

Voluntary Power

A consultation document on
expanding the third sector in
Scotland

reform
scotland

Voluntary Power

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Responses

The deadline for responding to the issues raised in this report is 30 June 2010. Responses should either be emailed to Alison.Payne@reformscotland.com or posted to:

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About Reform Scotland

Reform Scotland is an independent, non-party think tank that aims to set out a better way to deliver increased economic prosperity and more effective public services based on the traditional Scottish principles of limited government, diversity and personal responsibility.

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i. Executive Summary

Objective

This aim of this consultation paper is to consider how the third sector in Scotland could contribute towards the recommendations Reform Scotland has outlined in previous reports to improve public service delivery.

Based on our analysis of the current situation in Scotland and desire to ensure that people and communities are given greater power wherever possible, Reform Scotland sets out recommendations for discussion as to how we might enhance the role of independent, third sector organisations in the provision of public services.

Findings

- The third sector plays a large role in Scotland today with, according to the SCVO, over 45,000 voluntary organisations which have an annual turnover of £4.1 billion and assets of over £8 billion. Voluntary organisations employ 5 per cent of Scotland's paid workforce and over 1.3 million people give their time freely as volunteers. 40 per cent of the voluntary sector's revenue comes via public funding and its contribution extends across a wide range of areas. The sector is diverse including large national charities, small community groups and social enterprises. It is most often associated with the provision of welfare services; however it plays a vital role in many other areas including the arts, sport, heritage and the environment.
- The third sector is important because its independence from government enables it to adopt innovative and imaginative solutions to social problems. The diversity of the sector and the approaches adopted are its great strength when compared to the uniformity of action by government and its associated agencies.

The sector's approaches often lead to new and better ways of doing things which bring enormous benefits to society and offer users of public services a wider range of choices. Voluntary provision is frequently more compassionate as it is administered more personally and because it is often rooted in communities it helps them to take greater control. This in turn strengthens the social fabric by fostering communities within which people come together to meet the needs of their neighbours. It not only benefits those who use its services, but also those who provide them. It gives people opportunities to be of service to others and enables them to develop important personal qualities such as self sacrifice, courage and determination which will foster better citizens.

Policy recommendations for discussion

Enhancing the role of the third sector: We recommend that the role of third sector organisations in the delivery of public services is enhanced to foster greater diversity of provision and choice for service users. Reform Scotland believes that this is best achieved by making public services more responsive to the people and local communities they serve as we have set out in previous publications looking at local government, criminal justice, education and healthcare.

In areas such as education and health, giving people much greater control over the services they receive and choice from a wider range of providers is the key to higher standards. By ending public sector monopolies in the provision of such services and creating a level playing field, third sector organisations would have a much greater opportunity to deliver services. Our proposals to reform health and education would ensure that public funding reflected choices made by people and people will often look to third sector providers because they frequently offer more personalised, compassionate and innovative approaches. So in education, third sector organisations

would be able to set up and run new independent, publicly-funded schools for parents looking for an alternative to local authority provision. In healthcare, Reform Scotland advocated all hospitals and community healthcare providers becoming independent, not-for-profit trusts. Such bodies would become part of the third sector and third sector organisations would also be able to set up new bodies to provide healthcare.

All this would expand the role of the third sector in Scotland greatly and create a genuine alternative to public sector provision. However, we need to extend this principle further by ensuring that in other areas of public service provision funding reflects the needs and wishes of people and local communities.

One way to achieve this is to extend the use of Self-Directed Support or Direct Payments. These Direct Payments have been available to disabled people aged 18-64 since 1997 to enable people to purchase and manage some or all of the care which they have been assessed as needing. This increases the flexibility, choice and control that people have over the care they receive so they can live more independently in their communities. Since 2003, local authorities have had a duty to offer direct payments in place of providing services to all eligible disabled people or to parents of disabled children aged 15 and under. However, the take up in Scotland has been low. We should extend direct payments and personal budgets to provide more appropriate care and better value for money.

The same principle could also be extended to local communities with budgets devolved to local groups provided they could meet national standards of accountability to local people.

Strengthening civil society: We recommend that government creates the conditions in which the institutions of civil society will thrive, in particular those independent, third sector organisations in which

people voluntarily come together to pursue public purposes or the common good. This requires a long-term shift in the balance of power from the state towards voluntary action which is most likely to be achieved if power in society is decentralised.

Reform Scotland has set out in earlier publications how autonomy and financial responsibility should be devolved from Westminster to Holyrood and from Holyrood down to local authorities. This would enable both the Scottish Government and local authorities to decide whether functions should be performed directly by them, should be publicly financed yet provided by independent organisations under contract or should not involve government at all but be left to the third and private sectors to provide. Diverse approaches across Scotland would be encouraged which should provide a better balance between what is done by government and what is done by the institutions of civil society. This would create the space in which third sector organisations could develop to meet public needs. Such an environment may take some years to create, however, it is the best way of building on reforms which enhance the role of the third sector by giving it a greater opportunity to deliver public services.

Greater financial responsibility for the Scottish Parliament would also give the Scottish Government the power to create a fiscal environment that encourages charitable giving by extending tax reliefs. This would enable third sector organisations to increase their funding from non-governmental sources and so enhance their freedom of manoeuvre. This should be our long term aim as it ensures the essential independence and autonomy of third sector organisations.

Conclusion

Over time, too much power has been taken away from people and local communities in Scotland and transferred to central government. The public are increasingly unhappy with the results of this because it has not led to the quality of public services seen in many other

countries and has opened up an increasing divide between the governing and the governed who have little ability to shape their own lives and the future of their communities.

The key to changing this and creating a better, fairer society is to ensure that power is exercised by people or as close to them as possible so that people and local communities assume greater responsibility for their own development. This enables them to choose their own goals and how they might be achieved rather than have government choose for them.

That is why Reform Scotland's work, across a number of different areas of policy, has set out how just such a devolution of power can be achieved.

The third sector is vital to this transformation because it empowers people, enabling them to come together to achieve shared goals or tackle specific problems which improve society for the benefit of all. It provides clear benefits to society because in many areas it has pioneered new and better ways of meeting the needs of people and simply by offering an alternative to public sector provision it enhances the choices available. Therefore, we need a shift in power from government to the institutions of civil society and, in particular, an increase in the role of the third sector in Scotland. Such a change cannot be achieved overnight. However, this report sets out the direction in which we need to travel and some specific steps which will take us in this direction. By dispersing power more widely, these measures would bring us closer to the type of society which best serves the needs of its citizens and which Alexis de Tocqueville described when he said that *'The health of a democratic society may be measured by the quality of functions performed by private citizens.'*

The deadline for responses is 30 June 2010

1. Introduction and review of Reform Scotland's recommendations for public services

The voluntary sector in Scotland covers a wide range of areas with over 45,000 voluntary organisations, 1.3 million volunteers and an income of £4.1 billion.¹ In Reform Scotland's reports on health, 'Patient Power', on education, 'Parent Power' and on justice, 'Power to Protect', we advocated a wider diversity of provision to give the public choice in the delivery of public services. However, it was made clear that such a choice does not mean just public or private sector provision, but would allow for the expansion of the third, or voluntary, sector.

As our reports highlighted, it is the third sector which can, more often than not, present new ways of dealing with old problems, provide innovation and best understand local needs.

The purpose of this consultation paper is to examine the voluntary sector as a whole, assessing its composition, importance and the contribution it currently makes. This is with a view to discussing how its role could be extended to contribute towards the recommendations Reform Scotland has outlined in previous reports and provide greater diversity and choice in public service provision.

This chapter outlines the recommendations that Reform Scotland made in its previous reports that have a bearing on the voluntary sector.

¹ SCVO

1.1 Power to Protect, October 2008

In Reform Scotland's report on crime, many of the specific recommendations were aimed at the structure of the justice system, for example the accountability of Scotland's police forces and the direct election of Area Procurators Fiscal. However, the report highlighted the fact that the voluntary sector is already involved in dealing with offenders, whether serving custodial or non-custodial sentences, as well as working with victims of crime. In addition, a number of the global examples of innovative ways to prevent re-offending were administered by voluntary and charitable organisations.

Judges to have full range of sentencing disposals: We recommend that Judges should have access to a full range of disposals when handing down a sentence, so that the most appropriate and effective sentence is imposed by the court. At present, various limits are placed on them. For example, a judge or sheriff may believe that a Supervised Attendance Order (SAOs) is the correct disposal for an offender. However, that sentence is only available once an offender defaults on a fine.

Equally Drug Treatment and Testing Orders (DTTOs) are only available in the Sheriff and High Courts. However, someone who has committed their first minor offence due to a drug habit will probably be sent to a district or justice of the peace court. It is only once they have graduated onto their career of crime that the sentence that possibly best suits them becomes available. We believe all sentences, including SAOs and DTTOs, should be available to every court in the first instance. If the most appropriate sentence is given at the earliest opportunity this should hopefully lead to a reduction in re-offending.

More innovative rehabilitation within prison: We would encourage prisons to come up with innovative schemes, including involving the private sector in the training of prisoners in useful skills as well as

schemes which could consider incentivising prisons and staff for lower re-offending rates. One of the main purposes of prison is to rehabilitate, however too often overcrowding in prisons has led to a weakness of rehabilitation programmes with re-offending rates remaining too high. We would accept that not all prisoners will choose to participate in such programmes, however with the removal of automatic early release; successfully completing rehabilitation and training programmes could help prisoners earn time off their sentences.

1.2 Parent Power, January 2009

Reform Scotland's report on education argued that giving parents and guardians a greater say in the education of their child would help improve the system for all. However, for parental choice to reach its full potential a greater diversity of providers are needed, which is where there is a new role for the third sector.

Parental choice: We recommend that parents or guardians should be given an entitlement equal to the value of the average cost of educating a child in their local authority area which could be used to send their child to any school which costs the same as the entitlement or less. This would give parents a greater say in choosing the school they believe will help their child fulfil his or her potential, whether it is the local state school, a state school on the other side of town or an independent school if its fees were the same or less than the value of the entitlement. If an independent school charged fees higher than the value of the entitlement, parents would not be able to top-up the difference themselves. Where parents are able to exercise greater choice between schools, this introduction of competition can help improve attainment levels in all schools, an advantage highlighted in the OECD's Programme for International Student Assessment (PISA) published in 2007.

Supplement for children in receipt of free school meals or with special educational needs: We recommend that, as part of this scheme of parental choice, pupils in receipt of free school meals or with special educational needs would receive a permanent supplement on top of their entitlement. This would come from central government and ensure that such pupils are more attractive to schools which will ensure that the scheme achieves the objective of extending opportunity and increasing social mobility.

Transitional introduction for children on free school meals: We recommend that this scheme of parental choice should be introduced initially for two years to parents and guardians of children in receipt of free school meals and then extended to all. This emphasises the most important aim of these reforms which is to help pupils from more disadvantaged backgrounds, who are the pupils most obviously being failed by the current system. During this period, these parents would be given priority over other parents using the existing placing request system.

Allow new schools to be set up: We recommend that new and more diverse schools are opened up since evidence shows that competition can drive up standards in all schools. At present, nothing prevents new schools opening up and operating as private schools as long as they meet required guidelines. However, providing the entitlement to parents to send their child to the school of their choosing will increase the potential demand for independent, state funded schools and so provide an important stimulus for the establishment of new schools. As with existing independent schools, new non-state schools would only be eligible for the parental choice scheme if their fees are the same as the value of the entitlement or less. Schools should not choose pupils on the basis of ability – parents and pupils should choose schools. As more schools open, the supply of independent school places should broadly match demand. However, initially if there are

more applicants for a school than places available then a lottery system should be used, though preference could be given to a child with a sibling at the school. Local authorities could continue to use the existing catchment area as the basis on which to allocate places at the schools which they run.

1.3 Patient Power, April 2009

As with our report on education, Reform Scotland's report on healthcare in Scotland highlighted the need for a greater diversity of, and competition between, providers to better meet the needs of individuals. Unlike in education, where state-run primary and secondary education is the dominant form of provision, there are some areas within healthcare, for example hospice provision, where the third sector is already heavily involved.

NHS constitution: We recommend that the health service in Scotland is made more accountable to patients through a new constitution which sets out the relationship between the health service and patients. The health service in Scotland acts as an insurer in the sense that it attempts to provide cover for all citizens in Scotland. It should act more like the insurance-based systems in other countries by defining patient entitlement so that patients know to which drugs and treatment they have access. By giving patients legal entitlements, it ensures the system is accountable to them, not government and because the entitlement is set at a national level it should help to overcome the problem of patients in some parts of the country having access to treatment while others do not.

A new NHS Constitution would have the added benefit of clarifying the role of the Scottish Government in health care. Under our proposals, the Government would:

- set the legal and regulatory framework for the health service and ensure that everyone is guaranteed access to defined health care irrespective of ability to pay;
- regulate the commissioners and providers of health care to ensure that they meet approved standards as well as ensuring the supply of essential services such as A&E (this would include the national bodies such as National Services Scotland and the Special Health Boards which are already directly accountable to the Scottish Government’s Health & Wellbeing Directorate);
- be the principal funder of health care in Scotland, setting the overall budget for the health service in Scotland which would come out of general taxation and be distributed to the new Health Commissioning Cooperatives on the same basis as at present – a weighted amount based on the Resource Allocation Formula; and
- establish a national tariff scheme for different NHS treatments which sets out the amount that would be paid to hospitals and other health care providers per patient they treat.

Supplementary insurance: We recommend that patients should be free to take out supplementary insurance for treatments and drugs not provided by the health service in Scotland without incurring any penalty. The Health Secretary, Nicola Sturgeon, has issued revised guidance to Health Boards on this issue. This new guidance would, under certain circumstances, enable patients to pay for new cancer drugs which the NHS did not provide without turning themselves into private patients. This is a step forward, however there are still too many grey areas. Our proposals would provide much greater clarity by forcing the Government to define exactly which treatments and drugs the NHS will cover. Patients would then know that if they wanted a specific drug that was not covered they would have to pay for it themselves. Allowing a supplementary insurance market to develop,

as we propose, would enable far more people to gain access to these new drugs, which are often expensive, than is likely to occur if people have to pay out of their own pockets. The current regulations would continue to apply for those taking out private insurance that covered treatments and drugs available on the NHS.

Empowering patients: We recommend that the role of the 14 Unified NHS Boards in Scotland is changed so that they become the champions of patients, with responsibility for commissioning care on their behalf. They would be turned into 14 area-based, mutual organisations known as Health Commissioning Co-operatives, owned by their members and with direct patient representation on their boards to ensure they are run in their interests. They would be statutory bodies, regulated by the Scottish Government or its agencies and receiving their funding from the Scottish Government as at present. They would be specifically charged with ensuring the provision of essential local services such as Accident and Emergency and that patients were given a choice as to the care they received. This would require them to act as ‘honest brokers’, disseminating all the relevant information on health outcomes and quality of care so that patients and their GPs could make an informed choice based on the performance and quality of care offered by different providers. Money would flow through the system based on the choices of patients with the NHS tariff following the patient to the provider of his or her choice, ensuring that the system was focussed on the needs of patients.

GPs would continue to perform the role of gatekeepers to further NHS-funded health care with Health Commissioning Co-operatives contracting with GP Practices to provide primary care services. The new General Medical Services Contract allows Health Boards to negotiate with GP Practices for additional services. This should be extended with far greater discretion given to the new Health Commissioning Co-operatives to negotiate their own local contracts for primary care services within a national framework set out by the

Scottish Government. Other providers should be able to tender for these contracts to provide GP services. These local contracts could be used, amongst other things, as a tool to encourage primary care services which meet local needs or to promote better health. They would be combined with an end to GP catchment areas with patients able to choose a GP practice which suits them. This choice might be based on convenience – such as a surgery providing online booking or late-night opening or simply on a patient’s perception of the quality of service provided. Taken together locally-negotiated GP Contracts and patient choice of GP would reward those practices which served patient needs, fostering innovation and higher standards in the provision of primary care.

Diversity of provision: We recommend that the provision of health care is separated from its commissioning to remove any potential conflicts of interest and encourage a wider range of health care providers. This mirrors the situation in comparable European countries which provide universal health care coverage. Over time, the Scottish Government and its regulatory agencies would help existing NHS hospitals and providers of community health care to become independent, not-for-profit trusts along the same lines as in England. Their assets would have to be permanently used to provide health care and they could not be taken over by commercial organisations. However, there would be no such restrictions on new health care providers with public bodies such as local authorities, voluntary associations and commercial entities all entitled to provide health services. As with existing providers of health care, they would be regulated by the Scottish Government and its agencies which would grant them a licence to provide health services as long as they met the required standards. They would be funded on exactly the same basis as any other provider – on the basis of the NHS tariff and the number of patients they attracted. If they could treat patients for less than the tariff amount then they would be allowed to keep what is left over to re-invest. This would provide an incentive for better service based on

innovation as those providing services valued by patients and delivering better health outcomes would thrive while those not providing such a service would receive less money. As part of this move towards greater independence for the providers of health care, hospitals and other health providers should be given the freedom to restructure the services they provide and negotiate their own contracts with staff to reflect local needs and priorities.

2. The third sector in Scotland

2.1 What is the third sector?

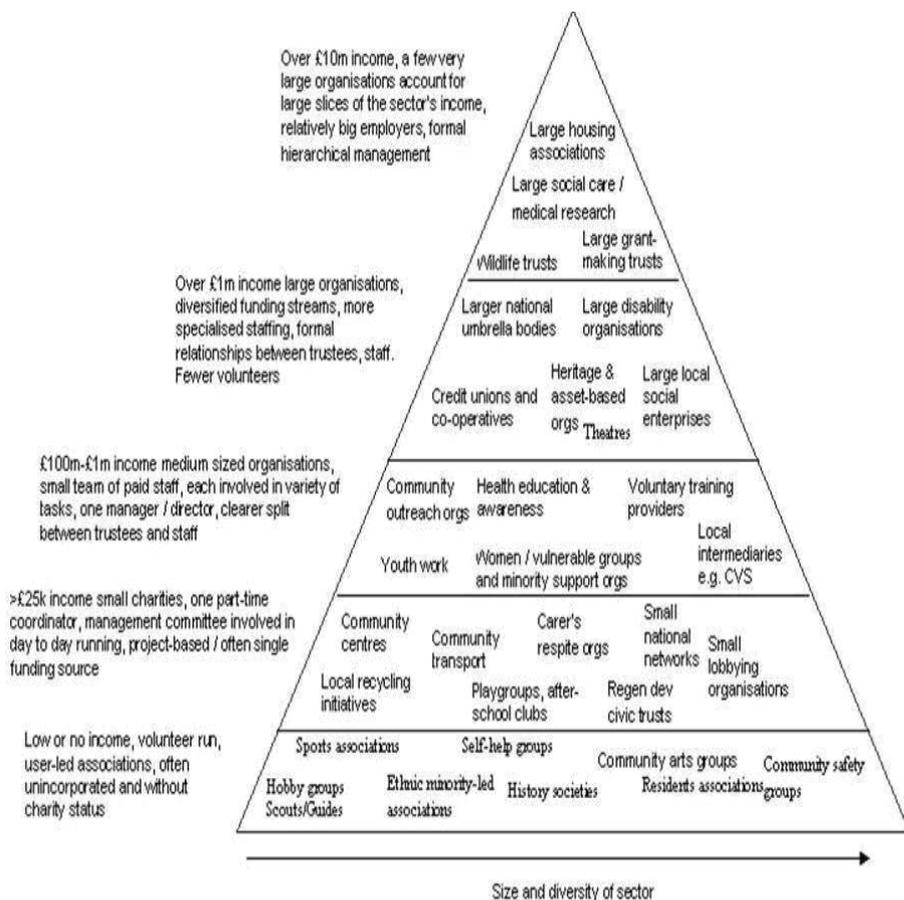
The Third Sector comprises social enterprises, voluntary organisations, co-operatives and mutuals.

The Scottish Council for Voluntary Organisations (SCVO) defines voluntary organisations as non-profit, non-statutory and autonomous with unpaid individuals running the boards. There are currently 45,000 voluntary organisations, with around 20,000 registered as charities, housing associations or credit unions.² The sector had an annual income of £4.1 billion in 2008 employing 130,000 paid staff, approximately 5 per cent of Scotland's workforce in addition to 1.3 million adult volunteers.³

The voluntary sector is part of civil society and it is involved in a wide range of areas from the arts to social care and housing to education. The following SCVO pyramid diagram illustrates the diverse nature of the sector and also indicates that there are some large 'household name' organisations, though they are few in number, while there are many small associations.

² SCVO, 'Get to know Scotland's third sector', July 2009 - www.scvo.org.uk/scvo/Information/ViewInformation.aspx?al=t&page=&all=&from=DSR&Info=1623&TCID=27&PageName=Facts

³ SCVO, 'Get to know Scotland's third sector', July 2009 - www.scvo.org.uk/scvo/Information/ViewInformation.aspx?al=t&page=&all=&from=DSR&Info=1623&TCID=27&PageName=Facts



The sector is very diverse and includes a number of overarching bodies, including the following:

SCVO: The Scottish Council for Voluntary Organisations (SCVO) is the national umbrella body representing the voluntary sector. It is a membership and representative organisation which offers peer-support networks and training programmes to members to help keep their organisations working to their full potential.

Councils for Voluntary Service: There are 56 Councils for the Voluntary Sector in Scotland covering all local authority areas which provide a range of development and support services to voluntary organisations.

Thematic Intermediaries: In addition to the SCVO, there are a number of other umbrella organisations that serve groupings within the sector based around the areas of work. Examples of such bodies include Scottish Environment Link and the Scottish Sports Association.

Volunteer Development Scotland: Established in 1984, Volunteer Development Scotland is an independent membership organisation which aims to maximise the positive effects of volunteering on individuals, organisations and communities.

In addition to voluntary sector organisations, social enterprises play an important part within the third sector.

Social Enterprises⁴:

Social enterprises, like the Big Issue, are businesses that trade for social and environmental purposes. They exist to make a profit just like any private sector business. However, any profits or surpluses they make are reinvested into social and environmental purposes; for example providing employment opportunities to the long-term unemployed. There are a number of different types of social enterprises including co-operatives and mutuals, credit unions, housing associations, social firms, development trusts and community interest companies. The Scottish Social Enterprise Coalition is the national collective body for social enterprises in Scotland. The

⁴ www.scottishsocialenterprise.org.uk/about-us/what-is-social-enterprise/

Scottish Social Enterprise Coalition estimates that social enterprises contribute about two thirds of the £3.87 billion turnover of the third sector in Scotland.

There has also been a growth in venture philanthropy such as Inspiring Scotland.

Inspiring Scotland⁵:

Inspiring Scotland is an example of a new kind of venture philanthropy which combines investment from a number of areas, including private individuals, government and businesses, and focuses the resource on key social choices in Scotland. Inspiring Scotland aims to provide long-term support for charities over a 5 to 10 year period, moving away from project-led, often short term funding and help bring greater cohesion and higher impact to the work being carried out by charities in Scotland. The organisation's development was led by the Lloyds TSB Foundation for Scotland and at the start of 2009 Inspiring Scotland became a fully independent organisation. The basic model is to raise philanthropic funding and invest it in a selected portfolio of charitable ventures while rigorous performance monitoring ensures maximum return.

An example of the group's work is the 14:19 Fund which aims to significantly reduce the number of 14 to 19 year olds who struggle to make a successful transition between school and education, training or work. This is being done by investing in co-ordinated delivery of targeted work by the voluntary sector over the next 7-10 years.

⁵ www.inspiringscotland.org.uk/Home/What-We-Do/FAQ

2.2 Scottish Government and the third sector

The Scottish Government recognises the important role that the third sector plays in Scotland and sets out on its website that it believes the third sector *“has an important role in helping the Scottish Government achieve its purpose of creating a more successful country with opportunities for all to flourish, through achieving sustainable economic growth.”*⁶

The Scottish Government is committed to providing £93 million of funding to the sector up until 2011.⁷ As part of this commitment the Government has signed a joint statement outlining the relationship between the third sector and government as well as establishing the Enterprising Third Sector Action Plan.

- **Joint Statement:** In September 2009, the Scottish Government published a joint statement from the Scottish Government, the Convention of Scottish Local Authorities (COSLA), the Society of Local Authority Chief Executives (SOLACE) and the Scottish Council for Voluntary Organisations (SCVO). The purpose of the document was to create partnerships and encourage joint working and decision making.
- **Action Plan⁸:** In June 2008 the Scottish Government published the Enterprising Third Sector Action Plan, backed up with funding of £8.75 million. The plan outlines seven objectives to be delivered between 2008 and 2011 aimed at helping increase the turnover of the social economy. The seven objectives are:

⁶ www.scotland.gov.uk/Topics/People/15300

⁷ www.scotland.gov.uk/Topics/People/15300

⁸ Scottish Government, 'Enterprising Third Sector Action Plan 2008-2011', 2008

- Opening markets to an enterprising third sector
- Investing more intelligently
- Promoting social entrepreneurship
- Investing in skills, learning and leadership across the third sector
- Providing support for business growth
- Raising the profile of enterprise in the third sector
- Developing the evidence base

As part of its funding commitment, the Scottish Government has appointed Social Investment Scotland⁹ (SIS) to manage the Scottish Investment Fund (SIF) aimed at the third sector. SIS is a social business that provides investments via loan finance in other social businesses that have the capability to make sustainable social impacts. The SIF is a £30 million fund to be delivered from 2008 to 2011 aimed at third sector organisations which have been trading for three years generating income other than grants and want to make a step change in their activities. The SIF also targets specific social outcomes achieved in specified priority areas through an investment-based approach as opposed to grants. Over the life of the fund, the financial and social returns generated by SIF investments will be measured in terms of how they contribute to the achievement of one or more of the 15 National Outcomes which describe what the Scottish Government wants to achieve over the next ten years. The 2008/09 investment priorities focused on organisations with social missions that address issues of employability, environmental action and the underlying causes of health inequality.

⁹ www.scottishinvestmentfund.co.uk/aboutus.cfm

2.3 How the voluntary sector currently works in the justice, education and health sectors

Reform Scotland believes that the third sector could play a bigger role within public sector delivery in Scotland, but that is not to say the sector is not already carrying out important work. We need to build on the work that is currently being done. The following are just a few examples of the many third sector organisations at work in Scotland.

Justice

There is a great deal of work done by third sector organisations aimed at helping those directly affected by crime, either as victims or family members, as well as organisations which work tirelessly to prevent re-offending and to ensure that individuals don't fall onto the conveyor belt of crime to begin with.

Apex Scotland: Apex Scotland's vision is to be the leading organisation working in partnership to deliver employability services to offenders and young people at risk. The charity offers a wide range of services from Supervised Attendance Orders to alcohol and drug treatment and support as well as helping offenders rejoin the workforce. They have also carried out a wide range of one-off initiatives including running an inclusion unit at Dunfermline High School for excluded pupils and Think Again, which was developed in partnership with Napier University and is designed to address barriers faced by former offenders considering further and higher education. Apex Scotland also has a presence in a number of prisons offering a range of pre-release employability activity.¹⁰

Alternatives: Alternatives was the first drugs support service in West Dunbartonshire when it was set up in 1995. It was set up to respond to concerns raised by a family activity group. It now has a team of 23

¹⁰ www.apexscotland.org.uk/services.htm

people and offers a wide range of services including advice, family support, support for prison inmates, needle exchange and drop-in services.

Association of Scottish Neighbourhood Watches: The object of the Association of Scottish Neighbourhood Watches is to promote good citizenship and greater public participation in the prevention and solution of crime. The concept of Neighbourhood Watch came to the UK in the early 1980s from the USA and by 2008 there were approximately 3,500 schemes in Scotland with new schemes being established all the time. In May 2006, the Association of Scottish Neighbourhood Watches was established with the aim of developing and supporting existing and new Neighbourhood Watches throughout Scotland.

Health

People have been volunteering to support the NHS since its inception. The Scottish Government is currently trying to encourage more people to volunteer within the NHS¹¹ and Volunteer Development Scotland has been engaged to recruit more volunteers and enhance their experience. This partnership between volunteers and the NHS adds to the quality of care. Patients benefit from support, time and attention while staff can be freed up to make the most of their skills.

Royston Stress Centre¹²: Established in 1992, the Royston Stress Centre responded to local concerns about the high level of stress suffered by local people. A local tranquilliser support group was the driving force behind setting up the organisation in partnership with the local health forum. The charity provides a range of services including life coaching, relaxation and counselling, aimed at helping people deal with high levels of stress and making positive changes to the quality

¹¹ www.60yearsofnhsscotland.co.uk/history/delivering-in-partnership/volunteer-development-scotland/

¹² www.roystonstress.org.uk/Pages/about-royston-stress-centre.html

of their life. This includes the adult stress centres where local people can refer themselves or be referred through their GP.

St Andrew's Hospice¹³: St Andrew's Hospice is an example of one of the many charitable hospices which operate within Scotland. The hospice provides specialist palliative care services in Lanarkshire. There is a range of services providing support for patients, families and carers including a 26-bed specialist palliative care unit, 2-bed respite care, a day hospice for up to 60 patients and a care at home service for patients who wish to die at home. St. Andrew's Hospice's annual running costs are approximately £4.2 million a year of which nearly £2.2 million has to be raised each year from public donations. The team at the hospice includes over 300 volunteers who carry out a range of duties from assisting in Hospice shops to providing tea and coffee for patients and their families.

New Horizons Borders¹⁴: New Horizons Borders is a self-help/mutual-support mental health organisation founded in 1993 out of the need to provide facilities which were independent and beyond the confines of conventional mental health services. The charity now provides a drop-in service offering mutual support and the opportunity to contribute toward the planning of mental health services in the Borders.

Music in Hospitals Scotland¹⁵: Music in Hospitals in Scotland has over eighty groups of professional musicians, ranging from classical ensembles to folk groups and ceilidh bands. The charity's aim is to enable people of all ages in hospitals, hospices, care homes and day care centres to enjoy the therapeutic benefit of live music performed by talented professional musicians. In 2008/09, the organisation

¹³ www.st-andrews-hospice.com/aboutus.php

¹⁴ www.newhorizonsborders.co.uk/About%20NHB.html

¹⁵ www.musicinhospitalsscotland.org.uk/

performed 1,661 concerts at 532 separate hospitals and care establishments in Scotland.

Education

As already mentioned, the basic provision of education in Scotland is not an area currently open to the third sector. Generally primary and secondary education is either state or privately run, though many school trusts, after school clubs and summer activity schemes are operated by the third sector. However, in many other countries the third sector has successfully established schools opening up choice to parents, increasing competition between schools and raising standards for all. This is an aspiration that Reform Scotland set out for Scotland in the report 'Parent Power'.

Nevertheless, there are plenty of other areas within the wider sphere of education in which the third sector already plays an important role, as illustrated by the following examples:

Kibble¹⁶: The Kibble Centre in Paisley is a social enterprise working with young people who have a complex mix of social, emotional, educational and behaviour problems. Founded by a charitable bequest in 1857, the organisation offers 64 residential and 40 day placements to young men between the ages of 12 and 18. Kibble's services incorporate community outreach programmes, residential care, social welfare, full secondary education, throughcare and aftercare, intensive fostering, and secure care. These services are sold to local authorities across Scotland and the north of England.

Volunteer Tutors Organisation – Glasgow¹⁷: Volunteer Tutors Organisation has been in operation for over 25 years and supports about 100 children a year in need of educational support. It uses

¹⁶ www.kibble.org/about.php

¹⁷ www.vtoglasgow.ik.com/p_newsaboutus.ikml

volunteer tutors who give one-to-one educational support and guidance in an environment where the children are comfortable. Most children are between 10 to 14 and receive help with basic reading, spelling, writing and number work, though some older children do get help with more specialist subjects.

Parent to Parent¹⁸: Parent to Parent was established in 1987 and covers Angus, Dundee, Perth & Kinross and West Lothian providing support to parents and carers of children with additional needs. Parents can be linked with volunteer parents who have experience of caring for a child with additional needs. The volunteer parents are able to give practical help as well as emotional support. The service also offers advocacy and develops strategies to help parents cope.

¹⁸ www.parent-to-parent.org

3. Policy Recommendations for discussion

Enhancing the role of the third sector through the extension of self-directed care

One existing way that could be developed further to extend choice to individuals over service provision while enhancing the role of the third sector is through the use of self-directed help. Self-directed support or direct payments are payments made by local authorities directly to a person whom it has assessed as needing community care services. The council makes the payment instead of arranging services, allowing people to purchase their own choice of community care services. The aim is that the service provided is better tailored to the individual's specific needs. From 2003, every Scottish local authority was obliged to offer those who are eligible the opportunity to direct their own support. Almost any disabled person or older person who has been assessed as needing community care by their local authority is eligible –

- older people who have been assessed as needing community care services;
- disabled people who have been assessed as needing community care services;
- disabled 16 and 17 year olds assessed as needing children's services;
- those who need some mental health services support;
- parents of, or people with parental responsibility for, a child (under the age of 18) who has been assessed as needing children's services; and
- attorneys and guardians with welfare and financial powers to act on behalf of a person with reduced capacity.

The money can be used for a wide range of services and individuals can choose whether they would prefer to get support from a service provider such as a voluntary organisation or care agency, or by

employing a personal assistant, or a combination of both. It can also be used to pay for someone to provide care and support to enable an individual to take a short break. However, it is not an all-or-nothing policy as those eligible can choose to get a mixed package of self-directed support and local authority arranged social care services. Individuals who choose self-directed care have to show their local authority that the support they want to buy meets their assessed needs and they need to show how the money is being spent.¹⁹

In 2009, the breakdown of self-directed support was as follows²⁰:

Type of provision	% of all packages of self-directed support
Personal care	57%
Health care	4%
Domestic tasks	29%
Housing support	5%
Social/educational/recreational activities	31%
Equipment & temporary adaptations	1%
Respite	14%
Other	10%

Some local authorities operate individual budgets²¹. This is the sum of money each person gets for their self-directed support to meet their total support needs and may be made up of money from many different funds to help them meet different needs, including health and disability benefits. The total cash payment to pay for care goes into a

¹⁹ Scottish Government, 'Directing Your Own Support: A User's Guide to Self-Directed Support in Scotland' 2009

²⁰ Scottish Government, 'Self-directed support (Direct Payments)', 2009

²¹ Scottish Government, 'Directing Your Own Support: A User's Guide to Self-Directed Support in Scotland' 2009

dedicated bank account so that people can keep track of what they have to spend more easily. The money is monitored as a whole, and with as light a touch as possible to enable the most flexible outcomes for the user. People know their combined total budget up front because their assessed needs directly relate to the resources allocated. For example, besides local authority care budgets that may include Supporting People (for housing needs) and funding for equipment and temporary adaptations, some disability benefits may be included in each individual budget such as the Independent Living Fund (ILF), Access to Work, Disabled Student Allowance (SAAS), Disability Living Allowance (DLA) and Carer's Allowance (CA). Health money may also be included.²²

However, although self-directed help offers individuals more choice and allows them to better tailor their individual care to their specific needs there has been relatively low take-up in Scotland. The number of people in receipt of self-directed support increased from 207 in 2001, where over 30% of the take up came from Edinburgh City Council, to 3,017 in 2009.²³ The value of self-directed care has risen from £2.1 million in 2001 to almost £33 million in 2009. The average cost per package across Scotland has stayed roughly the same at around £10,000, though there have been wide variations between local authority areas.²⁴ The Scottish Government has recognised the problem of low take-up. In September 2009, Shona Robison, Minister for Public Health, said in answer to a written question about low take-up that *“The Scottish Government invited all local authorities separately to discuss local obstacles to self-directed support, gather input into a new strategy for increasing uptake and contribute to a review of current legislation”*²⁵

²² Scottish Government, 'Directing Your Own Support: A User's Guide to Self-Directed Support in Scotland' 2009

²³ Scottish Government, 'Self-directed support (Direct Payments)', 2009

²⁴ Scottish Government, 'Self-directed support (Direct Payments)', 2009

²⁵ Scottish Parliament written answer S3W- 27053

Questions for discussion:

Direct payments are basically vouchers for receiving community care. They give the individual concerned the power to choose the best health and social care for their specific needs, regardless of whether that care is provided by the public, private or voluntary sector. Reform Scotland believes that the use of direct payments could be extended further. There is no difference in principle between an individual using a voucher to come up with the best community care for their own needs and individuals using a voucher to decide upon the best educational option for their child.

- 1. Why is there a low take-up level of direct payments and how can this be increased?**
- 2. How could direct payments best be extended to health and education?**

Enhancing the role of the third sector

We recommend that the role of third sector organisations in the delivery of public services is enhanced to foster greater diversity of provision and choice for service users. Reform Scotland believes that this is best achieved by making public services more accountable to the people and local communities they serve as we have set out in previous publications looking at local government, criminal justice, education and healthcare.

In areas such as education and health, giving people much greater control over the services they receive and choice from a wider range of providers is the key to higher standards. By ending public sector monopolies in the provision of such services and creating a level playing field, third sector organisations would have a much greater opportunity to deliver services. Our proposals to reform health and education would ensure that public funding reflected choices made by people and people will often look to third sector providers because

they frequently offer more personalised, compassionate and innovative approaches. So, in education, third sector organisations would be able to set up and run new independent, publicly-funded schools for parents looking for an alternative to local authority provision. In healthcare, Reform Scotland advocated all hospitals and community healthcare providers becoming independent, not-for-profit trusts. Such bodies would become part of the third sector and third sector organisations would also be able to set up new bodies to provide healthcare.

All this would expand the role of the third sector in Scotland greatly and create a genuine alternative to public sector provision. However, we need to extend this principle further by ensuring that in other areas of public service provision funding reflects the needs and wishes of people and local communities.

Questions for discussion:

As outlined within the paper, the third sector already contributes a great deal towards the delivery of public services in Scotland and it is the third sector which is currently providing much of what little diversity and choice there is.

- 3. How can third sector organisations be helped to extend their role in the provision of core health and education services?**

- 4. How can the independence of the sector be preserved, particularly in the eyes of the public, while playing a larger role in the provision of core public services? How can independence be maintained while increasing the levels of funds received from government? To increase transparency should organisations have to declare what percentage of their income comes from Government?**

5. How can public support be built to encourage a greater role for the third sector in the provision of public services?

Strengthening civil society through greater financial powers

We recommend that government creates the conditions in which the institutions of civil society will thrive, in particular those independent, third sector organisations in which people voluntarily come together to pursue public purposes or the common good. This requires a long-term shift in the balance of power from the state towards voluntary action which is most likely to be achieved if power in society is decentralised.

Reform Scotland has set out in earlier publications how autonomy and financial responsibility should be devolved from Westminster to Holyrood and from Holyrood down to local authorities. This would enable both the Scottish Government and local authorities to decide whether functions should be performed directly by them, should be publicly financed yet provided by independent organisations under contract or should be left to the third and private sectors to provide. Diverse approaches across Scotland would be encouraged which should provide a better balance between what is done by government and what is done by the institutions of civil society, thereby create the space in which third sector organisations could develop to meet public needs. Such an environment may take some years to create; however, it is the best way of building on reforms which enhance the role of the third sector by giving it a greater opportunity to deliver public services.

Greater financial responsibility for the Scottish Parliament would also give the Scottish Government the power to create a fiscal environment that encourages charitable giving by extending tax reliefs. This would enable third sector organisations to increase their funding from non-governmental sources and so enhance their freedom of manoeuvre.

This should be our long-term aim as it ensures the essential independence and autonomy of third sector organisations.

Questions for discussion:

- 6. How can local authorities be encouraged to devolve more functions down to independent organisations under contract?**
- 7. What functions could be transferred from Westminster to either Holyrood or local authorities which would help the third sector play a greater role in public sector provision?**

Reform Scotland would welcome any further comments on how the role of the third sector could be expanded to deliver public services in Scotland.

4. Conclusion

In Reform Scotland's reports on public services we have argued for greater diversity in the provision of public services and believe that the third sector is ideally placed to help achieve this. In producing this consultation report, we hope to encourage debate and discussion with the third sector as to how we can move forward and realise the full potential of the sector, particularly in relation to the provision of public services in Scotland.

“The making of a good society depends not on the State but on the citizens, acting individually or in free association with one another... The happiness or unhappiness of the society in which we live depends upon ourselves as citizens, not on the instrument of political power which we call the State.”

William Beveridge, 1948

The deadline for responses to our consultation paper is 30 June 2010. Responses should either be emailed to Alison.Payne@reformscotland.com or posted to:

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www.reformscotland.com