. They are in larger administrations too, but it’s more in the public domain, the decision making process is more expansive. In a small country individual ministers really can make an awful lot of decisions pretty much on their own but advice which has been quite narrowly drawn in some cases.’

A consistent message from the interviewees, as well as the literature, was that a strong central co-ordinating unit could help boost and maintain cross-cutting working. To push and police the joining up, this must have levers and authority to influence behaviour.

‘People will always have interests and fight for their own corner in terms of their department and career – what you need is a function in cabinet that looks across the piece and is prepared to challenge.’

‘We need a cabinet office function to provide central direction and policy scrutiny around a central plan. If you don’t have that central co-ordinated overview, everything is left floundering about which policies to pursue or how to deliver on those cross-cutting themes.’
... capacity constraints provide a strong incentive for developing simple, pragmatic and cost-effective policy with lean delivery arrangements, although this did not always work in practice.

In recent years, a growing number of smaller countries and regions have developed a strategic approach to policy-making, based on a framework of a small number of long-term outcome-based priorities around which people can unite. This approach, which can be viewed as a special case of horizontal coherence, provides long-term stability and was strongly supported by interviewees: ‘There’s a risk of trying to do a vast range of things and whole range of initiatives that are too small to affect the economy or society... they absorb a lot of time of officials but can’t be done properly because you need more people managing and evaluating than delivering. So we need to focus on the things it is appropriate for central government to do.’

5. Vertical coherence
A further potential advantage explored through the interviews is vertical coherence, another form of ‘joining up’, this time between levels of government and between policy formulation and delivery. Traditional ‘policy cycle’ models represent policy formulation and implementation as separate activities or stages. Although this separation is conceptually helpful, it should not be misinterpreted as meaning that ideas and decisions should be taken first and implementation considered later, with policy simply being ‘handed down’ to those responsible for making it happen. It is essential to consider delivery issues from the start. This should inform the range of options considered and the selection of options for testing or implementation. In practice, an artificial split between policy and delivery, and institutional divisions between the people responsible for each, have been the downfall of many a policy.

For King and Crewe, this ‘operational disconnect’ is one of the main human errors leading to policy failure.16 Similarly, Mulgan stresses the importance of integrating strategy and implementation, suggesting that it is helpful to have the same people working on both. A policy proposal should only be accepted when the requirements for its implementation have been fully assessed, otherwise, there should be reality checks from front-line practitioners and constant feedback on progress.17

Interviewees consistently emphasised the importance of vertical coherence: ‘Delivery depends on local, so the centre’s job must be to make local better.’

‘We should be in a position where what we do at the centre is really resonating and relevant to what’s happening locally and we develop it with them and iterate and improve it through delivery experience.’

Overall, interviewees favoured local responsiveness (‘we need to be more citizen-centred and work back from the citizen – not transactional and top down’), but there was a cautionary note that for some policy areas, firm central control was essential: ‘In economic policy, “bottom-up” doesn’t work – you need more strategic and automatic hand setting the direction.’

In general, interviewees’ experience was that it should be easier to integrate delivery with policy formulation in smaller countries, avoiding the ‘operational disconnect’ and resulting in simpler, more grounded and implementable policy, and in better implementation of that policy: ‘Being small, having policies that actually work in practice and will deliver is important – you haven’t got long supply chains and are more likely to keep things reasonably simple and deliverable.’

‘The closeness between policy makers and service deliverers here provides for a very healthy process of policy development.’

Interviewees suggested that the ‘groundedness’ of a policy in small countries, how ‘in touch’ it is with the lived experience of citizens and how feasible in terms of complexity and capacity, should make vertical coherence easier to achieve. Their experience was that politicians and officials are likely to be in close contact with citizens impacted by the problem to be addressed or by the policy intervention: ‘We do have the advantage of being closer to stakeholders and being able to relate policy development more closely to “so what’s this going to mean in practice?”’

‘For the last 15 years government and civil servants have been working far more “out there” with communities in doing our job designing and delivering policy than we ever did before. The days of doing government behind your desk ended with devolution.’

Interviewees noted that the scope of individual government officials’ jobs tends to be more mixed. Most officials are engaged in oversight of delivery and operational matters as well as policy formulation and are therefore aware of practical considerations and the ‘mood music’ within sectors. There is more scope for ‘getting alongside people who are delivering those services in the community and working with them to understand what the barriers they face – the things that get in the way or the things that would enable them to do things differently.’

‘You can’t just focus on what’s going on in your department and parliament, it goes right through to front line services and the distinction between policy and delivery is much more blurred – you could argue it’s always always but it’s much more real here, no-one actually just has a policy job.’

Finally, interviewees said that capacity constraints provide a strong incentive for developing simple, pragmatic and cost-effective policy with lean delivery arrangements, although this did not always work in practice: ‘The disadvantages are in terms of capacity – do you have to work as if you were a small version of a big country? Sometimes we lapse into that and try to copy the complexity and bureaucracy of a big country because “that’s what a proper country does”. We can be simpler in the way we operate.’

For implementation to be successful, delivery should be seen as integral to policy formulation, with delivery agents and partners involved at this stage. Klein and Plowden state that policy makers should focus on, and listen to those who are ‘in the best position to discern what makes sense on the ground’. In relation to smaller countries, interviewees suggested that delivery agents are more likely to be involved in policy communities, influencing the selection of the policy intervention on the basis of what is feasible or known to work. It will be more likely, for instance, that all local authorities/health bodies are involved in policy formulation, rather than just a sample. This helps with the sense of common purpose and commitment to, or ownership of, the policy.

Smaller countries were reported as having an advantage in the relative ease of communication with delivery partners and agents throughout implementation; governments are more likely to have strong existing relationships with delivery partners or to be in a better position to develop these, due to the smaller number of agencies involved. With fewer delivery organisations or types of organisations, communication may be more feasible: ‘Implementation is easier and quicker because there are fewer organisations, fewer levels, messaging can be more direct or done by the centre with fewer intermediaries.’

Relationships may be stronger and two-way communication more frequent, resulting in a better shared understanding of and commitment to goals: ‘Our lines of communication ought to be shorter and more effective with people in the field, in terms of nature of the problems and we ought to be able to have a better set of working relationships with people we have to work with.’

During implementation, faster feedback loops meant that concerns about implementation problems or impact could be heard and responded to more quickly by the centre: ‘It is healthy… that partners are able to send signals that “actually right now we don’t have a lot of confidence in how you are operating”, I wonder if that would be as straightforward in larger societies where the structure is so bedded-in that nuances aren’t picked up so easily.

Interviewees also said that smaller countries often have a different policy landscape and different policy options to choose from: ‘there may be a less crowded or complex delivery context, with fewer organisations or less variety of circumstances to respond to’. This results in a different range of options for delivery, including more informal policy levers: ‘The role of the policy maker is about changing people’s minds, attitudes and behaviours… Giving people money – of course it changes behaviour, they will do something if you give them the money, but if you want a policy that will have deeper impact, it’s about getting people to think about how they regulate themselves and looking for better solutions for themselves. Who reads guidance documents?’

In general, interviewees’ experience was that delivery chains were shorter, with fewer links between strategy and frontline delivery, including the option of direct central control (or ‘policy搬家’). Klein and Plowden state that policy makers should focus on, and listen to those who are ‘in the best position to discern what makes sense on the ground’. In relation to smaller countries, interviewees suggested that delivery agents are more likely to be involved in policy communities, influencing the selection of the policy intervention on the basis of what is feasible or known to work. It will be more likely, for instance, that all local authorities/health bodies are involved in policy formulation, rather than just a sample. This helps with the sense of common purpose and commitment to, or ownership of, the policy.

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6. Potential disadvantages
Although the study’s aim was to ‘accentuate the positive’ in relation to policy-making in smaller countries, many interviewees also emphasised that policy makers face particular disadvantages in terms of the more direct and immediate consequences of working at a smaller scale. The disadvantages are described in the full report, along with suggestions for addressing them.18
‘Smaller countries have the same questions and problems but have to come up with solutions using less effort, this can be quicker but not necessarily better policy.’

The main challenge is the comparatively limited capacity of smaller countries, which grapple with the same range and complexity of policy and issues but have a fraction of the resources available in larger countries. Capacity issues are found in relation to government policy-making resources, analytical and evidence gathering capacity, the development of manifestos and the wider capacity of civil society.

Policy-making is an activity with significant economies of scale, with similar ‘amounts of policy’ required whatever the size of a country but there is less of us to make it happen in smaller countries. Several interviewees reported that capacity issuers and the expectations on them in terms of the coverage of policy areas outweighed the potential advantages of working at the smaller scale, noting that there would be large teams of staff working on the same area and range of tasks in a larger country.

‘Smaller countries have the same questions and same problems but have to come up with solutions using less effort, this can be quicker, but not necessarily better policy.’

‘There is a point of intersection in the benefits of being a small country – you are better networked but your resources are correspondingly smaller so actually all those theoretical benefits have a point at which they stop being a benefit because you run out of resource.’

7. Citizen-centred policy

One aspect of policy-making identified at the scoping stage was the importance of citizen-centred policy. This does not necessarily mean the interviewee evidence. This was citizen-centred policy, meaning the ways in which policy can be made to more accurately reflect the needs and wishes of a country’s citizens and to be grounded in their experience. This includes research into views and perceptions, direct engagement with citizens, and forms of participative democracy or citizen decision-making. The interviews explored whether a country’s government wishes to promote a more participatory or responsive model of governance, smallness is an advantage. The interviews showed a general but ill-defined perception that citizen-centred policy was easier in a smaller country, countered by practical observations about why it might actually be more difficult.

The study found no significant advantages in promoting wide-scale engagement or participative democracy, engaging with large numbers of citizens or in gathering information about citizen views. Nevertheless, there was a residual view that politics and policy could be more grounded and complex in a smaller country but there was less of us to make it happen in smaller countries. Several interviewees reported that capacity issuers and the expectations on them in terms of the coverage of policy areas outweighed the potential advantages of working at the smaller scale, noting that there would be large teams of staff working on the same area and range of tasks in a larger country.

8. Conclusions

There is no suggestion either in the literature or from the interviews that the size of a country is the most important factor in determining the quality of its policy-making. Being a smaller country is neither necessary nor sufficient for good policy-making, and many similar challenges face smaller and larger countries. This study does not contend that the size of a country was an over-riding factor and some interviewees were keen to stress this point. Nevertheless, evidence from the literature and interviews does indicate that smallness can be a positive factor and can present opportunities for good policy-making.

The development of citizen-centred policy that is firmly grounded in detailed local knowledge and a thorough understanding of the views of citizens and stakeholders, although strongly supported by interviewees, was found to have only weak links with the size of the country. Some of the activities required for development of citizen-centred policy were actually more difficult in smaller countries. The element that particularly lent itself to a smaller scale was a somewhat tangible sense of having politicians and officials who are relatively accessible and ‘in touch’, leading to more grounded policy.

The study found evidence of three key opportunities for smaller countries in relation to policy-making:

Firstly, smaller countries appear to have an advantage in developing clearer and more inclusive policy networks. Such networks can work fast, communicate well and generate a somewhat intangible sense of having politicians and officials who are relatively accessible and ‘in touch’, leading to more grounded policy.

Secondly, smaller countries have a significant potential advantage in achieving horizontal coherence in policy formulation and delivery. Cross-cutting (‘joined-up’) policy-making is a relative strength and an area where there is potential for deriving more benefits. Smaller countries have a particular opportunity to adopt a long-term, strategic approach based on a manageable number of outcome-based objectives, around which there is consensus, especially where there is a strong sense of national identity and direction. The benefits of horizontal coherence can be maximised by:

• having a single government organisation with government-wide objectives, a single budget and consistent practices;
• a focus on a small number of long term, shared, cross-cutting objectives, with ministers and officials having horizontal as well as vertical accountability for outcomes;
• creating cross-cutting structures such as projects or virtual teams with shared goals and pooling budgets and responsibilities;
• encouraging movement of staff between subject areas to boost mutual understanding;
• ensuring cross-governmental co-ordination through a Cabinet Office-like function; and
• a culture of trust, commitment, openness, willingness to change, reflective learning, led from the top.

The third advantage for smaller countries is strong vertical coherence and accountability. This study does not contend that all voices and multiple points of view, needs to be framed within clear parameters of debate and agreed, shared goals. It is important to be clear what the purpose of the particular stakeholder event is (for instance, information sharing, gathering ideas or opinions, or decision making) and to determine the membership accordingly. Some fora will need very open access; others will be more effective with a small number of key decision-makers.

References

1. Introduction
The aim of the 2016 Plowden Fellowship was to explore the potential of co-operative and mutual models of governance in prisons and prison services for effective localism and devolution in the delivery of justice and the building of sustainable law-abiding local communities. The focus was on the potential of co-operative and mutual models of prison governance as well as the potential of co-operative and mutual models of prison service delivery – rehabilitation and other services delivered in prison and through the prison gate in the community.

This report outlines the findings of research undertaken during the course of the Fellowship between April and June 2016 and subsequent developments arising directly out of that research, particularly in response to the rapidly changing policy landscape up to the end of 2016 and beyond. It aimed to:

• assess the relevance of the localism agenda and related devolution reforms for the governance of prisons and delivery of prison services;

• assess the relevance of UK and international co-operative models of public service governance for prisons and the delivery of prison services;

• assess the relevance of co-operative governance of prisons and prison services for reducing reoffending in local communities and achieving broader public service and justice objectives; and

• act as a scoping study for a longer term research and development application with the Co-operative College and other partners to develop co-operative models of governance for prisons and prison services in England and Wales.

The paper argues that co-operative prison governance structures could enable prisoner rehabilitation, but on their own they would not be sufficient for successful rehabilitation in prisons. Only by actively working together delivering prison services can prisoners, prison staff and all those in local communities with an interest in successful rehabilitation solve their common problems and together ‘co-produce’ prisoner rehabilitation.

This paper has been updated to reflect new developments in co-operative education and employment in prisons that arose partly as a result of the Fellowship findings. It emphasises the key role of transformative education through co-operative employment in ‘co-producing’ the prisoner rehabilitation that all systems of prison governance aspire to achieve.
‘... privatisation of public services as traditionally understood does not respond adequately to the crisis in the public sector, however that crisis is perceived. ... both the ‘Big State’ and ‘Big Business’ are costing more and delivering less.’

2. Methodology

Building on previous research and policy development carried out by the author, the original intention was to adopt the following methods to meet the research objectives:

- carry out a systematic review of localism and devolution in public service reform and UK and international forms of organisational response emerging in the co-operative and mutual sector;
- develop and apply to prisons and prison services a typology of co-operative governance models derived from the literature and UK and international experience;
- undertake a series of semi-structured stakeholder interviews with representatives of the co-operative and mutual sector and senior Prison Service personnel in England and Wales in order to test the reliability of the typology of co-operative governance models to the Government’s Prison Reform agenda outlined in the then Prime Minister’s speech at Policy Exchange, 8th February 2016;1 and
- prepare for a longer-term research application to develop co-operative models of governance for prisons and prison services in England and Wales and provide a platform for international co-operative prison development and comparative research.

However, as the research progressed the interviews with co-operative and mutual sector experts and senior Prison Service personnel became much more action research orientated, where the interviewer and interviewees together began to promote change rather than simply to understand its potential, actively to promote co-operative and mutual models of prison governance and prison service delivery with senior civil servants, politicians and the co-operative and mutual sector itself.2

The original methodology thus developed into a model that sought to engage stakeholders in self-determined change and as such assumed many of the characteristics of an ‘Appreciative Inquiry’ approach.3 Thus an informal network of the interviewees and other prison governors, senior civil servants, academics and representatives of the co-operative and mutual sector was developed as a direct result of the research for the Fellowship and became an integral part of that research.

This informal group developed into a platform for...longer-term research and development application with the Co-operative College and other partners to develop co-operative models of governance for prisons and prison services in England and Wales, one of the original objectives of this research. This informal group is now working with the Co-operative College to develop ‘Second Chance Co-operatives’ as a delivery vehicle for prison education and employment services in prison and through the prison gate in the community. ‘Second Chance’ is an adaptation of their ‘Young Co-operatives’ model developed in the context of education in co-operative schools,3 enabling prisoners, like young people, to take a more creative approach to their futures and improve their lives.

3. Policy Context: Localism and devolution

Localism and devolution can be seen as responses to what has been described as a crisis in both public and private sector delivery of public services.4 In the public domain there is a perceived crisis of cost and funding. The growing cost of provision, the rising expectations of individuals and the difficulty for democratically elected politicians of telling the electorate that they have to pay more or receive less, has meant that the postwar settlement is breaking down – basic provision for the health, welfare and well-being of all citizens through central taxation has become a problem and needs rethinking. Not only is it costing more, it is also delivering less effective outcomes.

While this analysis is certainly contested,1 there are also signs from right across the political spectrum for a transformation of public services to become less top-down (‘the council knows best’) and more driven by service users themselves. Localism is seen as an answer to both these analyses because it transfers the responsibility for service delivery from elected politicians to the local communities who actually use those services. Devolution similarly transfers responsibility nearer to the service users by devolving from the central state to the local state and its private and third sector partners, the argument being that local politicians and others ‘on the ground’ are better able to communicate with the electorate than national ones because they are literally nearer to them.

In the private domain the collapse of the banking sector has not only created a financial crisis, but has also confirmed the effectiveness of any public service if there is a conflict of interest between the shareholders and this will always come before providing an effective service to the public if there is a conflict of interest and a choice to be made between the two. So privatisation of public services as traditionally understood does not respond adequately to the crisis in the public sector, however that crisis is perceived. Consequently both the ‘Big State’ and ‘Big Business’ are costing more and delivering less.5 The 2010 Coalition government argued the ‘Big Society’ was the answer and previous New Labour governments saw localism and devolution as elements of what they called the ‘Third Way’: involving the public in delivering their own services at a much more local level wherever possible (localism) and giving a greater role to local authorities and other agencies of the local state (devolution). Both the Big Society and the Third Way believed that engaging service users and providers in a common endeavour would produce better quality services, more effective outcomes and a more efficient use of resources.

In criminal justice, this process can be seen in a number of different ways and contrasting ways. Some see the active involvement of the community in delivering justice as a ‘small state’ solution, with the community reclaiming the criminal justice system from the state.6 Others see it as fusing in existing state provision or as a ‘responsibilisation’ of the community, an attempt to extend the reach of state agencies by linking them up with the practices of actors in the ‘private sector’ and ‘the community’.7

The common thread running through all these perspectives is participation: increased participation is the key to both localism and devolution. One of the key concepts related to participation is what has come to be called ‘co-production’. Co-production goes beyond both localism and devolution because it requires active participation, not only from service users, but also from local communities and local authorities – the public working together to deliver their own public services. Localised and devolved governance arrangements can help facilitate this, but on their own they cannot guarantee co-production. There have to be other incentives and positive drivers to enable active participation by all stakeholders in the co-production of public services.

4. Co-Production

Bovaird defines co-production as ‘regular, long-term relationships between professionalized service providers (in any sector) and service users or other members of the community, where all parties make substantial resource contributions.8 With a focus on the English and Welsh social care sector, Social Care Institute for Excellence define it as ‘a new way of describing working in partnership by sharing power with people using services, carers, families and citizens’, key features of which include:

- defining people who use services as assets with skills and building on peoples’ existing capabilities;
- breaking down barriers between people who use services and professionals;
- reciprocity and mutuality;
- working with peer and personal support networks alongside professional networks; and
- helping organisations become agents for change rather than just being service providers.

Co-production can be distinguished from ‘participation’, which often just means being consulted and can also refer to passive involvement.9 Co-production requires active involvement and so requires governance structures with active members. Token membership will not do and will not facilitate co-production. One implication of this is the inference that the reciprocity and mutuality inherent in co-production can be better facilitated by the reciprocity and mutuality inherent in co-operative, member-owned governance structures.

Co-production involves citizens in the delivery of public services. They become active agents in improving their own well-being, not just passive consumers of services. In contrast with traditional citizen involvement, citizens are not only consulted in co-production, but are part of the conception, design, delivery, evaluation, management and ownership of their own services.10 Co-production is all about ‘an equal and reciprocal relationship between professionals, people using services, their families and their neighbours’. As such:

‘It offers to transform the dynamic between the public and professional workforces, putting an end to ‘them’ and ‘us’. Instead, people pool different types of knowledge and skills, based on lived experience and professional learning... Where activities are co-produced in this way, both services and neighbourhoods become far more effective agents of change’.

* Young Co-operatives is a school-based enterprise project that since 2008 has given thousands of 8–18 year olds the chance to set up and run their own co-operative businesses. This experience helps them develop a range of important business skills and soft skills along the way (from problem solving to dispute resolution to teamwork). See https://www.co-op.ac.uk/uk-young-co-operatives
Co-production and rehabilitation
Rehabilitation has recently reappeared in policy discourse as a central aim of prison and it has become a statutory duty of prisons to provide rehabilitation for their prisoners as well as guaranteeing their safe-keeping.14 But rehabilitation is not simply about individual offenders stopping offending. It’s much more about relationships, building and re-building the positive pro-social relationships that will nurture and sustain a law-abiding lifestyle – relationships with prison staff, prisoners’ families and friends, employers, and the communities to which they will return when they are released. Rehabilitation in other words is co-produced by all these stakeholders’ relationships with each other. Participation in co-production is thus a key ingredient of the rehabilitation process. It helps generate the social capital that research suggests supports rehabilitation15 and it is the human capital – the skills acquired through the process of co-production – which is in terms of learning and future employability. It is active participation in co-production that enables education and employment in prison and through the prison gate in the community to become meaningful, transformative and fully rehabilitative.22

So co-production, ‘delivering public services in an equal and reciprocal relationship between professionals, people using services, their families and their neighbours’,16 is central to rehabilitation and is what makes it work, particularly in relation to rehabilitation services in prison. Weaver offers examples as to how co-productive practice with individuals, groups and communities might be developed from existing practice in prison and ‘through the prison gate’:23

Individual services: ensuring the quality of relationships between all prison staff and prisoners. The motivation for prisoners to change emerges in, and from, collaborative relationships with staff. People can get on with and respect, who treat them as individuals, are genuinely caring, who place them at the centre of the change process, identifying jointly what’s needed to change and how, rather than just seeking responses to staff-defined problems.

Group services: bringing prisoners together to shape and deliver their own prison rehabilitation services. Current approaches to group work in prison focus on cognitive behaviour therapy to tackle individual ‘criminogenic needs’. However, to be effective, rehabilitation requires the development of new supportive social networks as well.

Collective services: practices, strategies and services that involve and produce outcomes that benefit whole communities, rather than just individuals or groups of prisoners who come from those communities. Examples include prisons playing their part in ensuring that prisoners and the communities to which they will return have access to sustainable and good quality employment and accommodation, two of the key drivers of sustained rehabilitation. This means engaging and involving a range of different organisations, businesses and community groups of various sorts, in prison-based rehabilitation services.17

5. Co-operatives and co-production

Interventions based solely on the skills, knowledge and personal resources (human capital) of the individual are not enough on their own. Greater account needs to be taken of the relational context within which rehabilitation is co-produced.18 Consequently enhancing social capital (relationships and networks) is also vital, as is the active and participative experiences of supervision – co-production of the rehabilitation process.19 Ideally this should ‘involve current and former service users in co-designing, co-developing, co-implementing and co-evaluating a rehabilitation-supporting intervention process’.20 Rehabilitation then, is co-produced through reciprocal pro-social relationships.

A key argument made by the co-operative and mutual sector is that co-operative and mutual governance arrangements for services facilitate the most effective co-production because they can harness the often-conflicting interests of the different co-producers into one common endeavor, through their democratic processes: co-ownership enables co-production is the argument. Co-operative and other mutual organisations are, by definition, based on reciprocal relationships and therefore can best facilitate the individual, group and collective co-productive approaches necessary for successful rehabilitation. Furthermore, it is claimed that this is demonstrated by the experience of co-operatives and other forms of mutual governance and co-produced service delivery in other public services.21 But how far is this actually the case?

Collective services

Public service mutual and the Membership Question

One reason for the growth of co-operative and mutual organisations has been in the UK, providing a range of services to the public and aiming to enhance the principles of co-production and reciprocal relationships in their structure and operation. These ‘public service mutuals’,24 or ‘multi-stakeholder co-operatives’,25 explore ways in which employees, users and wider stakeholders can actively participate in both the governance and delivery of public services. So they potentially provide a precedent and example to prisons and prison rehabilitation services of the role and prospects for co-operative and mutual governance.

In practice experience has shown it is not easy to establish successful public service mutuals. It has been particularly difficult to build the necessary culture of active engagement within co-operatives, people can get on with and respect, who treat them as individuals, are genuinely caring, who place them at the centre of the change process, identifying jointly what’s needed to change and how, rather than just seeking responses to staff-defined problems. Both need to change their accepted ways of working and creating a new culture of active member engagement and participation are therefore even more critical for rehabilitation services because without it the rehabilitation service itself cannot be delivered successfully.

Active member engagement and participation are therefore even more critical for rehabilitation services than for other public services, because without it the rehabilitation service itself cannot be delivered successfully. Prisoner rehabilitation needs the active participation of prisoners themselves, prison staff and the relational networks of individuals and organisations with whom they are involved: rehabilitation is ‘co-produced’. Such collaborative relationships may be best structured in the co-operative and mutual governance of membership organisations if they are to be effective in co-producing successful and sustainable rehabilitation, but active membership is key here. Without active membership there is no co-production and without co-production there is little chance of effective rehabilitation.

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This alternative would be not so much a model for the independent governance of prisons like Foundation Trust status would be, but more a ‘Special Purpose Vehicle’ (SPV) for the delivery as well as governance of prison rehabilitation (and other) services in prison and through the prison gate. What is needed is that the prison member this SPV should retain its traditional custodial role, but its new rehabilitative role, and other services as appropriate, would be delivered by the SPV, which might also include the prison and prison staff in its membership as stakeholders with a custodial interest in successful rehabilitation.

Social co-operatives

Social co-operatives are an explicitly co-operative and mutual model that successfully embeds and reinforces the co-production of rehabilitation in prison, through the prison gate and on final release in the community. They provide an employment-based comprehensive and co-produced rehabilitation service – a membership-based ‘special purpose vehicle’, a ‘rehabilitation society’, or a ‘social co-operative’.

Such social co-operatives provide an answer to the ‘Membership Question’ raised by the member engagement...
problems faced by foundation trusts and other public service mutual models, primarily because they provide employment for service users, which of necessity engages them more actively in the co-operative because they are actually paid to work in it, paid to engage and to all intents and purposes paid to co-produce their own rehabilitation. But also because:

- they are multi-stakeholder in the sense that different stakeholders (prison staff, prisoners themselves, their families and local communities) can be members, but they are not divided into separate constituencies of membership with equal voting rights as they are in most public service mutual models; they are ‘all in it together’ rather than ‘silied’ in stakeholder constituencies; and
- their co-operative styles of working together with mutual support are reinforced by formal membership and active involvement in co-operative governance – it’s part of their job to be actively engaged and it is this active engagement that enables co-ownership to enable co-production and co-production to enable rehabilitation.

This gets over the problems discussed above and provides a model which of necessity builds in the active membership essential to successful rehabilitation, but severely lacking in most existing public service mutuals in other sectors.

Social co-operatives in Europe

Membership-based, co-operatively governed SPVs like this, which support social integration and prisoner rehabilitation have gained popularity in Europe, but they have yet to be properly explored in the UK. Not only do they provide employment for prisoners in custody and in the community when they are released (which in itself is rehabilitative), but also their active membership base itself provides the structure for exactly the sort of relational networks and social capital that support rehabilitation – it is literally part of their job.

Weaver shows how the co-operative culture of active membership and relational environment of these ‘social co-operatives’ is just as important as the provision of paid work in contributing to prisoner rehabilitation. They provide holistic and individualised resettlement support for both prisoners and ex-prisoners as well as their families; a range of support with financial assistance, family mediation, access to legal support, education and training and a wide range of other resettlement services. Weaver variously quotes figures of a 3% to 5% recidivism rate and under 10%, as opposed to a rate of 80% for prisoners released having not been members of a social co-operative, (but warns that a lack of follow-up data makes such figures not totally reliable). All this is made possible by the prisoners, ex-prisoners, their families, prison staff and other professional support workers all becoming members of the social co-operative. The co-operative’s commercial activities help to fund this rehabilitation and resettlement support and ensure active participation through employment in it.

Social co-operatives thus provide a governance structure through which to deliver the co-production essential for successful rehabilitation, based on the co-operative’s values...

‘Social co-operatives thus provide a governance structure through which to deliver the co-production essential for successful rehabilitation, based on the co-operative’s values ...’

6. Co-operative Education and Prison Rehabilitation Services

‘Co-operative Education’ in prisons provides a variation on the theme of social co-operatives as co-operative structures of localism in practice. The term refers to three aspects of co-operation in education:

- a co-operative forms of governance of educational institutions;
- a distinctly co-operative approach to education – a ‘co-operative pedagogy’; and
- a methodology for developing new co-operatives in which working co-operatively itself becomes a central element of this pedagogy.

As a form of governance of schools for example, co-operative education provides another example of a public service mutual. Just as the co-operative way of running a business, or association, presents an alternative to the usual ‘pic’ approach, co-operative schools offer an alternative way of educating children. But just like other public service mutuals, co-operatively organised education is susceptible to problems concerning ‘the membership question’ if it fails to adopt co-production in the delivery of its education services and merely ‘carries on as usual’ but within a co-operative structure.

This is where a ‘co-operative pedagogy’ comes in, as the co-production of learning: an educational approach where learners work primarily in groups to complete tasks collectively towards their learning goals. Unlike individual learning, which can be competitive in nature, learners learning co-operatively work with each other’s resources and skills (e.g. asking one another for information, evaluating...
Co-operative by nature and instinct are deep learning organisations, characterised by participatory, collaborative creativity and transformative learning.

But exactly how is transformative learning rehabilitative? Transformative learning is concerned with the process of ‘perspective transformation’ of learners. It has three dimensions: psychological (changes in understanding of the self), conventional (revision of belief systems), and behavioural (changes in lifestyle). This clearly corresponds to the changes in understanding of the self, revised belief systems and changes in lifestyle involved in the co-produced processes of rehabilitation and the psychology of reform. Transformative learning then its rehabilitation and it can be delivered – perhaps best delivered – through employment in a cooperative.

It is also becoming increasingly mainstream in prison education, as the emphasis moves away from concentrating solely on vocational education and employability to a wider concern with emancipatory pedagogies of rehabilitation and ‘learning to escape’. Behan goes so far as to say that Prison Education is an oxymoron and that education, whilst clearly being about preparing people for employment, is also about a lot more: ‘Prison is about denying power and control, whereas education is about enabling people to become agents in their own transformation’ – for example through employment in a co-operative.

For McNeill, the context of the prison environment as damaging to the transformative and rehabilitative potential of prison education needs to be better understood. The prison environment – the prison culture – can reinforce criminality by bringing the prisoner into association with others with an offending background, making it difficult to maintain social and family bonds; and by tending to put an individual’s ‘life on hold’ rather than encouraging a process of maturation. Furthermore, the identities and narratives of prison reinforce a prisoner’s criminal identity.

This raises the question: Is it possible to create a space for transformation in such a coercive place? Behan argues it is, by engaging people both inside and outside prison as agents of prisoner’s own transformation by active participation in a co-operative, transformative learning environment. We might add that the most appropriate vehicle for this would be active membership of, and employment in prison-based co-operatives delivering education, rehabilitation and real paid employment in the ways discussed above. Developing and working in social and other forms of co-operative in prisons thus opens up new co-operative learning opportunities and they become educational institutions in their own right, delivering co-operative prison education and employment, thereby transforming prisoners into law-abiding rehabilitated members of the community.

There is nothing new in this. In the United States, Thomas Mott Osborne set up ‘The Mutual Welfare League’ in Sing Sing Prison, New York State in 1914. This was a prisoner membership organisation which managed prison services and provided a ‘through the prison gate’ resettlement support and job brokerage service to its members. Similarly, in 1928, Alderson Women’s Prison in West Virginia set up ‘Co-operative Clubs’ in each of the prison’s 14 cottages to achieve the same ends. While more recently in 1973 ‘the prisoners ran Walpole’ and participated fully in their own ‘corrections’.

The point is that these were all set up primarily for educational purposes and, by virtue of their co-operative structures, principles and values, can all be seen as historical examples of co-operative education in prisons: learning and knowledge creation embedded within the making and practice of employment co-operatives. This educational rationale is stated most clearly by W.D. Lane, an early twentieth century advocate of prison democracy, in a statement which can equally well be taken as a definition of co-operative education and rehabilitation in prison:

‘Self-government in penal institutions is simply an application of the educational principle that people learn by doing. Its method is to establish on a small scale a society in which [the inmate] can form habits that make normal life attainable. By its very operation, self-government identifies each inmate with his fellow inmates.’

In other words, co-operatives in prisons, and specifically employment in co-operatives in prisons, are essentially an educational tool that seeks, through democratic experiences, to teach democratic values and ideals and to simultaneously change the inmate’s respect for the prison and for the larger social order. Here again it is the experience of co-operation that provides the education, delivering transformation and rehabilitation.

Co-operative employment is a democratically governed form of employment that by its very nature provides a transformative educational experience that ensures the co-production of rehabilitation through active membership of its democratic governance arrangements.

7. Moving forward

The ‘Second Chance Co-operative’ model, developed by the Co-operative College partly in response to the findings of the 2016 Plowden Fellowship, takes exactly this approach to rehabilitation. Second Chance Co-operatives embed learning and knowledge creation within the making and practice of co-operatives, employing prisoners in custody and through the prison gate in the community. Taking a co-operative education approach to the development of prisoner co-owned employment co-operatives, they provide a rounded approach to encourage and retain offenders’ commitment to employment, education, and learning, while contributing to better outcomes for rehabilitation. Prisoner-learners:

• become engaged in continued co-operative, enterprise and social learning in prison and post-release;
• gain skills to assist them in gaining employment on release or explore collective self-employment in an ongoing co-operative through the prison gate; and
• gain a mutual support network of other like-minded prisoners and volunteer supporters recruited from the co-operative sector and wider community, both on the inside (in support sessions) and on the outside (as mentors and workers in the co-operative).

Motivated by shared economic, personal and social objectives, prisoner-learners participate in 12 sessions of co-operative enterprise education and a further eight “co-productive”, group-led and person-centred (co-operative learning) practical sessions. To provide through the gate support, four of these eight sessions are held post-release. This enables prisoner-learners to build and re-build the positive pro-social relationships
… co-operatively governed prison employment… ensures the co-production of rehabilitation, rather than just the co-operative governance of the prison itself.

...
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Fires, Focus and Force: Social mobility and secondary school governors

Dr Michael Cross
William Plowden Fellow 2016

1. Introduction
This study examines the potential relationship between the role and actions of school governors (and trust directors) and the social mobility outcomes for the students attending. It examines the potential relationship between the processes operating within an individual school which enhance and support the social mobility of students and both the maturity (and effectiveness) of the governance system and how governance time and effort is used. The focus of this exploration is social-economic inequality which often intersects with other forms of inequality found across gender, sexuality, ethnicity, religion, origin (especially migrant children) and those with special learning needs and disability.

We are repeatedly told by UK Government ministers that:
• school governors and multi-academy trust (MAT) directors are integral to the successful running of an effective school;
• education has a major role to play in social mobility; and therefore
• school governors and multi-academy trust directors should have a role to play as regards the impact education has in driving social mobility.

This paper is based on an initial exploration of these assertions with particular reference to the role governors and trustees play in shaping the schools effectiveness in providing greater opportunities for social mobility for their students. It begins by highlighting the challenging context in which this study takes place and then identifies processes within schools that can help or hinder student attainment.

2. Methodology
To explore the potential relationship between social mobility and role of school governors/MAT directors, this study examines whether:
• a series or a whole social mobility process can be identified within the schools;
• differences can be identified in the capability and capacity of the governance process in place;
• differences can be identified in the use of governance capacity (use of time and its focus); and
• the performance of a social mobility process can be linked in any way to the differences in governance capability and capacity.

The first phase of the research involved a review of over 600 studies and reports concerned with understanding the role of education in social mobility and the role and impact of secondary school governors in the successful running of a school (and social mobility). This review identified key processes within schools to support disadvantaged children and enhance social mobility, which were used to inform the primary research phase. This explored the effect that secondary school governors/MAT Directors have on the social mobility of the students attending their schools.
Looking ahead, there are a number of features of the labour market that will make work entry increasingly challenging, especially for those from disadvantaged backgrounds.

In choosing the schools to be studied, it was important to include those which:
- differ in scale: small MAT through to large, multi-region ones;
- differ in geography: major urban versus small urban; London versus other regions; isolated schools e.g. coastal ones;
- have high similarity as regards the proportion of disadvantaged students attending the schools (using Pupil Premium as an initial indicator for the proportion of disadvantaged students); and
- have high similarity as regards the schools being of one type – all academies which is the largest category of secondary school.

Based on these four criteria, a number of schools and MATs were approached and access and support was gained from four groups of schools (all academies), of different sizes and stages of development, in five English regions. In addition to this a number of additional schools were also visited and interviews conducted to explore specific aspects of the role of the schools governors/MAT Directors. It is worth stressing that this is an exploratory study, based on the detailed analysis of eight secondary schools spread across the East and West Midlands, the South Coast (South East and South West), and London. The schools selected for the study were chosen without prior knowledge of either of the underlying processes within the school or the role their governors and trustees play.

The research for this study involved a detailed analysis of social mobility processes present in each of the schools studied and an assessment of the overall capability of the governance process, in order to explore the relationship between the two. It is beyond the scope of this paper to describe the results in full, but an overview of key findings is summarised below.

3. A Challenging Context

3.1 Social mobility

Social mobility is defined for the purposes of this study as the chance that people from different social and economic backgrounds have of attaining higher social positions in society than their parents (inter-generational mobility). Between 1950 and 1970, 50% of people moved into a higher occupational class than their parents, while 25% stayed in the same class and 25% went down. However, the very high majority of this movement was driven by the changing occupational structure of the UK economy at that time, rather than the educational system. Structural changes in the labour market since then have reversed this trend.

Today the UK is broadly a high income inequality – low social mobility society when compared to other western societies, particularly Scandinavian countries. Looking ahead, there are a number of features of the labour market that will make work entry increasingly challenging, particularly for those from disadvantaged backgrounds, and where the link between education and social mobility will be crucial. These include:

- Job stability: The number of people working part time or in temporary or insecure jobs, who have not been in position long enough to have various employment rights, and/or are relatively low paid has increased significantly over the last 20 years. This has had a particular impact on young people: 50 per cent of 18–29 year olds were in insecure jobs in 2014, up from 40 per cent in 1994. Counting only those who are in work (i.e. excluding the unemployed), 66 per cent were in insecure employment in 2014, up from 55 per cent in 1994.
- Levels of independent working: One of the most marked developments of the UK labour market over the last 30–40 years is the growth of self-employment and the holding of multiple jobs in the so-called ‘gig economy’. Entering a labour market which has a high level of independent working, and where opportunities for experience and development are relatively low, creates a need to raise awareness and some degree of preparedness amongst school students.
- Nature of future jobs: In addition to this restructuring of the labour market, there is also the challenge of new technology and knowing where the future jobs (and hence careers) might emerge, especially given claims that ‘60% of the jobs to be performed by the next generation do not yet exist’. At the same time there is expected to be significant replacement demand in relatively traditional occupations.

While independent working and labour market (in)stability are highly related, it does require a major mind-set change when considering what a career means and how best to develop one. Against this background, increasing effort has been made to define those sets of skills and competences which will equip today’s school students for work in later life. The European Political Strategy Centre, for example, has sought to define the ideal skills profile for the changing world of work, while others such as Fadel have gone one step further to define future workforce requirements at a more detailed level, balancing basic knowledge skills (English, maths, science, languages) with applied skills such as critical thinking, team work, creativity and lifelong learning.

Schools need to align their curriculum design and careers support to this changing world of work, and understand how better to prepare and equip their students. Common themes in the literature highlight the importance of:
- Learning and innovation skills: critical thinking and problem solving; creativity and innovation; communication and collaboration.
- Information, media and technology skills: information literacy; media literacy; information, communications and technology literacy; data science.
- Life and career skills: flexibility and adaptability; initiative and self-direction; social and cross-cultural skills; productivity and accountability; leadership and responsibility.

The challenge is to understand how best to cover skills which have been relevant for years (i.e. critical thinking and problem solving skills, and life and career skills) and build in new areas of major emphasis (i.e. innovation and creativity skills, and information, media and technology skills).

3.2 Governance in secondary schools

Running a successful school has become increasingly complex over the last 20 years as the dominant role of local authorities has shifted towards a series of independent, central government-funded, academy trusts. Running parallel, and being an integral part of the whole ‘academisation of schools’, is the growth of competition, turning the schools education system into a market. This secondary change has been based on the belief that competition rather than collaboration is the most effective and socially just way to drive up standards and maximise life chances for students.

Within this changing world of school types, funding arrangements and ownership patterns, the 300,000+ school governor and trust director population seek to understand and ensure their schools are well run and achieve the maximum for their students. Just taking two elements that are currently involved in running a school we can see what the role of a Governor/Multi-Academy Trust (MAT) Director entails.

First, at an individual secondary school level, there are probably 1500 students being taught by around 100+ teaching staff. Perhaps nothing new, but the scale of most secondary schools is now greater than before. Governors must now manage the whole admissions process where schools are seeking to position themselves as the ‘secondary school of first choice’ for parents and so guarantee a baseline level of funding and meet the Pupil Admissions Number (PAN). Admissions for Year 7 are regulated but not for Year 12 (sixth form entry), where again schools compete for students to make A level programmes viable and help in developing and retaining staff. For many schools there is no longer the buffer provided by the local authority which can mediate and smooth budgetary issues.

Second, in order to handle real budget reductions, most secondary schools in small MATs are seeking to grow to reduce overhead costs. This growth imperative means Governors/MAT Directors are therefore now seeking land to develop, gain funding from the Department for Education, gain agreement with their local authority, and then build a school costing anything up to £30 million. This is quite a change from the previous role where the local authority owned and managed capacity.

Against this background, Ofsted has linked poor school performance to weaknesses in leadership and governance.4 According to the Centre for Social Justice, weak governance occurs where members of the governing board have not challenged school leaders or held them to account, have neglected students’ achievement or have been too accepting of the school’s view of its performance.5 Research for Ofsted shows that many schools are struggling to find governors with the experience, knowledge and skills needed to do this. This is particularly difficult in some of the poorest areas of the country where unemployment is high and qualifications low and where there may be specific barriers to learning that need to be understood and tackled effectively and sensitively.6

Given these challenges, a question is whether the governance process has the capacity or capacity to ensure that the school has a strong focus on student achievement and securing better outcomes for disadvantaged students.

The next section identifies specific processes operating within schools that can enhance and support social mobility. The paper will then on to explore what role governors and trustees play in shaping these processes, drawing on the experience of the eight schools in this study.

4. Education and social mobility

The extent to which education can affect social mobility can be tracked using a number of data sources, including for example, student attainment and progress data, including ‘value added scores’ for disadvantaged pupils; destinations data at age 16 (Year 11) and age 18 (Year 13); and initial work entry and careers progress (e.g. using data from universities). According to the Economic and Social Research Council, there is no evidence of a ‘strong correlation between parental education and children’s..."
achievement in the UK [that] is very high by international standards. Education mobility for the current generation of children has not changed for the least educated households.13

The ‘achievement gap’ between children of higher and lower educated parents widens throughout the school years and this is ‘almost entirely’ because ‘children from degree-educated parents are far more likely to attend higher performing secondary schools and so benefit from a positive school effect.’14 All secondary schools operate some form of selection criteria and their application both screens students in and out of progression to a secondary school. At the same time the ability of parents to select and rank schools means some are grossly oversubscribed while others have to work hard to meet their pupil admission numbers. The impact of this can be seen in Brighton and Hove Council’s decision to allocate Year 7 places by lottery, which resulted in disadvantaged children being allocated to the best schools. Although the lottery allocation system only took place for one year, these students have now taken their GCSEs and the results suggests that their progress was markedly better than their peers who attended the local community secondary school.15

Being able to attract, and select out potentially more degree-educated parents are far more likely to attend lower educated parents widens throughout the school years.16

Parent class
Reading to children etc.

Parental education
Parental time investment

Free school meal status
Interest in child’s education

Income
Communication

Parents' social capital
Networks, social support, civic activity, social trust

Nevertheless the literature does identify features and processes within schools that can help or hinder disadvantaged pupils realise their full potential:

- The processes most critical to high attainment and social mobility begin in the early years and primary stages, with the initial socialisation and educational development of the child, including the acquisition of key knowledge and skills.
- The transition from primary to secondary school can play a key role in enhancing social mobility. Having a clear and effective transition plan for all students, especially those identified as being potentially vulnerable and in need of extra support has been shown to make a difference.
- At secondary school progress can be enhanced through engagement in a broad-based educational programme, which is closely monitored with effective feedback. It is noted that successful schools combine a whole school ethos of high attainment for all students with support for each individual pupil based on their specific learning needs.
- School leadership is also important, setting expectations, monitoring performance and sharing best practice, with decisions devolved to front line staff and the best teachers used to work with the pupils that need the most support.
- Integrated careers guidance and work experience operating across all year groups can help to build aspirations and progressively support students’ exploration and development of their own career plans and goals (see Box 1 below, the core benchmarks for career guidance).

A Social Mobility Model

<table>
<thead>
<tr>
<th>Socio Economic Status:</th>
<th>Education</th>
<th>Destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent-Child interaction:</td>
<td>Children's behaviour:</td>
<td>Children's education:</td>
</tr>
<tr>
<td>Parent class</td>
<td>Reading to children etc.</td>
<td>Rule violation e.g. truancy, exclusion from school</td>
</tr>
<tr>
<td>Parental education</td>
<td>Parental time investment</td>
<td>Norm violation e.g. smoking, alcohol</td>
</tr>
<tr>
<td>Free school meal status</td>
<td>Interest in child's education</td>
<td>Behavioural problems e.g. hyperactivity</td>
</tr>
<tr>
<td>Income</td>
<td>Communication</td>
<td>Early school leaving</td>
</tr>
<tr>
<td>Parents' social capital</td>
<td>Networks, social support, civic activity, social trust</td>
<td>Activities</td>
</tr>
</tbody>
</table>

Box 1: 'The Gatsby 8' Core Benchmarks for careers guidance

The Gatsby Trust has defined eight core benchmarks for a robust careers guidance process:

A stable career programme: Every school and college should have an embedded programme of career education and guidance that is known and understood by pupils, parents, teachers, governors and employers.

Learning from career and labour market: Every pupil, and their parents, should have access to good quality information about future study options and labour market opportunities and the support of an informed adviser to make best use of available information.

Addressing the needs of each pupil: Pupils have different career guidance needs at different stages. Opportunities for advice and support need to be tailored to the needs of each pupil. A school’s careers programme should embed equality and diversity considerations throughout.

Linking curriculum learning to careers: All teachers should link curriculum learning with careers. Science, Technology, Engineering and Maths subject teachers should highlight the relevance of these subjects for a wide range of future career paths.

Encounters with employers and employees: Every pupil should have multiple opportunities to learn from employers about work, employment and the skills that are valued in the workplace e.g. through visiting speakers, mentoring and enterprise schemes.

Experience of workplaces: Every pupil should have first-hand experiences of the workplace through work visits, work shadowing and/or work experiences to help their exploration of career opportunities, and expand their networks.

Encounters with further and higher education: All pupils should understand the full range of learning opportunities that are available to them. This includes both academic and vocational routes and learning in schools, colleges, universities and in the workplace.

Personal guidance: Every pupil should have opportunities for guidance interviews with a career adviser, whenever significant study or career choices are being made. They should be expected for all pupils but should be timed to meet their individual needs.

It can even be difficult to meet employers or gain work experience in different sectors, with professional occupations ... being least likely to offer work placements.

Extra and extended-curricula actions and programmes can also help address individual student attitudes and aspirations as well as maximise access to social and cultural capital. As part of a rounded and full education, such activities can also support core academic learning and achievement and broaden and deepen the development of a student, using the experiences to develop a wider ‘life skills’ set.21 Mentoring and volunteering have also been shown to have a positive impact on pupils’ aspirations and achievements.22

However, these processes are not equally available to all. For example, the speed and ease of the induction and transition to secondary school is strongly shaped by the quality and performance of the feeder primary schools and therefore selection may again play a part. Teaching experience and expertise is also unequally distributed: Pupils in schools serving areas of higher deprivation are much more likely to have teachers without an academic degree in a relevant subject. The ‘expertise gap’ is 10% points for Key Stage 4 maths, 14% points for chemistry, and a remarkable 22% points for physics.23 It can even be difficult to meet employers or gain work experience in different sectors, with professional occupations such as medicine, law, architecture and engineering being least likely to offer work placements. These occupations also have the greatest over-representation of entrants whose parents are already employed there.24 A concern is thus how to break down the barriers to entry that disadvantaged pupils face.

In summary, the literature suggests that there are a number of processes that secondary schools can put in place to help raise the aspirations and attainment of disadvantaged pupils. Successful schools combine a ‘whole school’ ethos of achievement for all with support for individual pupils’ learning needs; and have a strong focus on continued development.25

5. Governance and social mobility

Governance maturity
In an increasingly complex education environment, it is essential that school boards have the skills and processes required to ensure effective governance and the ability to improve. Leighton and Thain identified factors that facilitate good governance (and hence governance maturity) in schools. This includes, for example: independent leadership; clear vision and purpose, underpinned by a shared ethos or culture; and clear roles and responsibilities.
'In an increasingly complex educational environment, it is essential that school boards have the skills and processes required to ensure effective governance and the ability to improve.'

This work also suggests that more mature boards take responsibility for planning, implementation and evaluation of their own processes. Many of the tools used to assess governance maturity are often attribute – or task-based, rather than providing an overall view of the capability of the governance body and processes and their ability to improve. Therefore to generate a greater depth of understanding of governance maturity, this study adapted an audit tool developed for use in the NHS. This covered the following domains:

- Clarity of purpose, roles and behaviours
- Application of principles
- Leadership and strategic direction
- Effective external relationships – stakeholders, and the community
- Effective internal relationships – students, parents, staff
- Transparency and public reporting
- Systems and structures: quality and safety, at the boundary
- Challenge on delivery of agreed outcomes
- Risk and compliance
- Organisational effectiveness: adding value

This tool was used to assess the role of governors in each of the eight schools in this study. This was then matched with data collected about the existence and active management of social mobility in these schools. The findings suggest a potential relationship between the level of governance maturity and progress in raising the attainment of disadvantaged pupils. For example the school with the highest governance maturity score (M1) was also making excellent progress in terms of raising aspirations: 90% of highest governance maturity score (M1) was also making an increased impact on pupils and their achievements. The accountability framework used by schools that seeks to ensure the use of resources to achieve one objective: the successful education and development of young people. The accountability framework used by these four schools is summarised in Table 1.

The research also found that the greater the maturity of the governance process and procedures, the greater the time available for non-core governance matters. Taking into account all of the social mobility processes identified above, it is clear that having the relevant processes and systems fully defined and visible is critical to ensure they are working and delivering.

**Governance Capacity**

Governance capacity is as important as capability: how much time governors/ MAT directors are able to commit to their role and how this time is used. For example, for which school the work of governance (sometimes termed the ‘futuruty’ mode of working), in contrast to governors’ strategic role (making major decisions about resources, programmes and services) or their generative role (engaging in deeper enquiry, exploring root causes, values, optional courses and new ideas). Arguably it is the strategic and especially the generative roles that capture the capacity to support schools in developing and improving plans for disadvantaged pupils, enhancing aspiration, attainment and progression.

To find out how governors use their time, this study asked them directly about the number of days they spend on their overall school commitments and how this is broadly allocated. Additionally, the records of all meetings were examined for attendance and length along with the purpose of the meeting. The official records helped to calibrate the personal assessments of time commitment and usage. To give a sense of the range of time commitments in terms of days, the highest number was 50 (by a Chair) with the range for governors/trust directors being between 20–30 days. This differs markedly from the official guidance documents which talk of 12 days or so. Experience can help to reduce the amount of time required but not dramatically so.

**Table 1 Accountability through assessment, monitoring and evaluation**

<table>
<thead>
<tr>
<th>Accountability through assessment, monitoring and evaluation</th>
<th>Accountability for</th>
<th>Accountability to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Accountability</td>
<td>Monitoring, assessment, feedback and reporting</td>
<td>The progress made by pupils and their achievements</td>
</tr>
<tr>
<td></td>
<td>Appraisal and performance management</td>
<td>Teacher effectiveness</td>
</tr>
<tr>
<td></td>
<td>Self-evaluation (and some peer review)</td>
<td>School quality and standards</td>
</tr>
<tr>
<td></td>
<td>Feedback from peers, pupils, parents, school leaders, governors and community</td>
<td>Effectiveness of lessons, quality and progress of pupils</td>
</tr>
<tr>
<td></td>
<td>Stakeholder satisfaction</td>
<td></td>
</tr>
<tr>
<td>External accountability</td>
<td>External evaluation and inspection (and some peer review), with published reports</td>
<td>School quality and standards</td>
</tr>
<tr>
<td></td>
<td>Tests, examinations and other performance indicators published</td>
<td>School performance</td>
</tr>
<tr>
<td></td>
<td>National targets</td>
<td>School performance</td>
</tr>
</tbody>
</table>

Source: Peter Matthews (2012) Redesigning Schooling – 7. Professional Accountability Figure 1, page 9

Most governors in the eight schools do not receive any additional leave or other allowance for governance duties, but employers were flexible. The Survey of Governors by the National Governors’ Association and Times Educational Supplement in 2015 found that 51 per cent of respondents were employed and 14% were self-employed. Of those who were employed, 40 per cent did not receive their statutory additional leave allowance for governance duties. While payment for Governor/Trustee duties is generally not allowed, it was clear that some Governors/Trustees representing a sponsoring organisation did so as a part of their normal work duties.

Table 2 above suggests that every day spent on core governance requires a matching day to moving the school forward, focusing on the more strategic and generative aspects of governance. Those governing bodies that have created the greatest ‘spare capacity’ have delegated the responsibility to committees and in particular to key office holders (principal/head teacher and members of their executive team). This is broadly in line with the guidance of the National Governors’ Association.

Where there is greater time available to the governors/ trust directors, there has been a significant investment in creating sustainable employment links and in broadening the curriculum (largely through extra-curricular activities). The form of these types of development varies, but are broadly based on the principles described by the Gatsby 8 Benchmarks (see Box 1 above) and identify how best to use work-based engagement to support career choices and career planning at school. What is evident here is a clear emphasis on process rather than additional activities, and the planned move (usually over three years) to embed, the now refined process into the day-to-day operation of the school.
‘Where there is greater time available to the governors there has been a significant investment in creating sustainable employment links and in broadening the curriculum.’

Table 2: Governor Capacity Usage and Deployment

<table>
<thead>
<tr>
<th>School</th>
<th>Time Spent on Core Governance (%)</th>
<th>Time spent on new strategic developments, improvement &amp; delivery projects (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>L1</td>
<td>90</td>
<td>0</td>
</tr>
<tr>
<td>L2</td>
<td>90</td>
<td>0</td>
</tr>
<tr>
<td>L4</td>
<td>70</td>
<td>30</td>
</tr>
</tbody>
</table>

To take one example, the career advice and guidance process at one of the schools studied, supports GCSE and A-level students and their friends in the future with limited focus on the future. It is reasonable to argue that if the school focuses on the present and not its future, this will feed through to its students as well.

Conclusions

Based on this small scale exploratory study, it would appear that governance processes which are ‘high maturity’ generate significant spare capacity which, in turn, has helped to develop and strengthen the key processes which can enhance student social mobility. In particular the spare governance capacity has been used to develop and extend the school’s careers guidance and support. This suggests a direct link between the governing body operating efficiently, and its being able to generate ‘spare capacity’ to further move their school(s) forward in other key areas. By far the greatest focus of the use of this ‘spare capacity’ has been on enhancing non-curriculum activities such as employment links to provide work experience and work entry (apprenticeship), employment boot camps, or accessing additional funding for student counselling and mentoring.

Having ‘spare capacity’ within the governing body can also enable the board to fully engage and progress the school’s strategic agenda and so tackle the consideration of ‘the kind of school we want our school to be’. More recent surveys suggest governing bodies or trust boards do not spend sufficient time looking forward and progressing their strategic agenda. It would be useful if the governance audit tools which seek to look at capacity, capability and process could be adapted to also consider governor time usage. The use of a modified NHS governance audit tool in this study has shown the value of looking elsewhere as to how to extend, develop and raise the impact of the time spent on governance.

One clear implication flows from this initial exploration and that is that it is vitally important for governors to operate as efficiently as possible and be able to invest the ‘spare capacity’ in making progress on the wider strategic agenda for the school. The evidence from this small scale study would suggest that the use of the spare capacity can have a material impact on the social mobility of students at a school.

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Whither Large INGOs?

Penny Lawrence
William Plowden Fellow 2018

1. Introduction

Large international non-government organisations (INGOs) seem to be in an existential crisis in their role in the fight for social justice. Many, such as Save the Children or Oxfam, have become big well-known brands with compliance expectations similar to big businesses. Yet the public still imagine them to be run by volunteers. Their context is changing so fast, and so unpredictably, that they are struggling to keep up. It is a time of extraordinary disruptive change including the digital transformation, changing societal norms and engagement expectations and political upheaval and challenge. Fifteen years ago the political centre-ground in the UK seemed firm, with expanding space for civil society organisations to operate. Today space for civil society voice now seems more threatened and challenged.¹

There has been a decline in trust in large charities in particular, partly as a result of their own complacency, acting as if the argument for aid has been won. Partly as a result of questioned practices e.g. the fundraising scandal of 2016/17 (where repeated mail drops to individuals requesting funds caused public backlash) and the safeguarding scandal of 2018 (where historic cases of sexual abuse by INGO staff, including Oxfam, were revisited by the media in the wake of the #metoo movement).

Many feel that UK charities who have taken significant contracts to deliver services for the state have forfeited their independent voice and lost their way. As Deakin has argued: ‘The voluntary sector risks declining over the next ten years into a mere instrument of a shrunken state, voiceless and toothless, unless it seizes the agenda and creates its own vision.’ It is a tough context to be leading an INGO through, but INGOs have appeared ill prepared and slow to respond to the threats and opportunities, not realising how much they may need to change to respond to the fast-evolving context and expectations. Large INGOs spend most of their energy exploiting present grant and contract business models, rather than exploring the opportunities to overcome poverty offered by such disruptive change. Their size and structures do not enable agility. They are too internally focused and self-referencing at a time when the world around them is changing so fast, and when political sands have shifted. Focussing on the internationalisation of structures rather than effective decision-making in a network, means large INGOs are ‘defeated by our own complexity’, as one INGO interviewee put it.

The purpose of this paper is to stimulate thinking amongst large INGOs at a time of such extraordinary disruptive change. The paper explores options for large INGOs, in terms of function and structure. After outlining large INGO’s history, changing context, value and current thinking, it explores learning from others outside the development sector before suggesting the emerging options. It reflects on what’s encouraging and what’s stopping change and offers possible choices and pathways forwards. Large INGOs still have to earn the right to exist. To win the trust of their clients and supporters they need to re-examine their relevance if they are to be successful in their laudable
It is a tough context to be leading an INGO through, but INGOs have appeared ill-prepared and slow to respond to the threats and opportunities.

The INGO Value Chain

Context
Programme design
Fundraising
Programme delivery
Impact
Programme
management
Financing
Delivery
Context

mission. Each INGO will need to make choices to suit its perceived relevance; but each also needs to be aware of the real dangers of complacency to achieve such a political, ambitious goal as tackling global poverty in a time of such change.

This chapter is based on a more comprehensive report, published as a working paper of the Third Sector Research Centre, which explores these issues, and the lessons that can be learned from other organisations and sectors, in more detail.2

2. Methodology

This paper reflects on the authors own experience and learning from over 30 years in the sector, including the last 12 years in senior leadership positions in Oxfam, one of the largest INGOs. I have also conducted further desk research and used my networks to hold 12 semi-structured interviews with a broad range of informants including: 11 senior leaders in a range of INGOs; three multinational businesses; four UK charities; and two academic and consultancies who work across organisational boundaries. These rich conversations have enabled me to reflect on emerging themes and lessons. The options considered here have been shaped through and through these conversations. Whilst pragmatic, the sampling will be inadvertently biased towards those in my own networks in the global North.

3. Who are large INGOs and what is their business model?

‘Large INGO’ (sometimes known as Big INGOs or BINGOs), are defined here as multi-mandate, multi-country, international non-government organisations. There are roughly 50 such large INGOs and an estimated 3000 small INGOs globally. They may refer to themselves as ‘global families/organisations’. They manage programmes and support partners that deliver services/capabilities in multiple countries (50+) across many regions. Most have mandates that encompass humanitarian relief, long term development, and advocacy and campaigns, although there are a few large single-mandate INGOs such as Médecins Sans Frontières and, increasingly, Water Aid.

Large INGOs aim to have global reach and impact, and often have global structures. They have established bureaucracy and systems. In the early 2000s, ActionAid led the way in recognising that it was untenable for a large INGO in the global North to hold all the power, or even that it could decide the appropriate answers to problems in the global South. They adopted a more ‘international’ structure with a global ‘family’ attempting to distribute power more evenly across country teams within their confederation. Most large INGOs have followed ActionAid’s lead to varying extents. Few have gone as far as ActionAid in empowering country teams with decision making at board level, but the direction of travel is to more dispersed leadership structures in global networks as better recognise changing global power dynamics. Such structures do not, however, lend themselves to speedy processes that take more leadership time, so taking leaders may also be an external evaluator.

Most large INGOs have a similar value chain, and are traditionally invested in all parts of this value-chain themselves. This would include analysing and understanding the context; programme design; raising and managing the funds, delivering the programmes; and monitoring and evaluating their own work. Most INGOs engage local partners to help in the delivery, but remain in control of programmes. For large-scale programmes there may also be an external evaluator.

Though income is increasingly difficult to use as an effective comparator, large INGOs would each be raising £50–£300 million in the UK, but also be part of a global organisation that raises many thousands of millions of US dollars per year. Examples include Oxfam, Save the Children, Plan, World Vision, and Care. Yet growth creates opportunities to transform more structures and processes that take more leadership time, so taking leaders further away from the ground and making decision-making more complex. As one Director put it, ‘We are so internally focussed we cannot see the trucks coming. We get that the world is changing, but we struggle for this knowledge to influence us as it should.’

It’s not surprising then that large INGOs have developed significant bureaucracies to manage such complex value chains, with all the expected accountability and efficiency at each stage, and with increasing competition for funds.2

INGO interviewees were consistent in their views that business processes are anything but lean and need whole system reform. Increasing expectations on compliance (financial, safeguarding, security of staff, anti-fraud, counter terrorism, aid diversion) are however leading INGOs to bring in more and more piecemeal compliance procedures. Expectations similar to those in the business sector are more and more demanded in charities. HSBC can acknowledge that 10% of their staff work on compliance, but for charities spending 10% of donations on compliance, in addition to 10% on administration, is unacceptable to supporters who expect all their money to go to the beneficiary. It is a real challenge for INGOs to design leaner business processes that meet increasing compliance needs and which donors are willing to pay for.

4. INGOs in a changing world

The world in which INGOs operate is changing rapidly and the sands on which the sector was built has shifted quite significantly. The role and mandates of foreign aid agencies, especially in more stable countries: space for civil society has become increasingly contested; while political and public support for charities can no longer be taken for granted. Meanwhile new technologies are transforming the way that organisations operate and shifting the expectations of clients or customers at each stage of the value chain.

A changing mandate for INGOs?

In poorer countries delivery of services by foreign agencies is needed less and less. It is only in extremis – in a major humanitarian disaster where no government could cope – that direct service delivery by international agencies may still be needed. But even so, there are calls for capable local organisations to take responsibility for delivering aid in preference to foreign agencies for both political and practical reasons. Humanitarian aid can only ever be short term ‘sticking plasters’ in nature, and deeper political issues are only increasing demand for humanitarian assistance, especially in response to conflict, have to be better addressed.

In more stable countries, and certainly in middle income countries, poorer communities no longer need programmes delivering services, so much as collaboration and solidarity on addressing the universal systemic issues of inequality, rights, and economic systems. They are challenged by an increasingly contested civil society space, and by realising the opportunities offered through digital technology. Social media was so successful in ‘spreading the word’ in the Arab Spring of 2011, enabling huge crowds to amass and bring down authoritarian governments, but it was less successful in any subsequent gains in political rights or in the status of women. In the most fragile and conflict affected states, such as the Democratic Republic of Congo, Afghanistan and South Sudan, poor communities’ access to the most basic services or opportunities for realising their rights has remained woeful, despite receiving aid for decades. Against this background large INGOs need to review their functions and their relevance across the entire value chain.

Declining trust and confidence in UK charities

Here in the UK it is evident that supporters’ expectations have also changed. What the public think INGOs do and what they actually do is different. INGOs themselves have been keen to suggest that solutions are cheap and easy. They have portrayed political and national agencies are the heroes. They have not explained their added value clearly – more concerned to hide full costs, rather than being open about them. The public do not expect INGOs to be paid large salaries and do not want their money being taken up in ‘administration’ or lost in ‘corruption’. Few donors are convinced that their money is well spent on campaigning and even fewer are willing to donate to innovative but risky projects that could fail, even if this is what is needed.

People trust INGOs less and are less willing to give regular donations. INGOs need to be more open with supporters, as well as innovative in order to engage supporters in ways that better meet their expectations.

Politically, after the apparent ‘golden age’ of the post-war period, when INGOs spoke out against the injustices of poverty and the inequalities they bore witness to, their advocacy and influencing role has been challenged for their perceived bias. As Rob Wilson, former Minister for Civil Society, stated in 2013:

‘Some government ministers regard the charity sector with suspicion because it largely employs senior people with a left-wing perspective on life and because of other unfair criticisms of donor aid. It means there is a strong tension between big charities and the Conservative party.’

Yet while their voice and influence may be called into question, UK-based international charities have continued to benefit from an increasing UK aid budget as a result of the 2015 law that committed the government to spending 0.7% of GDP on aid. This has meant that large INGOs have continued to grow through winning and managing contracts, competing with one another and with private sector providers. They have been protected from many of the challenges that UK charities have had to face, such as managing the opportunities and risks associated with delivering more restrictive government contracts; managing the pressures of cost versus quality; and in balancing the increased reach and impact of managing such contracts versus the potential loss of voice and political capture.

Disruptive technologies

Disruptive technologies are those that change the way that businesses operate.4 Game-changing technologies are fundamentally altering the way that businesses , in what the World Economic Forum calls the Fourth Industrial Revolution. As these disruptive take hold, businesses must adapt and reinvent themselves to meet the needs and expectations of more empowered and ever-connected consumers. In this new world, agility and flexibility will be key, with the most successful companies continuously evolving what they do while making conscious choices about how they generate economic value.

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A number of new digital business models have begun to emerge within the INGO sector, such as Change.org (a platform with around 150 staff); Kiva (a platform lending $2.5 million in loans to mostly hard to reach women); NewStory (crowdfunding for 1.100 new homes built in slums since 2013); Digital Humanitarian Network (which uses volunteers to map incidents and needs); Charity Water (using fee per service cost modelling); Give Directly (where supporters money goes directly to beneficiaries, Water (using fee per service cost modelling); Give Directly (where supporters money goes directly to beneficiaries, and NewStory (crowdfunding for 1,100 new homes built in slums in $2.5 million in loans to mostly hard to reach women));

- a digital core (platform based);
- customer/beneficiary centred;
- a narrow focus e.g. one theme or one or two parts of the value chain;
- little or no use of institutional funding;
- low centralised overheads (with only a few staff compared to scale);
- outsourcing of delivery to local partners;
- leveraging crowdsourcing.¹

Large INGOs have struggled, like many established large bureaucracies, to develop their capabilities, functions and structures to keep pace with these changes. Many across the political spectrum believe that active citizens and charities are needed as much as ever, but that if INGOs cannot adapt to such disruptive change then they will not remain relevant or sustainable, let alone continue to influence in a fast-changing world.

Interviewees recognised that the digital revolution requires change in their approach to programmes, but are challenged to see the potential of how reaching the digital implications are for themselves, their clients and their supporters. Few suggest that they are thinking beyond aid or beyond the current grant/contract business models with regards to function or structure, or realising the opportunities from their emerging networks and international structures. This was reinforced by the foundations I spoke to, who commented that they saw little strategic thinking in large INGOs in response to such significant disruptive external changes.

5. A trilemma for INGOs?

Can large INGOs be all things to all people? Are international structures, multi-mandates and being innovative and agile compatible – or is it a trilemma where you have to choose two out of three?

The INGO Trilemma:

<table>
<thead>
<tr>
<th>International structures</th>
<th>Agile &amp; innovative</th>
<th>Multi-mandates across value chain (Humanitarian long term devt &amp; campaigns)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pros:</td>
<td>Cons:</td>
<td>Merger or consolidation:</td>
</tr>
<tr>
<td>Separate smaller businesses are more manageable and more agile, enabling more innovation and specialism (‘reboot’ or ‘start again’ option).</td>
<td>Because of increased risk appetite, organic growth is slower.</td>
<td>Because customers are seen as ‘leaderless structures’, where customers are seen as engaged in the value chain, not merely serviced by it.</td>
</tr>
<tr>
<td>Merging with others that have matching skills sets:</td>
<td></td>
<td>This is more of a ‘reboot’ or ‘start again’ option.</td>
</tr>
<tr>
<td>Developing smaller businesses that are multi-mandate and agile but by definition are not international in their reach or structure.</td>
<td></td>
<td>‘Can large INGOs be all things to all people? Are international structures, multi-mandates and being innovative and agile compatible – or is it a trilemma where you have to choose two out of three?’</td>
</tr>
<tr>
<td>‘Can large INGOs be all things to all people? Are international structures, multi-mandates and being innovative and agile compatible – or is it a trilemma where you have to choose two out of three?’</td>
<td></td>
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</tbody>
</table>

There may be a sweet spot in the middle for some large INGOs, but I can’t think of any INGOs to place there. This trilemma may at least be useful in identifying some tough choices for organisations make some tough choices. For example, what lend matters most to you? Do the gains from being part of an international structure or global family outweigh the challenges? What evidence and data are there to show that you use your global reach to best advantage and to scale what works?

Large INGOs need a fundamental review of their historical assets against their purpose or mission and their continued functional relevance in each area of their multi-mandate. And they should not be afraid to challenge some sacred cows, for example letting go of some technical skills where others can do better, reducing income to grow impact, or testing the value of advisory services to local partners in the global South by selling their services.

6. Learning from others

What can large INGOs learn from other organisations about the function and structural choices they might make to be fit for the future? Others, including digital organisations, values-conscious multinationals, and large UK charities have developed different responses to the changing needs of their client/end users and the diverse opportunities offered by times of disruptive change. In terms of structures, responses include fragmenting, consolidating, or moving beyond traditional organisational structures altogether. This section considers each of these options, their pros and cons, and their relevance to the different aspects of INGOs’ mandate: humanitarian response, campaigns and advocacy, and long-term development. First, the options in terms of structure are:

i. Fragment

Where organisations split into smaller, empowered, more independent, more agile, more manageable business units. This can be achieved through either:

- Selling off assets: For example, in the private sector Whitbread is selling off Costa and Premier Inn as thriving independent businesses, and the new investment capital, amongst large UK charities, Scope has transferred all its services, staff, and assets to an experienced private sector provider so that it can focus on social change and advocacy; the Children’s Society has similarly reduced its reliance on contracts.
- Focusing only on the part of the value chain you do best: In the example above, Scope is no longer trying to do everything across all of the value chain itself, but focusing on the part where it can make most difference. Uber and Deliveroo are multi-national companies, operating at scale, but retaining their focus on transportation and delivery.

ii. Consolidate

Where organisations acquire the skills or assets needed to respond to change. This can be achieved through either:

- Acquiring organisations that have the skills/contacts/approach needed: For example, IKEA recognised that customers might need to assemble their own furniture so instead of selling more ready-made furniture with increased shipping costs, they acquired ‘TaskRabbit’, a platform of local handymen who they could recommend to do this.
- Merging with others that have matching skills sets: Mergers can help to gain scale or new skills or eliminate duplication. For example, Help the Aged and Age Concern merged in 2009 to become Age UK, both dedicated to improving later life, their combined effort increasing their scale, efficiency and influence. In the private sector, Sainsbury’s and Asda, the second and third largest supermarkets, are in merger negotiations to better compete with market leaders.

Pros: Improved financial growth and sustainability; enables organisations to acquire new assets/capabilities more quickly; enables more control of market share; reduces competition; is less confusing for end users/clients.

Cons: Takes on historical risks (many unknown); loss of brand, especially for an acquired organisation; challenge to merge two organisational cultures; reduces consumer choice; makes large organisations even larger and harder to manage.

iii. ‘Unbound’

Where organisations are not bound by traditional organisational boundaries: Instead they provide platforms to enable others to connect, collaborate and co-create. For example, Wikipedia, eBay or AirBnB have adopted so called ‘leaderless structures’, where customers are seen as engaged in the value chain, not merely serviced by it. This is more of a ‘reboot’ or ‘start again’ option.

Pros: Makes use of a recognised brand, keeps agile, exploits gaps in new emerging markets.

Cons: Requires different skills sets and mind sets and increased risk appetite. Innovation needs autonomy, risk-taking and freedom to fail. Greater risk appetite might be difficult for bureaucratic INGOs under compliance pressures.

The lessons from large retail businesses seem to be that you need to be agile and transform to compete in a digital, fast-changing world. ‘Make choices and change – just do not stand still’ as one business leader describes.

¹ Headquarters of large INGOs often seem to think it is possible to be all three.

Oxfam is one of the most successful multi-mandate INGOs struggling to be international, but neither of these lends itself to being agile. WaterAid is compatible, or is this a trilemma where you have to choose two out of three?

Two out of three?
'... as the nature of response shifts to more empowered local responders, skills in partnership development will become more important.'

The UK charities interviewed took a similar approach: although loss of funding was a push factor for change, both Scope and the Children’s Society had used this opportunity to drive a deep strategic realignment. For Mark Atkinson, Chief Executive of Scope: ‘There was no bigger risk than just staying as were we ... Our strategy has been described as radical, and that might be true in some respects. But every charity must constantly challenge itself on its impact, value and relevance, and then have the courage to do what’s right rather than what’s easy.’

Whilst none of the large organisations I spoke to considered retaining the status quo to be an option, and all considered making tough choices a necessity, not all thought they needed to change so radically.

7. Form and Function

What is the relationship between form and function? Having a multi-mandate is a clear organisational distinguishing for many large INGOs, as well as a challenge to agility. Understanding the likely future demand for, and relevance of each interrelated function may help large INGOs consider how they might evolve and refocus their role in this rapidly changing world.

Humanitarian response

With increasing conflict and the impact of climate change, demand for humanitarian response is set to continue to outstrip supply for the foreseeable future. The ‘Grand Bargain’ recognised that this demands significant change in practice by donors and aid organisations, who struggle to keep up with demand today. Key changes include providing 25% of global humanitarian funding to local and national responders by 2020 (currently 1%) as well as gearing up cash delivery, raising funds from their constituencies in times of crisis, a group structure could combine the freedom to grow to meet increasing need with more agility, with each unit operating as a separate business, but with agreed protocols and rules of engagement to bind the group together.

Global and national advocacy and campaigns

Demand for global and national advocacy and campaigns is also set to remain high, given the closing civil society space, erosion of political rights, and rise of populism, and with inequality continually undermining progress. There is demand from civil society actors in poorer countries for support from INGOs to enable them to better influence their own governments’ policies and practices, but even more demand to link their lived national experiences to the global decision makers that impact them (for example on climate change, international trade rules, tax laws, and security). This support includes enabling local civil society actors voice to be heard directly in global fora, building confidence, sharing tools and tactics along the journey, and using the power of their brand and networks to provide ‘cover’ for local or national civil society in contested spaces.

Whilst voice and advocacy are both critical to the identity and values of INGOs, and to their approach to bringing about change, INGOs should recognise that they have less public and even less political support for this part of their mandate. Campaigning functions need to be focussed on one (maximum two) profoundly universal issues (e.g. climate change / violence / inequality), using less resources more wisely in order to have more leverage on the issues that really matter, building a consensus on such issues.

This suggests that INGOs need to consolidate their work in this area. The business case for global campaigning to be undertaken in alliances, coalitions and partnerships with others is strong and needs to include the ‘arm chair activists’ working with ‘clicktivist’ agencies, such as Avaaz and change.org, which use digital communications and more individualised public engagement to garner public support and pressure for change. Few issues can be rectified or policies changed just by clicking to join a petition or campaign, however, so whilst INGOs need to become more tech savvy, they do not necessarily need to compete. They can collaborate to co-create campaigns, or seek to acquire a clicktivist campaign organisation to enhance collective, connective action.

Long term development

This is where demand has most changed, but also most diverged. As poorer more stable countries’ economies have improved, urban poverty is rising, yet much of the expertise in INGOs lies in rural and community development and in technical programme management. INGOs aren’t needed to deliver services or programmes in more stable growing economies. If they are to remain engaged they need to understand the politics and to support effective local agencies and local government, adopting agile, adaptive approaches to respond to opportunities for change led by others to ensure that ‘no one gets left behind’. As noted above, they also need to support poor communities, to influence the global decisions that affect them locally.

At the other end of the spectrum, some abjectly poor countries remain fragile states where little has changed. In these contexts, large INGOs, in company with other actors, scratch their heads to know how to have any impact, let alone systemic impact. A way forward would be to work collectively, taking a whole-system approach, looking to test, learn and adapt differentiated innovative approaches to peace and security, and to invest in jobs as recommended by the recent UK Commission on State Failure, Growth and Development. This report offers sensible, practical priorities that all actors, including national governments and people, could gather round to develop a collective, coherent, collaborative plan of action to realise a peace dividend, country by country.

Where are INGOs in convening this? Large INGOs have been focussed on finding technocratic solutions to what are essentially political problems, and, with their pre-planned more traditional approaches, have been insufficiently cognisant of the impact of external changes on their users/ beneficiaries. They need to listen more, become more focussed on impact, and led more by data and evidence. They need to take more advantage of digital technologies, with client-led platform solutions, and to focus more on their added value in advocacy, networks and possibly advisory services to enable and support others, building or supporting coalitions. Examples include:

An innovation accelerator to enable social innovators to scale their ideas

Many donors are investing in social innovators, but there is less investment in taking social innovators ideas to scale: governments do not always have the resources to do this and markets do not always prevail. INGO networks and resources could be used as a platform for scaling replicating
ideas that have been piloted already by entrepreneurs. As Starr challenges: “The most urgent challenge in the social sector is not innovation, but replication. No idea will drive big impact at scale unless organizations – a lot of them – replicate it. And there are plenty of high-impact ideas awaiting high-quality replication. More than a few of them are backed by randomized controlled trial (RCT) results and all that stuff. It turns out that replication matters even more than innovation when it comes to impact at scale. Wait BINGOs, isn’t that what you are good at? Replication at scale? There’s a whole bunch of little labs out there to feed ideas to.”

A platform for poor people to connect to one another to seek advice and learn

An example is We Farm: a Wikipedia-like platform to connect those seeking and offering advice, perhaps with a chat box where INGOs could add value either by triaging the support requested, to ensure they get to the right person or contribute their own INGO’s advisors time and connections. Such a platform would recognise the rise of direct citizen action and could get round ‘unruly politics’ in repressive regimes with restricted space.

A platform to empower clients/beneficiaries directly

The ‘Trip Advisor’ of the development sector, empowering beneficiaries to rate different INGO services and to choose agencies they want to work with. Airbnb have started up a Humanitarian unit to match host communities with refugee groups in which clients can receive cyber currency to purchase services from an Airbnb vendor of their choice using donor funds – a much more empowering alternative or supplement to much more expensive camps.

A platform to link activist beneficiaries and supporters directly

A campaigning platform that could allow activists in one country to learn from and engage directly with activists and communities wanting similar change elsewhere to enable sharing, learning, and solidarity. It could facilitate ways for clients at both ends of the supply chain to engage more directly to solve problems, and then reflect back emerging trends and good practice to different ways.

A platform to share knowledge

Using the huge knowledge and research assets that INGOs hold to offer and facilitate knowledge sharing through open, connected knowledge networks. This would also generate more evidence and data on what works and what doesn’t in our data-poor sector, so enabling more benchmarking and investment decisions to be taken by more globally-connected users.

Existing INGO structures do not have the agility needed to drive innovation in these areas. They are staff – and cost-heavy, set up to manage and deliver long term development programming, manage the risks, funding etc. Many agencies have hugely expensive global, regional and country programme office structures. While a number of interviews were already reflecting on the necessity of country structures, less mentioned global structures. Rockefeller Foundation are shutting their country offices as they see opportunities for partnerships with emerging national research institutes and innovation platforms in the global South. Care and ActionAid are currently exploring different country presence models (including virtual alternatives where country programme resources are invested in stronger, more sustained local partnerships), but what of expensive global and regional structures too?

A radical option would be to shut down all such structures and reinvest the resources saved to deliver completely different, more connective or platform functions, making the most out of the brand, history, relationships and networks built. It could also be an option to merge assets as a sector: for example: the thematic knowledge and expertise, as the humanitarian sector did some decades ago, use data to assess performance and agree who will take on which areas of long-term development support, then merge resources accordingly.

8. Whither INGOs?

The context in which large INGOs operate has changed significantly. Whilst much has changed for the better, and while new digital transformational opportunities abound, large INGOs are needed less to deliver basic rights to a few. They are needed more to take risks, and to lead – to the many – their global reach, thought leadership, and ability to challenge. INGOs need to think more radically to release the resources needed to invest in new ways of support in long term development. The gap between the pace of change in large INGOs and the pace of change in the external world gets bigger by the day. So what can large INGOs realistically do to catch up?

‘INGOs need to think more radically ... [as] the gap between the pace of change in large INGOs and the pace of change in the external world gets bigger every day.’

Strategic realignment

Making strategic choices on function and structure does not only depend on responding to the changing world and what your clients need from you. It requires deep reflection and understanding of your organisation identity, its values, boundaries and red lines, and relevance. It requires mapping what everyone else is doing, before you do your own added-value. By your choices. To implement any such change requires a deep understanding of the blockers and encouragers and how change really happens in your organisation.

To realise these opportunities arising from disruptive change, INGOs need to do this as part of a root and branch strategy review process. Going forward will require inspirational vision with clear signals, consistency of message and alignment across the systems and processes that staff experience every day.

More explicit group structures

International structures offer the basis for more networked, distributed leadership models, but delivered through more explicit group structures rather than the current cumbersome ‘pick and mix’ approach. More devolved structures and more empowered Group Service-Providers would need to develop leaner, more efficient business support services and leaders are required – including country and function who need the freedom to make speedy decisions within agreed frameworks.

Drive collaboration

INGOs could also consider new forms of collaboration with social enterprises, formalised partnerships, creating opportunities to convene actors around common ground and share learning and technical expertise to impact increase. This might include collaborations with agencies with expertise in different financing models, such as Social Finance or Social Enterprise UK, to help develop options for more sustainable or blended finance, beyond grants and conventional social impact bonds, working with them on their agendas. Partnerships demand investment; a commitment over time with flexibility; mutual respect and sufficient complementarity. It also demands the distinctiveness in the skills and attributes brought by each of the partners, so that the achievement of the whole adds up to more than the sum of the parts.

Brutally focus within each area of mandate

‘Doing less and doing it better’ was an option that interviewees felt was practical to enable more focussed investment, and to make it easier to communicate clearly in order to grow public support. Such choices need to be made cognizant of others areas of choice to ensure coherence and viability. Examples might include campaigning on one or two key issues only or seriously investing in achieving one or two ambitious development goals and freeing up time for more collaborative innovative ‘unbound’ ideas to emerge. Most INGOs already focus on one technical specialist area within the humanitarian system (for example, Oxfam focusses on water and sanitation, Save the Children focusses on education) This could also be applied to long term development programming which tends to be less focussed. This option would demand little change in structure, but is also less likely to lead to significant change.

Just stop all contracting

The days of contracts aren’t yet behind us, but the funding landscape is changing fast. It is of course possible to challenge contracting’s expected deliverables and costs, and to do it in a way that would be deeply uncomfortable for the present more negative political climate is a time to be bold, to get ahead of the game, to release resource sucked into one to two ‘boxed in’ contracts, and show a much more transparent way– all in a spirit of solidarity.

In discussions many INGO interviewees felt this pathway was too extreme and unachievable and that the aid sector is different to the UK charity sector in its dependency and relationship. They see government contracts that are jointly designed and mutually beneficial to INGOs and DFID as key to delivering good quality aid. In reality few contracts are of this nature and there are major costs of reorienting and more are huge for INGOs (from exchange rate losses to poor pricing to staff security). DFID freely admits that they aim to pass on as much risk as they can to INGOs. INGOs need to look more seriously at the real costs both in terms of finance, risks and leadership and management time, but also in their ability to speak out when relationships with government are less favourable. If they were to report on real signals of their seriousness about change, this would be a golden opportunity that would make staff think they really meant it.

9. Conclusion

There is still unquestionably much to do to achieve the mission of overcoming the global challenges. Taking the bottom billion out of poverty and ‘leaving no one behind’ to achieve sustainable development goals will be tough, more politically contested challenge than overcoming poverty for the previous billion. Poor people increasingly live in fragile conflict affected states (rather than China and India). The context and the means to achieve the mission differs so many severities. If large INGOs are to remain relevant, they need to stop delivering basic rights to a few and lend, to the many, their global reach, thought leadership, and ability to challenge. They need to work with the feminine traits that John Gerzema describes in his ‘Athena Doctrine’, with openness to collaborate and learn, building consensus, asking for advice, adjusting along the way – all in a spirit of solidarity. This is easy to say in a report but incredibly hard to deliver, especially at a time when charities are under such extraordinary pressures politically and on complience. It is a challenge for large organisations to successfully reinvent themselves with such established cultures and
'If large INGOs are to remain relevant, they need to stop delivering basic rights to a few and lend, to the many their global reach, thought leadership and ability to challenge.'

normative behaviours. The IBM case studies are rare. I do not think many of the INGO leaders I spoke to really believe they are under such existential threat. But the level of disruptive challenge would seem to me to require more radical change at least in long term development approaches than they believe.

Whilst each large INGO has to find its own way, each also needs to ensure they devote sufficient time and resources to exploring the next horizon whilst they are also under such pressure and when the current aid grant/contracting model is not yet so broken and can continue to be exploited. Is contracting really large INGOs niche? I am not sure it is and unless large INGs diversify and divest quickly, the disadvantages of their size will increase their irrelevance to make them the dinosaurs of the golden age.

It will require courageous, connected leaders to make tough choices on functions and then rethink structures, financing models, and people strategies, in order to deliver an agile model is not yet so broken and can continue to be exploited. Is contracting really large INGOs niche? I am not sure it is and unless large INGs diversify and divest quickly, the disadvantages of their size will increase their irrelevance to make them the dinosaurs of the golden age.

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