



## Argyll and Bute Local Services Initiative (ABLSI): Changing the playing field for social enterprises

Inspired by Carnegie Trust's Rural Programme and funded by Highlands and Islands Enterprise (HIE) Argyll and Bute Council wanted to make the most of working with the third sector to deliver better services to rural communities. From the encouraging results of the Demonstration Project, the Argyll and Bute Local Services Initiative (ABLSI) was established to initiate positive changes in working relationships and the commissioning of services from the third sector. This is now helping to unlock the role of the third sector in relation to Children and Families services, Education Services, Adult Care, Waste Management, and Planning (Development Policy).



### Background

Argyll and Bute is the second largest of Scotland's 32 Local Authorities, while also one of the least populated (25<sup>th</sup> out of 32). Around 17% of the local population live on islands and 55% of live in settlements smaller than 3,000 people, with many living in remote locations outside of the main settlements. The population of Argyll and Bute is also ageing, with the populations of young and working age people also falling.

Delivering services to this ageing and sparsely populated rural area is both challenging and relatively costly.

The Carnegie UK Trust has a long history of championing the work of rural communities, providing research on rural issues and supporting rural communities to improve services.

In 2007 Carnegie Trust published A Charter for Rural Communities that sets out its vision for successful rural communities in the future and the role that enterprising rural communities can play supported by the public, private and third sectors.

In the same year the Carnegie Trust presented the Charter in Argyll and Bute,

where their ideas found resonance with the Council.

As a result of further engagement with the Trust, Argyll and Bute Council established the Demonstration Project to examine how partnership working with the third sector could be improved. The Demonstration Project focused on five areas: improving access to information access to support for the third sector; making Council funding easier to access; making asset transfer more straightforward; improving access for the third sector to public contracts; and co-ordinating training and skills development for the sector.

From the Demonstration Project the Argyll and Bute Local Services Initiative (ABLSI) was established to further develop co-operation with the third sector, implement the recommendations of the Demonstration Project, and initiate changes within the public sector towards working with the third sector.

Highlands and Islands Enterprise (HIE) is now providing funding for ABLSI for the period 2010-13, with the Carnegie Trust a supporting partner and Argyll and Bute Social Enterprise Network (ABSEN) representing the third sector.

## Scope and focus

ABLSI was established as a partnership between Argyll and Bute Council, NHS Highland, HIE, the Carnegie UK Trust and ABSEN with the aim of identifying service areas with a real potential for co-operation between the public sector and the third sector, and where co-production might lead to better and more efficient services.

ABLSI is also focused on gathering evidence, learning from best practice elsewhere and sharing its findings and learning with others in the Carnegie UK Trust Community of Practice.

ABLSI focused on four themes: funding; procurement; asset transfer and development; and skills and training.

Likewise, the initiative is focusing its efforts on five service areas:

- Children and Families.
- Education.
- Adult Care.
- Waste Management.
- Environment.

These are areas where the third sector is believed to have a more significant role in public service design and delivery.

## Implementation

An ABLSI Steering Group was established consisting of one Elected Member and representatives from each of the main partners. The group was further supported by a PHD student from Strathclyde University.

At an early stage the ABLSI Steering Group contributed to an important service review process. As a key element of meeting its long term budget challenge, the Council carried out a comprehensive review of services to achieve these savings. ABLSI was seen by the Council as very helpful in this process and was able to assist managers with new ideas for service delivery models.

ABLSI representatives had meetings with a number of Council service managers to explore the opportunities for enhanced co-operation with the third sector. ABLSI also reported to the Council's Transformation Board that had oversight of the process.

ABLSI quickly achieved the full support of Elected Members and the Council's executive leadership.

With commitment from the Council in place, the initiative has worked towards influence in a number of service areas:

- **Children and Families.** ABLSI facilitated the co-production of the redevelopment of the grant making process for Children and Families as an outcomes based grant. There were nine different grant mechanisms used in the area to support projects for children and families. ABLSI organised an event with 26 local providers in this service area to agree on desired outcomes of the grant, redesign the grant application form and set time scales that both suited the Council and the providers. This resulted in the development of single grant fund, whereby Council services now have to bid for financial resources in competition with third sector providers.
- **Education.** Council music tuition is under threat in Scotland. ABLSI has worked with a number of Council employed music tutors to set up Arts Qwest, a social enterprise to deliver music tuition. ABLSI helped the group to set up a new organisation by funding legal expenses, providing capacity building and training in legal responsibilities, governance and procurement. ArtsQwest is now set up as a vehicle for the Council and staff to use when a new model for service delivery is required.
- **Adult Care.** Adult care is undergoing significant changes with the implementation of the Personalisation Agenda and the focus on care in the home, which provides challenges for the

Council to manage the long-term demand for different types of services. ABLSI has worked with two aspiring social enterprises that are ambitious to deliver adult care services. Both, however, failed to pass the PQQ stage of the tender procedure. ABLSI is now working with the social enterprises and Council staff to review the tender process and how to unlock opportunities in this service area.

- **Waste Management.** Argyll and Bute Council reduced the Service Level Agreements it had with a number of third sector waste management providers. ABLSI delivered training on 'full cost recovery' for the third sector providers to make them aware of the dangers of delivering services without covering all associated costs of delivery. ABLSI also facilitated a number of sessions between the Council and the third sector provider, with expert legal and procurement input, to re-establish trust between both. Now the Council and the providers are working on a business case to continue services along a more financially sustainable model.
- **Planning (Development Policy).** The Council has a statutory duty to produce a Paths Plan, but not to develop or maintain paths. ABLSI has worked with a number of local paths groups and other community organisations to look at establishing a Coast and Countryside Trust. ABLSI part-funded the consultation process, and applied its learning from other projects to provide guidance on setting up a Trust, ensure there is a balance in governance between statutory partners and the community, ensure long-term financial sustainability is built in from the start and developed a Consultancy Brief.

The initiative has made significant progress in each of these areas in just a short period of time.

## Key challenges

The process of working more closely with the third sector also provided a number of main challenges:

- **Rurality.** The fact that Argyll and Bute is a largely rural area provided a set of familiar logistical difficulties in the implementation of ABLSI. The Steering Group members, local authority officers and the social enterprises are all based far from each other, which caused practical challenges in bringing people together to agree solutions and progress the work of the initiative. Video and teleconferencing have been essential tools in making the project work effectively.
- **Lack of trust between the public and third sector.** From the outset there was a lack of understanding and trust between the public sector and the third sector, which ABLSI aimed to address. Many public sector officers were not aware of potential third sector providers in the area, or the added value that they could bring, and had a perception that the third sector could not deliver services on the scale or professionalism required. Likewise, the local third sector did not always fully understand public sector motivations, challenges and decision-making processes, leading to a perception that partnership working was unequal.
- **Third sector representation.** During the implementation of the initiative, one of the lead voluntary sector partners representing the interests of the voluntary sector was unable to commit fully to the process. This subsequently made it more difficult to access information and to connect fully and quickly with all sections of the third sector.
- **Staffing priorities.** Staff involved in ABLSI had a range of other duties and responsibilities, which sometimes made it difficult to dedicate time to the project.

These obstacles were not insurmountable, and despite early challenges the initiative has ensured strong progress and promising results.

## Outcomes

ABLSI has achieved a range of fundamental changes in the business interaction between the Council and the third sector in Argyll and Bute, which is now set clearly within the context of service commissioning and procurement.

Key benefits have included:

- **Increased awareness of the potential of the third sector in service delivery.** The public sector now has a better understanding of the third sector, what it can deliver, and the advantages of co-production. This has been aided by marketing materials showcasing the potential of the third sector in key areas. It has meant that more departments and officers are becoming switched on to working with the sector.
- **Joined-up working.** Because of ABLSI, the Council and the third sector are working more closely together in commissioning and delivering services than ever before. This is a mutually beneficial process and one that is enabling partners to deliver on shared outcomes.
- **The phasing out of the use of Service Level Agreements.** Argyll and Bute Council is now phasing out the use of Service Level Agreements and uses only contracts or grants. This provides a clearer basis for sourcing services from the third sector.
- **Standardised contracts.** As a result of the initiative, there are now only two contract forms that the Council uses; one for smaller contracts and one for larger contracts. This has significantly simplified and standardised procedures.
- **Sustainability Impact Assessment Toolkit.** ABLSI has redeveloped the

existing Sustainability Impact Assessment Toolkit and is currently testing the new toolkit. The toolkit will be used across the Council and third sector in applying for and awarding grants, commissioning services and evaluating contracts, services, and grants. This will help partners to fully understand the social value arising from the third sector's role in public service delivery.

These are important outcomes which are unlikely to have arisen without focused engagement between public and third sector partners.

## Critical success factors

There are a number of factors that have been instrumental to the ongoing success of ABLSI. This includes:

- **The Carnegie Framework.** The availability of a ready-made framework in the form of Carnegie Trust's Charter for Rural Communities and the subsequent Manifesto for Rural Communities gave the ABLSI group a head-start and an agenda to work towards. This was enhanced by the allocation of support time from the Trust.
- **High level buy-in from the Council.** The ABLSI remit was endorsed by the full Council, and the Chief Executive and Executive Directors have been very supportive throughout the duration of the initiative. This has assisted the project by giving strategic direction on its significance to middle managers throughout the Council.
- **Effective brokerage.** The role of the ABLSI has been an important in playing the role of 'honest broker'. By taking an objective view of obstacles and opportunities the initiative has been able to bring together public and third sector partners to find the right solutions to shared service challenges.

- **Commitment of the Steering Group.** Public and third sector partners have come to the partnership on an equal footing, collaborating in the design of the project and contributing knowledge, capacity, and resources as they can.
- **Third sector leadership.** The ABLSI Steering Group was chaired by the Argyll and Bute Social Enterprise Network (ABSEN), which has ensured that the focus stayed on maximising opportunities for the third sector at all times.
- **Funding.** The funding from Highlands and Islands Enterprise enabled the project to commission specialised external resources to support and develop the third sector.
- **Time to reflect and learn.** The ABLSI Steering Group organised away days on a regular basis to reflect on progress and to internalise the learning. This has also strengthened the personal and professional relationships between public and third sector partners.

These factors in combination have enabled the initiative to stay focused, on track, and deliver greater results than might otherwise have been achieved.

## Future ambitions

The ABLSI project will end in March 2013. The partners are currently considering how to take this approach forward in the future and to embed the learning from it.

The ABLSI Steering Group is preparing a final report on the initiative and has commissioned an external evaluation to make recommendations for the future.

There is now much confidence among partners that a solid platform for continued co-operation between the public and third sector is now in place. This should support the Council to implement the requirements of the proposed Procurement Reform Bill, Community Empowerment Bill, and other related policy agendas. For Argyll and Bute this should also lead to better and more efficiently delivered public services.

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