



Fife Council: Strengthening the Role of Enterprising Communities in Delivering Public Services



Fife Council is one of Scotland's largest local authorities and one which has developed an increasingly productive working relationship with the third sector. Support for the third sector through its Supporting Enterprising Communities programme is enabling the Council to make strong progress in building local capacity, facilitating community asset transfer, and outsourcing services to third sector providers. This builds on previously close working relationships with local third sector providers.

Background

Fife is Scotland's third largest local authority area by population, with a resident population of just under 365,000. Council services are delivered on a highly decentralised basis, supported by a vibrant community and voluntary sector.

In common with all public bodies, Fife Council is under significant pressure to reduce spending. Withdrawing, reducing or reconfiguring services and disposing of assets are some of the ways in which this pressure is being addressed.

This has created an even greater imperative for Fife Council to continue to explore options for minimising any negative impacts and to consider a range of options when reducing or stopping a service or disposing of assets. This includes examining alternative service delivery models involving workers, social enterprises, service users, and local communities.

This has brought Fife Council's relationship with enterprising third sector organisations into much sharper focus. Fife's third sector is increasingly being regarded as key partner in discussing and identifying solutions to public service challenges.

Scope and focus

Building on already strong and supportive relationships with communities and the third sector, Fife Council prepared a draft 'Supporting Enterprising Communities' policy in 2011. This committed the Council to:

- Provide support to, and minimise bureaucratic processes for, communities that wish to manage or own land or buildings or to provide services to improve the quality of life for Fife residents.
- Provide additional support as required to communities to build skills and capacity, to influence decisions affecting their lives, or to be 'enterprising'.
- Develop a culture within Fife Council where staff are empowered to listen to service users and communities, to investigate alternative service delivery models with communities, to be innovative, and to try out new ways of achieving desired outcomes.
- Undertake impact assessments and consult with service users and stakeholders to look at alternative delivery options prior to changing, reducing or withdrawing a Fife Council service.

This policy was closely aligned to a number of key outcomes in Fife's Community Plan.

The policy signalled the strongest possible commitment from the Council to enabling third sector organisations to take on a role in public service delivery, and to think radically about the way in which services are delivered (with co-operatives and social enterprise models of particular interest).

Implementation

A range of action has been taken to engage, support, and develop the role of the third sector in public service delivery, and to develop capacity with the Council to respond positively to this agenda.

Under the auspices of the Supporting Enterprising Communities programme, three project teams were established to scope out the work and progress actions on: supporting communities; asset management; procurement and alternative service delivery; and culture and communications.

Examples of actions have included:

- **Action to better understand existing local capacity.** This included the development of a 'health check' to determine a community group's robustness, development needs and ambitions. An audit of the social enterprise sector in Fife has also been completed.
- **Action to support local communities taking on Council services and assets.** Additional members of staff have been appointed to respond to community ideas, funds allocated to training for frontline staff, and referral protocols agreed. A small 'Enterprising Communities Development Fund' has also been made available to assist with the development of community enterprise and related local initiatives.
- **Action to transfer Council assets to communities.** Fife Council's pilot asset

transfer programme has been reviewed and a draft Community Asset Transfer strategy developed (feeding into the Council Asset Management Plan for 2012-15). A pilot 'settlement planning' approach to asset management has also been agreed for Kirkcaldy.

- **Action to create an enabling procurement regime.** This has included support through the Ready for Business team to make use of Community Benefit Clauses in all major public contracts.
- **Action to explore alternative models of service delivery.** Following a high profile event, a process is underway to examine learning from previous outsourced services, identify opportunities for social enterprise 'spin out' activity, and to better support Council staff in developing enterprising models of service delivery (often in partnership with third sector providers).

This programme of activity has primarily involved better co-ordination and targeting of Council resources, with some additional resources (for training, toolkits, guidance, etc.) supported through the Fairer Scotland Fund.

This builds on an already strong foundation of support for growing the role and contribution of the sector:

- A large and integrated programme of direct grant funding support for the local third sector, which extends to some £14m annually.
- Extensive and close direct relationships with third sector providers through Link Officers, ensuring both accountability and support for local third sector providers¹.
- A well-developed programme of specialist social enterprise start-up support, previously delivered in-house

¹ The support arrangements are in place for organisations that receive more than £10k of Council funding.

but now outsourced to a local third sector provider (BRAG Enterprises).

Main challenges

Fife Council is on a journey to recast its relationship with the third sector, and maximise the contribution of the sector to achieving local outcomes.

Some challenges have been evident:

- **Budgetary challenges.** There has been limited scope to develop new services in partnership with the third sector, with the reconfiguration of individual services being managed on an 'invest to save' basis. Attempts are also ongoing to re-orientate key services towards a more preventative focus in partnership with the sector, although this must be balanced with the need to respond to immediate service demands.
- **Supplier capacity.** On some occasions where the opportunities to outsource Fife Council services have arisen, it has proven difficult to find local third sector suppliers with the scale and capacity to meet needs (e.g. local care homes). Greater collaboration and a better understanding of where the third sector can contribute (or be developed to do so) is necessary to address this.
- **Resistance to change in the third sector.** There has been some resistance to the cultural shift from Council grants to contracts on the part of local providers. Issues relating to contractual risks, TUPE conditions during outsourcing, and other matters have arisen. Council procurement 'road shows', for example, have been an important first step in building a better understanding of the implications of contracting among third sector organisations.
- **Cultural barriers within the Council.** Equally within the Council it has taken time to overcome traditional ways of thinking and working, and in some cases understanding fully the potential contribution of the third sector. Changing 'hearts and minds' is an

ongoing process, as is ensuring Council officers are equipped to understand the alternative models of service delivery and options for outsourcing.

- **Capacity to respond.** There has been a growing demand among local communities to take on the delivery of services and take control of assets. With multiple points of contact with the Council and intensive support required in some local areas, there are difficulties in matching Council community capacity building resources and expertise to expressed local need. Additional dedicated staff and resources, together with improved processes for co-ordination have been essential in this respect.

Key outcomes

Although still at a formative stage, the response from Fife Council to the service challenges it faces is already delivering some promising results:

- A solid 'infrastructure' of support for the third sector is now in place. A single Third Sector Interface (Fife Voluntary Action) has recently been established to represent and support the local third sector in its many forms.
- The third sector is now involved at the highest levels of strategic planning. Effective arrangements are in place for the sector to be represented on Fife Partnership (the Community Planning Partnership Board) and down through community planning structures. This enables the sector to have an important strategic influence.
- Despite a managed reduction in public spending in Fife, the level of Council funding going into the third sector continues to grow. This reflects the priority and importance Fife Council places on the contribution of the sector.
- A number of Council services have been redesigned, outsourced, and new contractual arrangements formed with third sector providers. A key example is

the reconfiguration of previously disparate specialist money advice services, which involved the outsourcing of a former Council service to a single third sector provider (Citizens Advice & Rights Fife).

- There is greater confidence among elected members and senior officers regarding the contribution of the third sector. This has been aided by the measures put in place to support the sector and by the strong systems in place to ensure accountability in the use of public funds.

Critical success factors

A range of factors have been identified as instrumental in Fife Council's increasingly productive working relationship with the third sector:

- **The role of Link Officers.** The Council has ensured a direct and close relationship with third sector providers through allocating dedicated officers to monitor and support them. This ongoing role of 'broker' within the Council has helped to build relationships with the sector that are built on trust, and which are responsive to the needs of the sector. This Link Worker service is now also being delivered on behalf of NHS Fife in order to provide a single source of support for jointly funded providers.
- **A co-ordinated approach.** Having a central team to support and monitor the work of third sector, supported by a cross-departmental Voluntary Sector Task Group, has helped to focus and co-ordinate efforts within the Council.
- **The right sourcing strategies.** There has been a willingness to use a combination of grant funding, service level agreements, and contracts as appropriate, to secure services from the third sector. Grants have remained an important approach, in recognition of the flexibility, control and close working relationship that they foster between the Council and third sector providers.

- **A 'sector blind' approach.** Fife Council has sought to make tough service decisions on what is good for local communities rather than what is good for the Council. This means that cost savings are not automatically passed on to the third sector, but rather that services are reconfigured in a way that meets local needs first and foremost and then appropriate resources allocated to the provider (in-house or third sector) best placed to deliver services responsive to identified needs.
- **Using all 'levers' at the disposal of the Council.** Fife Council has realised that in-house functions such as procurement and asset management can either help or hinder communities and potential local providers. Fife Council has attempted to create a permissive and enabling culture in this respect rather than being restrictive and bureaucratic. This is part of the council's commitment to foster and nurture the appropriate culture, skills and outlook amongst staff in order to meet future challenges.

Future ambitions

Faced with making £66m in cost savings over the next three years the pressure on Fife Council services is set to increase. This will be accompanied by important structural changes, including the integration of health and social care services, with associated implications for the third sector.

In the face of these challenges, there is continuing priority and support attached to growing the role and contribution of the third sector. This is matched by a growing willingness and appetite across Council departments to think radically about the way frontline services are delivered.

The medium to long term priority is to extend the opportunity for all of Fife's communities and third sector organisations to take on a greater role in service delivery (not just those that are most significant in scale or capacity).

Amongst the immediate tasks are to:

- Further build the capacity of local communities to take on services and assets. Further work will be undertaken to develop a standardised 'diagnostic' tool to assess local needs and potential. This will be accompanied by online 'self-service' resources for enterprising community organisations, backed by ongoing support from Fife Voluntary Action and BRAG Enterprises (specialist social enterprise start-up support).
- Extend the knowledge and capacity needed by Council officers to refashion services along more enterprising lines. This will involve developing a package of learning and tools that will enable

service managers to systematically consider alternative models of delivery, including 'spinning out' services to co-operatives and social enterprises.

- Strengthen collaboration with the third sector. Fife Council is one of five local authorities now participating in the Partners for Change programme. This Scottish Government supported pilot programme will bring together senior Council leadership with representatives from the third sector to further strengthen collaboration and find shared solutions to budgetary pressures. This will be delivered at a corporate level and, in parallel, to aid the redesign of early years' services.

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