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# Evaluation of Scotland's Third Sector Interface Network Model and Voluntary Action Scotland



PEOPLE, COMMUNITIES AND PLACES



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# 1. Introduction and context

## Purpose of the evaluation

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

TSIs are funded by the Scottish Government to deliver four core functions:

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

Since the establishment of the TSI network in 2011, the policy and operational environment has changed significantly, and there are new demands on TSIs to facilitate Third Sector engagement in a range of structures and to take on new roles in developing and supporting new collaborative approaches.

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

- To evaluate the role, function and effectiveness/impact of the Third Sector Interface network model and Voluntary Action Scotland.
- To explore with research participants what the future strategic direction and approach to Third Sector support in Scotland should be at the local level.

The TSI network model and VAS are key parts of the current Third Sector infrastructure in Scotland and the research sought to explore what is working

well and what does not work in the TSI network model and VAS, the impact they are having, and what would contribute to improvement in this infrastructural context (i.e. what changes, if any, ought to be considered to ensure an effective infrastructure is in place to enhance the success of the Third Sector).

## Methodology

The methodology for the study was comprised of a multi-stage approach involving:

- desk-research and a literature review to explore models of Third Sector support in other countries;
- a comprehensive online survey of all TSI Chief Executive Officers and Chairs providing us with contextual information about individual TSIs, feedback on the effectiveness of the TSI network model, feedback on delivering outcomes for the Third Sector and their views on the role and impact of VAS. We received 70 responses from TSIs in 31 out of the 32 local authority areas invited to respond to this survey, giving us a robust set of data to inform this report;
- interviews with VAS;
- depth studies in 11 selected fieldwork areas (see Appendix 1). **It is important to note that the purpose of these depth studies was to enable us to learn about the way in which the TSI “model” works in practice – they were not undertaken to evaluate the effectiveness or impact of individual TSIs.** The studies comprised interviews with Chief Executive Officers of TSIs, Chairs and board members of TSIs, focus groups with TSI staff, Third Sector organisations, and volunteers. We also interviewed key members of staff in Community Planning Partners ranging from Chief Executives and Directors who engage with the TSI at the strategic level and operational staff who work directly in partnership with the TSIs;
- a non-representative survey of Third Sector organisations in the 11 selected areas to determine the extent to which they engage with their TSI (if at all) and their experiences of the services being provided. We received 705 responses to this survey (603 from organisations located in the selected areas). This survey was distributed to all organisations registered with Office of the Scottish Charity Regulator (OSCR) in the 11 areas and was publicised by individual TSIs and Scottish Council for Voluntary Organisations (SCVO);
- interviews with a selection of wider stakeholders (see Appendix 2);
- interviews with key Scottish Government policy officials;

- value for money assessment; and
- analysis and reporting.

## **Background to the development of the Third Sector Interface (TSI) network model and Voluntary Action Scotland (VAS)**

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

The aim of these interfaces was to provide a single point of access for support and advice for the Third Sector within the local area and to create strong coherent and cohesive representation of the sector to better align it with the Community Planning Partnerships and the Single Outcome Agreements.

There is now a 'single interface' in each of the 32 Local Authority areas, but the organisations differ in structure. There are currently 22 TSIs operating as single organisations and 10 as partnerships.

### **Voluntary Action Scotland**

Voluntary Action Scotland is the intermediary body representing the 32 Third Sector Interfaces. Its role is to develop, support and represent the Third Sector Interface network through:

- promoting the positive impact that the Third Sector Interfaces have at local level;
- encouraging good practice;
- raising the profile of the Third Sector Interfaces at national level; and
- facilitating peer support to the TSI network.

## **The changing environment within which Third Sector Interfaces operate**

Since the inception of the TSIs, the environment in which they operate has changed significantly. Policy changes have resulted in an increased focus on people and communities and increased opportunities for the Third Sector to participate in the design and delivery of outcomes. Key contextual policy developments include:

- Public Service Reform
- Community Planning
- Reshaping Care for Older People
- Health and Social Care Integration
- Community Empowerment (Scotland) Act

An analysis of these key policy developments is provided at Appendix 3 of the report.

## **What is the current Third Sector Interface network model?**

### **History of the TSI network model**

The aim of the 'single interfaces' was to provide a single point of access for support and advice for the Third Sector within the local area and to create strong, coherent and cohesive representation of the Third Sector to better align it with the Community Planning Partnership (CPP) and the Single Outcome Agreement. This model was also to provide a single point of access to the Third Sector for the public sector.

In early guidance on the development of the single interfaces Scottish Government was not prescriptive about the form of each 'interface' and recognised that the solutions would be different in different localities. It did however prescribe the core functions, to ensure parity of access across the country:

“The Scottish Government will not be the arbiter on responsibilities nor distribution of funds; these will be matters for partnership agreement with the CPP. However, while the interface is to be developed very much locally, to meet local needs and arrangements, our funding will require that the interfaces meet a minimum set of functions, likely to be:

- support to voluntary organisations operating in the area;
- support to and promotion of volunteering;
- support and development of social enterprise; and
- connection between the CPP and the Third Sector.”<sup>1</sup>

Community Planning Partnerships had responsibility for signing off on local interface proposals and Scottish Government determined that a single funding agreement, within each local area, was to be achieved by March 2011

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<sup>1</sup> Letter from Scottish Government Third Sector Division to Chairs and Chief Executives of Councils for Voluntary Service, Chairs and Chief Executives of Volunteer Centres, Chairs of Local Social Economy Partnerships and Chairs and Managers of Community Planning Partnerships: headed 'The New Third Sector Interfaces' (2 February 2009): <http://www.gov.scot/resource/doc/48453/0078760.pdf>

(although many areas had achieved single funding agreements well before 2011).

In 2009, Scottish Government established an intermediary body - Voluntary Action Scotland (VAS) – to represent the 32 Third Sector Interfaces (TSIs). It is a membership body which develops, supports and represents the TSI network.

### **Purpose of the TSI**

The agreed mission of the TSI network is to “achieve the best outcomes for people and communities of Scotland”.

As the intention was to ensure that there was some equality in the access to services available to the Third Sector across Scotland, the TSI network developed a set of common values, approaches and services which would underpin the work of every TSI - these common values are leadership, collaboration, integrity, diversity, equality and excellence.

The Common Services Framework established a mechanism to outline the core services that all Third Sector Interfaces should provide. It incorporates a set of common outcomes which in turn drive the work plans for each TSI.

These are:

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

### **Other responsibilities**

In addition to the four core functions, in the Scottish Government grant offer letter to TSIs it specifies that one of the main objectives that must be delivered by TSIs is that, “The Third Sector Interface is responsive to the diversity of the community and is well managed, governed and effective”.

We explore the extent to which TSIs have delivered on these responsibilities later in this report.

## **Accountability and reporting processes**

Each year, TSIs submit a work plan to Scottish Government, incorporating a description of activities being carried out against each outcome, relevant performance indicators (including ones set locally) and their targets and timeline for the year. At a mid-point during the year they are required to submit progress reports to Scottish Government, followed by an annual monitoring return.

An approach to monitoring and evaluation of the TSI network has been developed which seeks to gather consistent information from around the country. All TSIs are required to report against a set of key performance indicators for each of the common services specified in the Common Services Framework. There is also a common evaluation framework which again seeks to provide a consistent approach across the network.

## **Funding and resources**

### **Scottish Government funding**

The Scottish Government provides the TSI network model with core grant funding amounting to £8.154 million in 2015/16, and amounting to £44 million since 1 April 2011.

There are 32 TSIs and each received a share of the total funding based on the historic level of funding paid to Council for Voluntary Services (CVS), Volunteer Centres and social enterprise functions in each area.

Currently, funding is distributed as follows:

- Twenty-two of the 32 TSIs (two-thirds) get a sum between £182,400 and £250,000 – the average award being £192,626.
- Eight TSIs get between £269,600 and £375,000.
- One TSI gets £459,800.
- One TSI gets £683,200.

It is the responsibility of the TSI to distribute funds for the delivery of each of the four functions based on need in the area. Where there is a single organisation, the allocation of resources to the four functions is a matter for the board/management. In partnership TSIs this allocation is agreed between partners.

The level of funding and the allocation has not been reviewed since the inception of the network.



In addition to Scottish Government funding, TSIs have other sources of income to varying degrees. TSI funding and resources are examined later in this report.

## 2. The Third Sector Interface network model – structures and resources

### Introduction

While the intention behind the development of the TSI network was to create some clarity and uniformity of Third Sector support across the country, in practice the TSIs are very different in structure, in scale and in the range of services that they deliver.

In this chapter we describe how the TSI model has evolved since it was first conceived and how it is being implemented across the 32 Local Authority areas in Scotland. We also explore the factors that have influenced the differences in the delivery models at the local level. In Chapter 4 we explore how effectively the TSIs deliver the four core functions and the common outcomes agreed with Scottish Government.

### An integrated model

Throughout our consultation we explored with the various stakeholder groups the pros and cons of having a single interface locally compared with the historic structures that had been in place prior to the introduction of the TSI network model. The vast majority of people we consulted were of the view that moving to a single interface was an improvement on what had been in place previously.

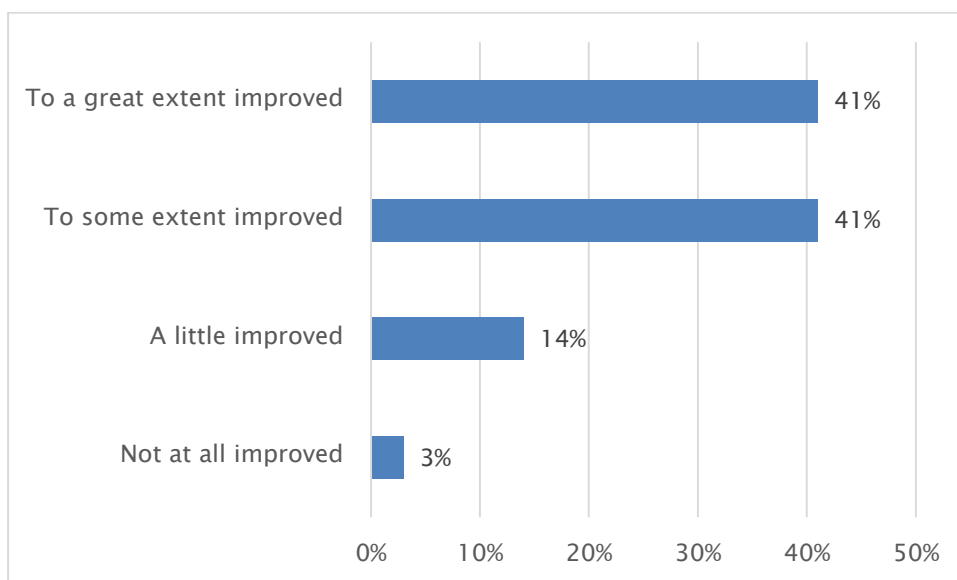
In particular, consultees identified the key benefits of a single interface as being:

- simplification of the Third Sector support landscape – reducing the number of organisations providing support, establishing a single point of contact and creating the potential to act more strategically;
- creation of a greater pool of expertise leading to better services/better outcomes;
- improvements in collating evidence and intelligence from the Third Sector and feeding this in to policy and practice;
- improved planning and delivery of services resulting in a more co-ordinated approach to support, ensuring that the needs of the sector locally can be better met. TSIs are more able to take a strategic role, focusing on the needs of the sector rather than on issues affecting individual organisations/part of sector;

- improved relationships between local organisations where historically there had been tensions;
- improved representation of the Third Sector and ability to influence;
- improved connections between local partners (e.g. Community Planning Partners) and local Third Sector organisations;
- creation of a clearer understanding of the scope and purpose of the Third Sector for national organisations which has, in turn, enabled stronger relationships to be built with them.

Figure 2.1 shows that over four-fifths (82%) of respondents to our survey of TSIs indicated that the TSI model has improved delivery of the four core functions at the local level to some or a great extent. Only 3% indicated that it had not improved delivery at all.

**Figure 2.1: Overall, to what extent has your integrated TSI model improved delivery of the four core functions at the local level?**



However, we also heard that the integrated TSI model was working better in some areas than others and there was widespread concern that under-performing TSIs were tarnishing the reputation of the stronger TSIs. Some people noted concern that this could lead to the model itself being called into question, highlighting that in fact concerns relate to management or governance of individual TSI rather than the model itself.

We consider these management concerns later in this report.

## Structure of the Third Sector Interface network model

While the aim of establishing a network of TSIs was to create a single structure for the support and representation of the Third Sector in each Local Authority area, in practice they vary considerably in form and function – in part as a result of historical legacies and in part due to the diversity of areas that they serve, for example, Highland TSI covers an area of nearly 12,000 square miles; and Inverclyde TSI covers an area of approximately 60 square miles.

It was left to local areas to develop their own response to the establishment of the TSI, and each TSI evolved in many areas from the organisations and structures that already existed in the Local Authority area. This has resulted in a mix of single entities and partnership bodies, the latter generally incorporating the Council for Voluntary Services (CVS) and Volunteer Centre and, where one existed, the relevant social enterprise support organisation or network. There are currently 22 TSIs operating as single entities and 10 operating through partnerships.

In one area the TSI is part of a larger organisation that delivers other services.

In a few areas, there was already an integrated body delivering both CVS and Volunteer Centre functions. For these organisations, the transition to a TSI required little change to existing structures.

### Does a single or partnership structure work more effectively?

During the course of our research, we considered the relative merits of the single and partnership structures and specifically examined whether a single entity is preferable to that of a partnership.

There is a clear view among those TSIs in the network who have already gone through the (sometimes complex) process of a merger, that the unified structure has benefits. Specifically, they told us that operating as a single entity improved planning and delivery of integrated services; led to cost efficiencies; and created a “single point of contact” for the sector and partners. Most concluded that it had resulted in a more efficient and strategic organisation, and created more clarity for local Third Sector organisations and Community Planning Partners (CPP). This was confirmed by other research participants:

“The unified structure is a significant improvement” and exhibited “new found confidence, leadership and direction” (Community Planning Partnership Manager)

Some TSIs also reported that operating through a single structure has resulted in cost efficiencies at the local level, resulting in:

- improved value for money through efficiencies in management;
- rationalisation of back-office costs and other physical resources;
- some TSIs also identified efficiencies in board time.

Views on the effectiveness of partnership structures are more varied. Some TSI consultees (from partnership TSIs) identified a number of specific benefits of a partnership structure including:

- a more equal level of prominence being given to each function – this was particularly the case among Volunteer Centre partners who thought that the function could be lost without a champion;
- more opportunities for cross-referral between services and closer working between partner organisations compared with the situation before the TSI was created;
- sharing the burden of representation and attendance at meetings.

In addition, there is evidence from the depth studies of partnership TSIs delivering clear outcomes for the Third Sector and local communities:

“We are confident that the TSI feeds the views of the Sector into the Community Planning Partnership” (Third Sector organisation)

“There has been a change in the relationship – there is a respect for the Third Sector now – we feel that they listen to us” (Third Sector organisation)

“They [the TSI] engage effectively with the community – they can engage with people and communities in a way that we can’t do, they are responsive to the community” (Council Leader)

However, we also identified a number of challenges in some TSIs working within a partnership structure. Some Third Sector organisations who participated in our research, operating as partnership TSIs, told us that they found the structures confusing, not always knowing who the TSI is, or where to go to when they needed support:

“I’m not sure what support we get from the TSI, and what support is from the individual partner organisations” (a local Third Sector organisation)

Some Community Planning Partnership partners and indeed some TSI partners confirmed this position:

“We make the best of the status quo (i.e. the partnership structure) but it doesn’t feel like one entity. A single organisation or a co-located model is

desirable. It would be painful to merge, but it would lead to more coherence” (Board member of a partner organisations within a partnership TSI)

“There is a real issue of identity. People don’t understand the TSI structure in our area” (A partnership TSI Staff Member)

“The partnership model struggles at times” (a TSI Staff Member)

“The challenge for a partnership such as ours is to appreciate that historical dedicated roles are no longer valid, and that all partners have to appreciate they are now part of an integrated arrangement that requires flexibility and crossover between functions” (TSI Chief Executive Officer)

TSI Partnerships tend to operate with some form of partnership agreement so that there is something on paper at least that binds the organisations together, but in practice these are only meaningful if the spirit of partnership exists and is adhered to, and each partner feels equally valued and resourced. This appears to not always be the case, for example where the legacy of funding allocations meant social enterprise had to be funded by other partners or the CVS has assumed the role as lead in Community Planning Partnership relations because of historical ties.

We also saw instances of partners producing their own element of the TSI work plan independent of one another, bringing into question the notion of an integrated approach.

Over time, there has been a gradual movement towards the development of single organisational structures, but there continue to exist some structural barriers to amalgamation (including pension liabilities, ownership of assets).

## Resources

### Funding core functions

As previously stated the TSIs are funded by the Scottish Government to deliver the four core functions. On average the Scottish Government grant is in the region of £200,000 - £250,000. To give some sense of scale of a TSI which relied solely on Scottish Government funding, this level of funding would typically cover four to five members of staff (based on an average mid-range salary of £25,000) and overheads. This might equate to around 1-1.5 members of staff delivering each of the four functions in an area with around 7-800 community and voluntary sector organisations.

While we know that in practice very few TSIs operate only with Scottish Government core funding, it is important to understand the scale of resource

that the TSIs receive through their Scottish Government core grant and the implication in terms of the capacity to deliver the core functions.

Many but not all of the TSIs receive additional funding from their Local Authority to support the delivery of core services. Examples include:

- funding from Local Authorities or Community Planning Partnerships and other local agencies to build the capacity of the Third Sector; and,
- funding from Health and Social Care Partnerships to support volunteer development for marginalised communities and capacity-building and micro-enterprise development.

There are also instances of funding being levered in from Voluntary Action Fund and the Rank Foundation and other charitable funders to deliver services that contribute to delivery of the core functions prescribed by Scottish Government.

The additional funding enables TSIs to expand the number of staff and increase the scale and reach of services to the sector.

Some TSIs receive funding to deliver services which are additional to their core services, but support the delivery of core outcomes. For example, funding from Health and Social Care to support Third Sector organisations to engage in the Health and Social Care agenda.

In practice this means that there is huge variation in the scale of 'core services' delivered by TSIs. Evidence from the survey showed that one TSI had three full time staff members delivering core TSI functions to another with 18 full time staff delivering core TSI functions. This is in part due to variation in Scottish Government core grant, but more significantly due to the variation in the levels of other funding being levered in by TSIs to deliver activities which contribute to core outcomes.

Furthermore, external stakeholders reported that there was some confusion about the different levels and scope of services in each area which contributed to false expectations about the level of services that can or should be delivered in all. TSIs reported that the false expectations can also affect their ability to attract funding from sources who do not know or make assumptions about what TSIs are already funded to do:

'We have identified additional funding support in the past but have had applications declined by funders on the basis that TSIs are funded to do this work' (TSI Chief Executive Officer)

## Other sources of income

Most TSIs are in receipt of other sources of funding and deliver a range of different services and functions. In some cases, local and national funders have invested in TSIs to develop and pilot new services and new approaches to addressing needs in communities and to deliver demonstrator projects.

Examples include:

- Funding to deliver projects that engage with disadvantaged groups/support volunteering.
- Community Connector projects which are engaging with disengaged people and supporting them to engage in local services.

Some TSIs are involved in the direct delivery of projects and services such as befriending services, care and repair services, community transport services etc.. These are funded by a variety of charitable funders and sometimes also supported by (or contracted by) Local Authorities:

- These activities are not always new – they can also be a legacy of pre-TSI structures and service delivery models.
- Some TSIs have become involved in direct service delivery because they have been asked to intervene to develop a new service or ‘save’ a failing local project, frequently where there is no other local organisation in a position to do so (with the ultimate aim of ‘floating off’ the project once it is sufficiently robust again).
- There are also examples of TSIs developing social enterprises to deliver local services.

As a result, in some areas, TSIs are involved directly in the delivery of services to communities. While the delivery of these services is important in addressing the need of communities at the local level (and in some cases generate income for the TSI which support the delivery of core service), the role of the TSI in service delivery is contentious as it places the TSI in direct competition with the local Third Sector. Some TSIs have taken a policy decision not to deliver projects and services in order to avoid this conflict.

Most TSIs also generate their own additional income. For example, some own property and generate income through rental of office accommodation to the sector, and some generate income through the delivery of services to the Third Sector – for example, bespoke training, Independent Examination of Accounts, back office services (payroll and HR) and consultancy services.

Some TSIs act as hosts to other projects (often partnership projects) and generate management fees for hosting these projects. In some cases, the TSI is involved in the management of projects (which might be linked directly



to their core function), and in other cases the TSI might only offer premises and provide the 'employer' function for these projects.

There are also TSIs to whom funding has been devolved by partners for allocation and onward distribution, representing a significant progression in Third Sector engagement and control of financial resourcing for the sector. In these instances the TSI will usually secure a management fee for the additional work involved.

### **Implications of the funding model**

Many TSIs have been proactive and entrepreneurial in the development of additional projects and services which respond to local needs. For some, the delivery of projects and services generate income, which helps to fund core services.

While some TSIs are focussed predominantly on the delivery of the four core functions, many deliver a diverse range of projects and services of which the 'four functions' are a relatively small part of the organisational offer. Some are operating effectively like a local development agency – identifying need and opportunities, connecting the sector to those opportunities, but also developing local projects, services and social enterprises which meet local needs, creating volunteer opportunities and creating local jobs.

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

We examined funding information made available to us from the 11 selected areas (2015-16) which gives a sense of the variation and diversity of funding across TSIs, and the scale of service delivery as a result of each individual TSI's financial standing.

The Scottish Government contribution to total income of the TSI ranged from 10% to 93% of total income.

Across the selected areas, the proportion of funding for core services leveraged by TSIs from sources other than the Scottish Government ranged from 3% to 67%.

Those TSIs which lever in significant amounts of additional funding to support core functions can extend the scale and reach of their services to the Third

Sector. Those TSIs which have not been in a position to lever additional funds for these functions have a lower capacity to deliver core services.

### **Demonstrating value for money**

In an environment where organisations have to be accountable and demonstrate value for money, it has been difficult for the TSIs to demonstrate the ‘added value’ that they deliver. Although the TSIs deliver against a set of common outcomes (in the Common Services Framework) there is no effective mechanism to measure progress toward outcomes.

It is well known that it is challenging for intermediary organisations to measure impact (as their activities deliver outcomes for other organisations) but the challenge for TSIs is exacerbated by a measurement system which is still too focused on activities instead of outcomes.

During this evaluation, we were given sight of the work currently being undertaken by the Services, Quality and Impact Group (SQIG) – a standing group of Voluntary Action Scotland – on developing a framework that sets out an outcome approach to the work of the TSI network. Whilst this is still a work in progress, we understand that it is working towards developing a set of short, medium and long-term outcomes for the network, and will then define core activities required to deliver these. We reviewed the draft document, and it is clearly moving in the right direction. However, whilst some of the proposed outcomes are clearly focused on the longer term impact that the network will have, some of the shorter term outcomes (being described as the TSI Core Outcomes) at this stage still appear to be quite focused on the current four functions, and on activities rather than real outcomes achieved as a result of delivering the 4 core functions.

Later in the report we consider the need for a shift towards delivery of local outcomes.

## **Chapter Conclusions**

There are a number of significant findings related to structures and resources which have implications for any future TSI model which we outline below:

- The move to integration of functions is generally considered to be an improvement.
- Local discretion has led to TSIs operating through a mix of single organisations and partnership structures.
- There is a consensus that a single organisation is a more efficient and effective vehicle for the planning and delivery of integrated services, but there are examples of partnership TSIs which deliver effectively.

However, there are some significant barriers to mergers in some areas including pension liabilities, ownership of assets and historical structures.

- Where partnerships work well, they are characterised by positive relationships between partners, clearly defined roles, and the capacity for a common vision.
- All four core functions are delivered in each area but variation in the level of resources available to deliver core functions, and the differences that exist in approach mean that the original aspiration of the 'common services' has not been fulfilled.
- Scottish Government funding for TSIs is based on an historical allocation. The level of funding allows TSIs to deliver each of the four functions, but on a very limited scale.
- Many of the TSIs lever in funding from the Local Authority/Community Planning Partnership (and others to a lesser extent) for delivery of services which support the core functions. These TSIs can extend their reach and scope of services.
- Where Local Authorities/Community Planning Partnerships have invested in TSIs, this usually reflects strategic commitment to the Third Sector and trust in the TSI as a strategic partner and delivery organisation.

## 3. Meeting the needs of the Third Sector

### Introduction

The TSIs were established to ensure access to quality services to support the Third Sector's development, and to help the Third Sector to engage in the planning and delivery of local services.

Through a survey and focus groups we asked Third Sector organisations about whether they used TSI services, which services they used, and their level of satisfaction with those services.

### A snapshot of the Third Sector in Scotland

The sector is diverse in terms of scale and function. This section provides an overview of the scale and scope of the Third Sector in Scotland to provide a context for 'market' for the services delivered by the TSI network.

The SCVO *State of the Sector* report published in 2014 estimates that the Scottish Third Sector comprises some 45,000 organisations, of which around half are registered charities. The sector ranges from small grassroots organisations at the community level, to major housing, health and social care providers, all of which contribute to the well-being of people and communities.

The report<sup>2</sup> estimates that there are:

- 20,000 grassroots community groups, sports, arts groups etc.
- Around 23,000 registered charities.
- Over 3,500 social enterprises (of which around 50% are also charities)<sup>3</sup>.
- 163 Housing Associations.
- 107 credit unions.

Of the charities alone (estimated to be 23,000), over half have an annual income of less than £10,000, and 68% have an income of less than £25,000.

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<sup>2</sup> All data in this section is drawn from the SCVO State of the Sector report, 2014. SCVO <http://www.scvo.org.uk/wp-content/uploads/2014/04/SCVO-Sector-Stats-2014.pdf>.

<sup>3</sup> The more recent Social Enterprise Census in Scotland reports 5'199 operating in Scotland: <http://www.socialenterprisescotland.org.uk/files/1a891c7099.pdf>

The vast majority of these have no staff and rely entirely on volunteers. 73% of all charities do not employ staff.

Only 17% of registered charities have an income over £100,000. However, there is a small percentage of charities that have income levels in the millions of pounds.

Housing accounts for almost a third of the sector's turnover, followed by social care which accounts for a quarter.

Two-thirds of organisations operate locally, while 7% operate nationally across Scotland, and 2% have an international focus.

## **Third Sector engagement with the Third Sector Interfaces**

As part of this research, we carried out a survey of the Third Sector in the 11 selected areas to explore the profile of the TSIs among the Third Sector, take-up of services and reasons for not using TSIs, and feedback on quality of services. The survey was widely distributed through contact details provided by OSCR, through SCVO, and through TSIs in the 11 areas.

We received 705 responses to the survey<sup>4</sup>. Whilst this number is not statistically representative of the sector, it gives an indication of the range of views on the key issues being covered by this evaluation.

### **Awareness of the TSIs**

Respondents reported a relatively high level of awareness of TSIs. Of 705 responses, 87% (613) were aware of their TSI and although people who were already familiar with the TSI network may have been more likely to respond, this is not necessarily indicative of awareness more widely. Even within this respondent group 13% (92) had never heard of the TSI.

### **Use of TSI services**

60% (423) of the 705 respondents had made use of TSI services. 27% (192) had not made use of TSI services and 13% (92) had never heard of the TSI.

189 respondents (who were aware of their TSI but had not engaged with it) gave reasons for not using TSI services. The main reasons given were:

- 27% said they did not need any support;

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<sup>4</sup> 86% of responses (603) were received from the 11 selected areas. Whilst we specified in cover correspondence that we were seeking responses only from Third Sector organisations in these areas, organisations from other areas also responded. These amounted to 14% of the overall responses. We have not excluded these responses as they provide valuable additional insight into the wider picture.

- 25% said that the TSI didn't offer the support they needed;
- 21% said they received support from another organisation;
- 13% said they lack awareness of the services that TSIs offer; and
- 8% (15 respondents) said that on a previous encounter, support from the TSI had been unhelpful.

The main sources of support accessed by the 40% who had not made use of TSI services are Local Authorities (24%), other local organisations (14%) and branches of national organisations (13%).

## **Reach of the network - who uses the Third Sector Interface services?**

The survey results suggest that organisations from the very small to the very large use TSIs. This again mirrors what we found in the 11 selected areas.

Of the 417 respondents:

- 24% had an annual income <£10,000;
- 10% had an annual income of £10,000-£24,999;
- 21% had an annual income of £25,000-£99,999;
- 10% had an annual income of £100,000-£249,000;
- 12% had an annual income of £249,000 - £500,000; and
- 23% had an annual income of >£500,000.

They also range from local to national bodies although the vast majority are local (49%) and regional (27%) which reflects the nature of the sector.

14% of respondents who used TSI services were a branch of a national organisation, 5% were national organisations and 4% were organisations operating across several Local Authority areas.

It is clear from the survey, field work and interviews with TSIs that different Third Sector organisations use different services (and at different stages in the organisation's lifecycle). Most TSIs clearly articulated the 'market segment' for each of their services:

“The larger organisations don't come to us for constitutions and funding advice. What we provide for them is information and connectivity – we connect them to each other, to policy and to the Community Planning Partnership” (TSI Chairperson)

Few of the small-scale local organisations (the majority of which do not deliver services) have an interest in influencing community planning. Additionally, small-scale Third Sector organisations, which typically do not employ staff, do not have the capacity for involvement in the community planning process.

TSIs told us that:

- for the most part, TSIs are providing organisational support to smaller and often new Third Sector organisations whom they assist with drafting constitutions, assistance with funding searches and applications;
- medium sized and some larger organisations will access services to support service delivery – many TSIs provide a wide range of training to Third Sector organisations around governance issues, volunteer management, understanding funding as well as practical skills training for workforce development;
- some small and medium sized organisations buy services from the TSIs - such as payroll services, Independent Examination of Accounts etc.; and,
- at the other end of the spectrum, TSIs told us that they also frequently provide intensive and highly specialised interventions to support organisations in crisis.

This analysis is confirmed by the Third Sector survey responses - larger organisations are more likely to use TSI services that connect Third Sector organisations to each other and to Community Planning Partnerships, for example:

- 69% of organisations with an annual income over £500,000 use TSI support to connect with the wider Third Sector, compared with only 36% of those organisations whose annual income is under £10,000;
- 58% of those with an income between £250,000 and £500,000 use this service compared with 35% of those whose income is between £25,000 and £99,999; and,
- 51% of organisations with income above £500,000 use TSI support to connect with community planning, but this figure is 16% among those with income below £10,000 and 13% for those between £10,000 and £99,999.

“We use the TSI for intelligence – they know what other organisations are doing and can connect us to them – and to what is going on at community planning” (regional Third Sector organisation)

Smaller organisations are more likely to use some of the capacity building functions. For instance:

- 49% of organisations with income under £10,000 use TSIs for funding advice compared with 33% among those with an income greater than £500,000;
- 32% of those with an income below £10,000 use TSIs for governance and management advice, but the figure among those with incomes above £250,000 is 18%.

It also shows that medium and larger organisations access TSI training services (53% among organisations with income between £250,000 and £500,000 but only 28% among those with income below £10,000).

Table 3.1 below gives an indication of the frequency with which respondents engaged with their TSI.

**Table 3.1: How often do Third Sector organisations engage with the TSI?**

Base	422	100%
<b>How often do you engage with the TSI?</b>		
Very frequently (once or more a week)	32	8%
Frequently (once or twice a month)	133	32%
Infrequently (once every few months)	190	45%
Rarely (once a year or less)	67	16%

The table shows that just over 60% of respondents engage with their TSI infrequently or rarely. In addition, our research highlighted that a key issue for TSIs is that many Third Sector organisations do not ask for support until it is too late:

‘We don’t hear from them till there’s a problem” (TSI Staff Member)

“We didn’t think about going to them for support” (Third Sector organisation)

“Unfortunately many only get to know about what we can do when they are beyond hope, which is disheartening for everyone” (TSI Staff Member)



## What type of support does the Third Sector use from TSIs?

Table 3.2 shows the services that Third Sector organisations used.

**Table 3.2: TSI services used by Third Sector organisations**

Base	406	100%
<b>What support do you get from the TSI?</b>		
Connecting our organisation to the wider Third Sector i.e. Forums/ Networks	201	50%
Training and Development	168	41%
Funding advice	165	41%
Signposting to other organisations who can help	143	35%
Advice for supporting volunteers/volunteering	128	32%
Governance and management advice	104	26%
Connecting our organisation to community planning	104	26%
Support to set up/change/restructure your organisation	80	20%
Legal/accounting advice	65	16%
Staffing/employment advice	52	13%
Other	59	15%

### Quality of support

We asked organisations to rate the support they had received from TSIs:

- 69% rated the support either ‘good’ (33%) or ‘very good’ (36%).
- 20% rated it as average.
- 11% rated it as poor (7%) or very poor (4%).

Among those Third Sector organisations that had used TSI services, over two-thirds were satisfied with the quality of services that they receive.

Comments from the survey and focus groups in the study areas included:

“Excellent communication and great support” (Third Sector organisation)

“Always willing to listen to what we need and offer support” (Third Sector organisation)

“Excellent service with company payroll, book-keeping and general advice” (Third Sector organisation)

“They are always there when we have needed them; their advice is of an excellent quality, they respond very quickly to requests for information and they are very friendly (yet professional) too” (Third Sector organisation)

There are also those who have had very poor services, and there are organisations who are unaware of the type of services available through the TSI and had little trust in the capacity of the TSI to support their organisation:

“Not good at responding and/or following up on enquiries and advice given no more helpful than online research” (Third Sector organisation)

“The organisation provides very poor service and the nature of support they offer is poor with no depth of knowledge or expertise” (Third Sector organisation)

“[The TSI] is good at talking, spending money on salaries for themselves and commissioning reports on how the Third Sector should operate... the general feeling... is that [the TSI] is not fit for purpose” (Third Sector organisation)

“The support for the Third Sector in [the local authority area], in general is appallingly poor. There is little or no information sharing, engagement or developmental opportunities” (Third Sector organisation)

This type of variability in the quality of services delivered by infrastructure organisations has been highlighted in other research<sup>5</sup> on the effectiveness of infrastructure organisations in the UK.

## **Who else provides services to the Third Sector**

We asked Third Sector organisations who else they received support from (base 275 respondents)<sup>6</sup>. Again, the picture that emerged is varied:

- 40% said they did not get other support;

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<sup>5</sup> Independent Commission on the Future of Local Infrastructure

<sup>6</sup> Survey respondents were able to select more than one source of support.

- 24% said Local Authority;
- 14% said other local organisations;
- 13% said a branch of a national organisation;
- 9% said SCVO;
- 4% said Volunteer Scotland; and,
- 22% said other.

**Table 3.3: Other sources of support**

Base	275 100%
<b>Where do you currently get support from?</b>	
Local Authority	65 24%
Other local organisations	38 14%
Other branch of a national organisation	36 13%
SCVO	25 9%
Volunteer Scotland	12 4%
Voluntary Action Fund	8 3%
Social Enterprise Network	8 3%
ACOSVO	6 2%
None of the above	109 40%
Other	60 22%

### **Third Sector Interface role in brokering connections between the sector and with local partners**

Alongside the role in building the capacity of the sector, the TSI also has a role in leadership of the sector, advocacy for the sector, brokering connections and connecting the sector to local partners.

The importance of this role is highlighted by the survey - 50% of Third Sector organisations said that they used the TSI for ‘connecting our organisation to the wider Third Sector’ and 26% used the TSI for ‘connecting to community planning’.

**Table 3.4: What support do you get from the TSI?**

Base	406	100%
<b>What support do you get from the TSI?</b>		
Connecting our organisation to the wider Third Sector i.e. Forums/ Networks	201	50%
Connecting our organisation to community planning	104	26%

We also asked Third Sector organisations to rate the effectiveness of TSI in these roles. Again, the picture is of varying satisfaction with their TSI:

- 71% report that their TSI engages well with charities/Third Sector organisations in the local area, 14% disagree and 27% don’t know or cannot comment.
- Just over half (54%) said the TSI had helped them to build better relationships with other Third Sector organisations and charities, 26% disagreed and 20% don’t know or cannot comment.
- 66% report that the TSI is well connected to local community planning, 9% disagree and 24% don’t know or cannot comment.
- Only 44% feel well connected to community planning through the TSI, 28% disagree and 24% don’t know or cannot comment.

While there are organisations who are very satisfied with the capacity of the TSI to connect them to other organisations and to community planning, there are organisations that have no trust in the TSI to advocate on their behalf:

“[The TSI does] not represent the voluntary sector in [the area] and are more concerned with empire building. They are a very expensive organisation and do not offer value for money. They appear to be more aligned/’in bed’ with certain sectors of [the Local Authority]; their communication is poor and often extremely late, consultations organised by them have been poorly arranged and they are not prepared to take on board any criticisms of them/suggestions for improvement” (Third Sector organisation)

## Capacity

We found many examples of TSIs making efforts to extend awareness of their services and reach, for example through activities such as the creation of better communication channels, holding outreach surgeries, and hosting business breakfasts. However, it is also clear that the reach of the TSIs are affected by their capacity and resources currently:

“We have been successful in promoting our Independent Examinations to the sector – but unfortunately we have now reached our capacity and there is more demand than we can meet” (TSI Chief Executive Officer)

“We simply do not have enough reach... I have 1.6 people delivering to 1300 organisations” (TSI Chief Executive Officer)

For TSIs with a large geographic and rural area to cover these problems are compounded:

“It is too easy to underestimate the large travel times... in one week I drove for over 900 miles wrapped around my working days” (TSI Staff Member)

## Chapter Conclusions

Below we summarise our findings about the extent to which the TSIs are meeting the needs of the sector at the local level based on the Third Sector survey and the field work in the 11 selected areas:

- While there are examples of excellent service quality, there are also examples of poor quality service and dissatisfaction with the TSI. This is compounded in some areas by lack of trust in the capacity of the TSI to advocate on behalf of the sector.
- Third Sector organisations indicated that in addition to their local TSI, they used a variety of other organisations for support. In some cases this is due to experiencing poor quality service and lacking trust in their local TSI. However, in interviews with Third Sector organisations in the selected areas, TSIs reported that the TSI frequently supported them to access support from a range of other agencies.
- Some Third Sector organisations do not use TSI services because they simply do not need them, others do not seek support until their organisation has reached crisis point.
- Capacity of the TSI: there are significant challenges in broadening and extending the reach of the current model to satisfy demand within existing resources.

- The profile of the TSI network remains variable – even if people know of the network, there remains some lack of clarity about what the role of the TSI network is.
- Local needs and priorities inevitably play a part in resource management and prioritisation. For example in some areas the connectivity and strategic positioning of the sector has become more of a priority for the TSI.

## 4. How effective are the Third Sector Interfaces in the delivery of the core functions?

The TSIs are tasked with delivering four core functions:

- Volunteering development.
- To promote and develop social enterprise locally.
- Supporting and developing a strong Third Sector.
- Building the relationship with Community Planning; engaging and connecting the Third Sector.

This chapter considers how effective the TSI network is in delivering each of these functions. We also consider what makes some TSIs more effective than others, and explore challenges currently being faced locally, and across the network.

### **Core Function 1: Volunteering development**

The volunteering development function comprises two key outcomes:

- People have opportunities to volunteer and are supported to do so.
- Volunteer involving organisations are able to recruit, manage and support volunteers.

Our survey of TSI Chairs and Chief Executive Officers confirmed that volunteering development was central to the offer in all of the TSIs, with the majority of TSIs (85% of respondents) indicating that they thought they were successfully meeting volunteers' needs at the local level and 83% indicating that they thought they were successfully meeting the needs of volunteer-involving organisations.

Survey respondents and participants told us that the integration of the volunteering development function with the other TSI functions had driven improvements and greater impact at the local level – for example, linking volunteer development with organisational development to create stronger volunteer involving organisations, increasing the profile of volunteering and developing better links with communities.

Interviews with stakeholders also supported these views, with TSIs being seen as a useful conduit for national organisations to promote volunteering.

TSIs identified a range of practices that were effective at the local level in developing volunteering. The diversity of approaches reflected the differing issues and needs in each area. For example, in some areas, the TSIs themselves had taken a pro-active approach to supporting the most vulnerable people into volunteering by developing volunteering involvement programmes; one TSI reported co-locating its volunteering services in Job Centre Plus, because 33% of the registered volunteers were interested in volunteering as a route back into employment; and another TSI has been developing volunteering in new environments (e.g. care homes), creating new volunteering opportunities and delivering outcomes for older people.

### **Challenges to delivering volunteering development**

Despite the many successes identified, we also identified a number of key strategic challenges to delivering volunteering development which are outlined below.

Some TSIs and stakeholders highlighted the increasing 'ask' on volunteering as a key challenge, that is, the demand for volunteers to deliver services parallel to paid staff, rather than to meet specific outcomes for volunteers (personal development, active citizenship, health and wellbeing):

“Council people don’t understand what volunteers give. What they expect of volunteers is unrealistic and unsustainable” (Manager of Third Sector organisation delivering social care services)

“We have a slowly growing incidence of ‘job-replacement’ style enquiries from both Third Sector organisations facing staffing cuts and private businesses seeking to promote ‘internships’” (TSI Chief Executive Officer)

TSIs and national stakeholders highlighted increasing demand for volunteering opportunities for individuals with additional support needs, which in turn require additional resources to support volunteer involving organisations to provide appropriate volunteering opportunities and sufficient support to these individuals:

“The biggest single challenge for us is finding volunteer involving organisations prepared to create roles for volunteers who need extra support. We have tried volunteer buddying (a volunteer buddies another with additional support needs) with some success but if a volunteer involving organisation take on a buddy they need to pay expenses for two volunteers!” (TSI Staff Member)



“Our single biggest challenge is to find organisations who are prepared to create opportunities for people who need extra support to be involved” (TSI Chief Executive Officer)

Welfare reform and associated programmes have created a further challenge around volunteer development, with some TSIs having experienced a significant increase in referrals from employability programmes of people who have been 'told' to volunteer because volunteering is recognised as a positive outcome for employability programme providers. TSIs report that these 'volunteers' are often not motivated and are frequently least able to sustain a volunteer placement, making them time consuming and complex to support:

“Additional challenges have been in relation to the growing phenomenon of 'volun-told' where referrals are received from employability providers with a view to 'moving their clients' into volunteering” (TSI Chief Executive Officer)

We also heard from some TSIs that they have received conflicting messages from the Department for Work and Pensions around volunteering, “telling some people they have to volunteer and others that they volunteer too much”.

At the operational level the challenges in delivering this function are:

- Demands in the volunteer development role increasing, while resources available to meet the demand have not. TSIs reported that this limited their capacity to target resources on 'harder to reach groups' for example:

“We are limited in reach, however, in terms of services we cannot prioritise with available resources, including neighbourhood outreach services to promote volunteering and its benefits to those most likely to be digitally excluded”

- Some TSIs reported that tensions between the role of national and local agencies in volunteer development persist, although others demonstrated a pragmatic approach to 'levering in resources' from the national agencies:

“[name of organisation] national promotion of opportunities takes away from locally promoted communication around volunteering opportunities”

“We work closely with [name of organisation] on PVG and ESV (Employer Supported Volunteering). [It] Complements our role. [There are] Historic challenges over local/national role, but we try to sort that out and take what's best/work in partnership. We do local training, but signpost to [name of

organisation] for higher level/accredited training. But there is always a fear of national 'parachuting in' without communication at the local level, creating tension/difficulties”

- A number of TSIs continue to report concerns about the functionality of the national MILO on-line systems which they are required to use for volunteer matching and reporting. As a result, some TSIs are still running their own databases of volunteers due to the difficulties in using MILO:

“MILO... we feel does a disservice to volunteer involving organisations... we use alternative databases” (TSl Chief Executive Officer)

Additionally, a number of TSIs report continued challenges in using MILO for reporting and management purposes. Although some TSIs reported that MILO had improved their management information and capacity for reporting, it would appear that these are TSIs that have strong in-house IT skills. It would appear that the functionality of MILO has not yet reached a stage where it can be used effectively by all TSIs.

In addition, in rural areas research participants noted specific challenges around:

- the time and cost of travel for volunteers;
- developing volunteering opportunities in the geographies and skill areas that volunteers want; and
- volunteer-fatigue in small communities.

## **Core Function 2: To promote and develop social enterprise locally**

Developing social enterprise is the function in which we identified the greatest variation in the delivery model. In some areas, social enterprise support is delivered by a partner with specialist expertise (SEN), in other areas by core staff dedicated to the function, and in others it is part of a generic organisational development support function. The model for delivering this function frequently reflects the historical structures in each area.

This is a 'new' function for many of the TSIs. Some have stated that it is the most challenging to deliver, and is the one in which they have least experience.

Some of the issues and challenges highlighted to us about the delivery of this function are:

- On the demand side, some TSIs report low levels of demand for social enterprise support: there is little awareness of social enterprise and even where there are 'enterprising organisations' they do not define themselves as social enterprises.
- On the supply side there are different interpretations of the TSI's role in social enterprise development. Historic issues over the definition of social enterprise play a part in this apparent confusion. Some TSIs interpret social enterprise support as a specialism, while others see the function as being about making the sector more enterprising generally. Proponents of the latter view see the TSI role as generic, and then they hand over to the "experts" for support around business planning, feasibility research, market analysis, pricing etc..

Another challenge for TSIs is to identify their unique role in the support infrastructure. Social enterprise support is a function which has seen significant investment in the national infrastructure and there is a plethora of national and regional support intermediaries. It is not always clear what the unique role of the TSI is in this support environment, and there is confusion over the roles and responsibilities of different providers. This can cause confusion for Third Sector organisations but can also result in duplication of services.

Within this landscape, some TSIs have developed excellent relationships with other social enterprise providers and have levered significant added value from working with regional and national providers. Some have developed 'provider forums' to co-ordinate the range of support for social enterprise in their areas, but there are also examples of poor 'joining up' of services (for example, local social enterprise networks operating completely separately to the TSI), lack of co-ordination between the national and local providers (for example, national intermediaries delivering training without consultation with the TSI) and challenging relationships with the national social enterprise bodies.

At the operational level, some TSIs also highlighted difficulties in recruiting for what they saw as a specialist function, and suggested there could be potential for shared resources between neighbouring TSIs to better utilise specialist skills.

### **Perceptions among the social enterprise sector**

The TSI role in supporting social enterprise is contentious in the social enterprise networks.

‘Scotland’s Vision for Social Enterprise 2025’, developed by the Social Enterprise Network reports ‘genuine concern across the social enterprise community that this TSI function does not reflect the needs or aspirations of local social enterprises in any consistent or effective manner.’ Moreover, there have been calls for social enterprises to have a distinct direct voice in Community Planning Partnership structures, and for Social Enterprise Networks – where they exist - to have a fuller role in local representation and support.<sup>7</sup>

The vision document also reflects concern in the network about the imbalance in funding for social enterprise within the four core functions, and argues that ‘the funding allocation for local social enterprise support must also be rebalanced and any associated activity aligned to a formally agreed local Social Enterprise Action Plan which is guided by specific targets that are reported on to the Scottish Government and independently verified.’ The allocation for funding for social enterprise is a matter for TSIs but as already noted, the Scottish Government grant is based on an historical allocation and in some areas the subsequent allocation for social enterprise support has been relatively small relative to the other core functions.

Perceptions within the social enterprise sector of TSIs’ capacity to deliver social enterprise support have been poor – but appear to be improving:

“Third Sector Interfaces, supported nationally by Voluntary Action Scotland, operate across Scotland’s local authority areas. They have a remit to support and include social enterprises. There have been issues in some parts of Scotland with regards to misunderstandings about what social enterprises are, with a feeling from some social enterprises that they have not been included. We believe that the situation is improving and indeed some SENs have become part, or substantially part, of their local TSI, such as in Dumfries and Galloway”<sup>8</sup>

The recent report from Scottish Government’s social enterprise roundtable events also showed a highly variable, but improving, picture in relation to social enterprise support across the TSI network and recognised the value in diversity, with a one size fits all approach deemed inappropriate to meet local need. However, continuing challenges were also noted for example in TSI representation of the social enterprise sector locally, and the need for better connectivity, confidence and trust between the TSIs and national intermediaries.

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<sup>7</sup> ‘Scotland’s Vision for Social Enterprise 2025

<sup>8</sup> ‘The State of Social Enterprise in Scotland 2014’, Social Enterprise Scotland

## **Core Function 3: Supporting and developing a strong Third Sector**

Although all TSIs deliver this function, as with the other functions, the scale and scope of the services differs considerably from area to area.

The focus of the work that TSIs' undertake to support and develop a strong Third Sector focuses largely around the provision of support to new and developing organisations (constitutions, advice on setting up a charity, development of structures such as a Scottish Charitable Incorporated Organisation etc.), training and development, governance and funding advice.

Some TSIs also provide services such as payroll or independent examination of accounts and some 'back office functions' for which TSIs typically charge a fee. As evidenced by the Third Sector survey, larger or more established organisations also use these services and access services such as training and workforce development.

The services delivered by TSIs differ across the network based on:

- **Local need:**  
For example in a rural area where work with Village Halls represents a significant area of activity; one TSI delivers a recruitment and HR service for local Third Sector organisations in response to local need.
- **Level of resources available to deliver this function:**  
While all TSIs receive core grant from Scottish Government to deliver this and the other three functions, as we have already highlighted there is wide variation in the associated level of resources due to other funding. For example one TSI which is financially supported by the Local Authority to deliver core TSI functions has a team of eight people delivering this service, another reported having 1.4 members of staff dedicated to this function.
- **The particular skills and expertise within each TSI:**  
Some TSIs have staff with specific skills which enable them to deliver a particular service (for example, Independent Examination of Accounts, quality awards).

Most TSIs deliver a mixture of pro-active and reactive services. Most offer a range of training or advisory sessions on a proactive basis, including support on issues such as funding, governance, legal structures, and also reactive work responding to requests for bespoke support. Some TSIs carry out 'health checks' or diagnostics with Third Sector organisations, but others do not. The range of the 'reactive work' is wide – anything from providing policies and

procedures to providing bespoke advice and support on legal structures, procurement, and governance.

TSIs also undertake very intensive, crisis-led work where staff provide bespoke services related to specific funding or governance problems. This work can be exceptionally time intensive: TSIs gave examples of complex governance and funding problems which required support over extended periods of up to six months to resolve.

## Challenges in delivering this function

### **The increasing demands made of the Third Sector**

As the role of the Third Sector expands into more service delivery, there is increased pressure on boards to understand policy, legislation, contracting, governance etc.. In focus groups, Third Sector organisations identified the increasing pressures on volunteer board members, and some reported that despite their efforts, it was increasingly difficult to recruit and maintain volunteers on boards because it was “too much pressure”:

“They are ordinary people, they get involved because they want to help, but then they get hit with employment law, legislation, and procurement. It’s too much for some of them” (Third Sector organisation)

### **The scale of unmet need**

Many TSIs, are aware that there is unmet need (with TSIs identifying/mapping this need in a variety of different ways), but are challenged by the trade-off that prioritising more complex needs means fewer resources are available for services to small or start-up organisations:

“The scale of unmet need... is so significant that we are only reaching a fraction of the organisations we would wish to reach, and are only delivering a small range of the support services which we want to (and have the technical competence to) deliver, were we properly resourced at sufficient scale to do so” (TSI Chief Executive Officer)

“Responding to growing and more complex demands while resources remain under pressure is a challenge” (TSI Chief Executive Officer)

“We work across a very wide remote and rural geographical area with thousands of small Third Sector groups. There are therefore capacity issues in trying to reach these groups and some require a great deal of time spent with them particularly where there are governance issues” (TSI Chair)

While it is clear that TSIs have to prioritise, this means that there are groups or organisations whose needs go unmet. This can affect the reputation of the TSI locally:

“[TSI] seems to be able to offer very little and not really interested in small local groups” (Third Sector organisation)

### **The failure of the sector to identify organisational development needs**

At the other end of the scale TSIs also reported that many Third Sector organisations do not recognise that they need support until it is too late, especially in relation to issues such as governance. While Third Sector organisations may pro-actively seek support for development or delivery of services, and seek advice on issues such as funding, TSI representatives told us that they are less likely to identify their own organisational development needs and seek support at an appropriate time. This is reflected in the Third Sector survey results: when Third Sector organisations were asked which services they needed 46% said funding advice, but only 14% thought they needed governance advice:

“Governance is a huge issue, but they don’t come to us till it’s too late” (TSI Manager)

“We don’t see them till there’s a problem – and sometimes it’s too late” (TSI Board Member)

### **Duplication of services**

While the development of the TSI network model aimed to declutter the Third Sector support landscape at the local level, the Scottish Government funds a range of national intermediaries who also have roles in supporting the Third Sector. While there are examples of good ‘joining up’ of national and local resources, there are also too many examples of confusion, overlap and duplication of roles, failure to align resources and pulling in opposite directions.

Another issue that was raised a number of times during our fieldwork was duplication with Local Authority community learning and development (CLD) services. TSIs told us that this can result in organisations being given conflicting advice and that it creates confusion for the client. There are good examples of protocols being worked up and greater definition of roles, but there remain on-going challenges in other areas.

## **Core function 4: Building the relationship with Community Planning; engaging and connecting the Third Sector**

The TSI model aims to support better connectivity between the Third Sector and with the community planning process, and to enable Third Sector organisations to influence and contribute effectively to the design and delivery of Single Outcome Agreements and Community Planning Outcomes.

### **Third Sector perspective**

The responses to the Third Sector survey (reported in the previous chapter) showed that there was a wide variation in the satisfaction with the TSIs in their role in connecting the sector to each other and to Community Planning Partnerships.

### **Representation versus facilitation**

A key challenge for TSIs in connecting the sector to Community Planning Partners stems from differing interpretations of the role. The TSI's role is often described as 'representing' the Third Sector in partnerships, however the TSI's capacity to effectively represent the sector is contested - the TSI role is in advocating for the sector and 'facilitating representation' but this is not always what happens in practice with TSI Chief Executive Officers and other staff often taking on the "representative" role.

Within the sector there are those who challenge the TSI's 'right' to represent them. In some cases this is born out of low trust or respect for the TSI in the sector, but there are specific groups which have challenged the 'right' of the TSI to represent them:

- The social enterprise sector feels that its specific issues are poorly represented at Community Planning Partnerships by the TSIs<sup>9</sup>.
- Some national Third Sector organisations, many of whom have their own historic relationships with Community Planning Partnerships do not see the relevance of the TSI as an intermediary in that relationship:

"The nationals [national third sector organisations] were very organised here. The development of the TSI has been a bit traumatic for them. But as a Community Planning Partnership we need to go through the TSI – we need to give the TSI its place and push the nationals to recognise the TSI" (Director of Services, Local Authority)

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<sup>9</sup> Reference SEN strategy and the social enterprise round table



There is strong contention about the ability of a TSI which itself delivers services (or has developed social enterprises) to be able to represent the sector effectively, because as service providers they are also competitors in the sector, although as we have already stated there are occasions when local need may dictate this.

At the other end of the spectrum, there were many organisations who are content for the TSI to represent them on their Community Planning Partnership, including small volunteer-led organisations who reported that they need the TSI to represent them because they do not have staff to do so themselves.

In some areas, TSIs are developing structures for self-representation by the sector, and building the capacity and confidence of the sector for self-representation in planning structures.

In one of the selected fieldwork areas, a voluntary sector sub-group of the Community Planning Partnership has been established, and the TSI maintains a Third Sector representational matrix identifying all mandated individuals. The Community Planning Improvement Programme (CPIP) process was also instrumental in supporting and facilitating this progress:

“The key driver has been persistence and the implementation of effective structures, processes and relationships between the TSI and Community Planning Partnership” (TSI)

In another area, the TSI has worked with the sector to develop a strategy for Third Sector representation, role descriptors for Third Sector representatives, and a Scrutiny Committee to oversee the election of Third Sector representatives. The representatives report back to the Third Sector Forum, an independent network of Third Sector groups organised and chaired by the TSI. In addition, the Third Sector has a ‘seat’ on each of the three delivery groups of the Community Planning Partnership.

In another area, the TSI is currently working with Edinburgh University to develop new structures for Third Sector representation. The proposals for a representative structure were based on widespread local consultation, and democratically selected by the sector.

The CPIP programme has also supported the development of representative structures in some areas. Where successful, the critical factors have been the committed engagement of all partners to the Community Planning Improvement Programme, and also a high level of trust in the TSI by the sector and partners:

“The TSI is a valued partner, an equal partner. Without the TSI we wouldn’t be able to get the sectors views, wouldn’t be able to involve sector in design and delivery or identifying need” (Community Planning Partnership Executive Board Member)

“The CPIP programme has been critical in strengthening and progressing Third Sector participation within Community Planning, and has resulted in current delivery of a comprehensive three-year Third Sector Community Planning Improvement Plan” (Community Planning Manager)

Relationships with the sector are critical to the TSI’s capacity to act on their behalf. While there are acknowledged tensions in the ‘representation/ facilitation’ role (over legitimacy to represent National Third Sector organisations and over competition) the tensions were less detrimental where the TSI had good relationships with the sector:

“There are always going to be tensions in the model. But we have good relationships with the TSI and I know that I can talk to them and we can sort it out” (Third Sector organisation)

In other areas, there has been significantly less progress in facilitating representation. As the comments from Third Sector organisations show, there continue to exist TSIs that have not gained the local sector’s trust:

“There is little communication, no feedback and very little is known about their function. They sit on committees but rarely seek views” (Third Sector organisation)

“Frankly our TSI seems more focused on representing themselves than the wider sector” (Third Sector organisation)

“We receive more information and support through our own networks and SCVO, including links to community planning, we find the Interface bureaucratic and a barrier to engagement” (Third Sector organisation)

### **Relationship building with Community Planning Partnerships**

A critical success factor in the role of ‘facilitating participation’ is that the TSI is trusted by the partners. In many of the fieldwork selected areas, TSIs and Community Planning Partnerships reported that relationships with the TSI had been developing (often from a poor base), but that these relationships had been critical to improving the Third Sector’s engagement:

“It’s all about relationships. They [TSI] have built relationships with the sector, relationships with the Local Authority and other partners. When you’ve got

good relationships you can come together in an open transparent way - and get better outcomes for everyone” (Community Planning Partnership Member)

There have been a number of catalysts for the change in the relationship between TSIs and Community Planning Partnerships. These are outlined below.

TSIs and Community Planning Partners reported that a single point of ‘access’ to the Third Sector had been beneficial:

“Being a single TSI has helped. The improvement in our reputation since forming a single, new TSI has been hugely beneficial” (TSI Chief Executive Officer)

“The TSI provides us with a way to get the sectors views in a way that we couldn’t before” (Community Planning Partnership Partner)

The Reshaping Care for Older People (RCOP) Change Fund in which the TSI was mandated a role as a strategic partner enabled TSIs to develop relationships with the sector and with partners. RCOP also created opportunities (in some areas) for Third Sector involvement in service delivery. This has contributed to relationship building, to confidence in the TSIs capacity to co-ordinate the sector, and to growing confidence in the Third Sector’s delivery capacity as well.

While the TSIs had varying levels of engagement in RCOP Strategic Partnerships, the requirement to include the Third Sector in Strategic Partnerships, and for the TSI to sign-off on the RCOP Implementation Plans, validated the role of the TSIs as conduits for Third Sector engagement in RCOP.

For many TSIs, involvement in RCOP has been a ‘turning point’ in building their relationships with the local sector and other partners, their knowledge of health and social care structures, and their own capacity to operate as a strategic partner. Many TSIs also report that they built their credibility as local partners and contributed to developing partners’ confidence in the Third Sector’s delivery capacity.

This has helped to consolidate the role of the TSI as a strategic partner and provides a useful example of where the TSI model can bring real value.

In a number of areas, Community Planning Partnership managers highlighted their growing confidence in the TSI as a mechanism for co-ordinating the Third Sector involvement in planning:

“Before the current iteration of the TSI in [area] we didn’t have any structure for effective representation of the sector, for having that Third Sector voice articulated in our planning. That has changed for us. The TSI has created a structure that the Third Sector feeds into. I have confidence that they [the TSI] can represent the sector” (Director of Services, Local Authority and Member of Community Planning Partnership)

“We now have a good solid Third Sector network in our area. We didn’t have that before (the TSI). The TSI co-ordinates the sector – what gets fed into the planning structures comes from the Third Sector and shapes the agenda going forward” (Community Planning Partnership Manager)

In these areas, there is also a discernible growth in partners’ understanding of, and trust and confidence in the sector:

“It’s all about confidence in the TSI and confidence in the Third Sector. We’ve got confidence that the Third Sector can deliver. We’ve got confidence that they are supported to do that. We’ve also got confidence that the TSI can pick things up when they are failing. When [local organisation] was failing, we knew that the TSI could pick that up” (Chair of Community Planning Partnership)

In one area, the Community Planning Partnership has agreed to increase funding for Third Sector services where other statutory service providers were subject to budget cuts. In another area, the Integration Joint Board had protected funding to Third Sector services, although statutory sector services suffered budget cuts.

In areas that exhibited good partnerships between the sector and Community Planning Partnership partners, a critical factor underpinning the relationships was trust in the TSI:

“Partnership works when officers trust each other – [TSI manager] is trusted here. Partners here are confident in working with her.” (Senior Officer, Local Authority)

“We have real trust in the individuals – she does what she says she’ll do” (Senior Officer, Integrated Joint Board)

Often trust in the TSI came as a result of strong leadership:

“The leadership shown by the [TSI] Chief Executive Officer is exemplary” (Community Planning Partnership Executive Board Member)

“We have seen brave leadership from the TSI” (Member of Community Planning Partnership Executive Board)

“TSI staff take a proactive approach to partnership, sharing accountability, responsibility and skills with Community Planning Partners, and leading by example” (Community Planning Partnership Partner)

In some areas, the TSI is being recognised as leader within the Community Planning Partnership. In one area, as a result of the Community Planning Improvement Programme, the TSI has been leading on developing structural changes to the Community Planning Partnership. Within that new structure, the TSI now chairs one of the key operational groups:

“The TSI is leading the Community Planning Partnership in grappling with community empowerment” (Director of Services, Local Authority)

### Challenges in this role

#### **Increased demand from emerging policy areas and structures**

A key operational challenge is the increasing number of policy areas requiring Third Sector engagement, and an increasing number of structures which the TSI has to service and facilitate engagement with. This has implications for the level of resources focused on the other functions.

Inevitably, as Community Planning Partnerships move towards locality structures, the requirement to facilitate Third Sector engagement at the local level will further increase the demand on the TSIs locally.

#### **Competition in the sector**

A number of research respondents highlighted the challenge facing some TSIs in relation to delivery of services. Some TSIs are perceived to be delivering services in direct competition to other local Third Sector organisations – which is unsurprising due to the way in which most Third Sector organisations are funded (through bidding for funding in competitive tendering/application processes). In some areas, there remains a lack of clarity about why the local TSI is delivering a particular service, however we also found examples of TSIs who had been explicitly asked to deliver a service by other local organisations (either because they were best placed to do so, or because no other organisation was willing to take on the role).

#### **Local Community Planning context**

Through our fieldwork visits we saw a number of areas where TSIs had developed positive relationships with Community Planning Partnerships and were brokering Third Sector involvement in planning structures. However, there are also areas where there has been little meaningful Third Sector engagement in community planning and little evidence of their involvement in the design and delivery of services.

In some areas, weaker TSIs have failed to develop the relationships and trust that have underpinned positive partnerships in other areas, but there are also structural barriers which have impeded meaningful Third Sector involvement. It is evident that in some areas, Community Planning Partnerships have not created an enabling environment for Third Sector involvement.

Throughout this research we were told by TSI representatives and local stakeholders alike that many Community Planning Partnerships are still failing to engage with the Third Sector effectively. In some areas, local stakeholders acknowledged that Community Planning Partnership engagement with TSIs was tokenistic, and allowed them to 'tick the box' to say that the Third Sector was involved, but that there is no real engagement of the sector:

“Our local Community Learning and Development planning process was Council-driven, and involved no element of consultation with area partnership, the Third Sector or community organisations. What went wrong?” (Community Planning Partnership Manager)

“There are uncomfortable relationships in our Community Planning Partnership. The TSI has far less clout than other partners. It is very difficult to build alliances within this culture” (Community Planning Partnership Manager)

“Within the Community Planning Partnership there is a lack of realisation that it takes time for representing organisations such as a TSI to ensure it is able to gather views adequately. Setting a two-week deadline as has happened is no good” (local Third Sector organisation)

These findings are corroborated by the Audit Commission’s Community Planning update<sup>10</sup>, which identified that many Community Planning Partnerships are failing to redeploy resources to address the preventative agenda and that for many ‘involving communities fully in planning and delivering local services still remains at an early stage in many Community Planning Partnerships.’

Local stakeholders also identified a lack of understanding among Community Planning Partnership partners (especially those who haven’t worked with the Third Sector historically) to understand the value of involving the Third Sector, but also referred to ‘ingrained professional cultures’ that have acted as a barrier to the development of new services at the local level:

“We’ve got a long way to go to change cultures, and change attitude to risk to really get our heads around preventative services. Officers will always revert to ‘this is way we do it here’” (Community Planning Partnership Member)

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<sup>10</sup> Community Planning Update , Audit Commission, 2012

This view is corroborated by the Scottish Commission on the Future Delivery of Public Services 2011<sup>11</sup>, which comments on the inability of the public sector to change in response to the new agendas. It concluded that: ‘A culture of professional dominance in public bodies has made them unresponsive to changing needs and risk averse about innovation.’

### **The external environment**

Some TSIs also report that there is sometimes a lack of understanding (and, in some cases, lack of respect) for the TSI role by national intermediaries. For example:

- The TSIs report that some national intermediaries attempt to initiate local activities/programmes without consulting with or informing the local TSI; and
- TSIs have experienced unrealistic expectations from national intermediaries who seem to think that TSIs ‘are there to roll-out their programmes’ and services ‘because that’s what you’re funded to do’.

Some stakeholders and TSIs felt that the actions of Scottish Government departments could also undermine the TSIs at local level. For example, some Scottish Government departments have bypassed the TSIs and gone directly to national intermediary bodies when they want to engage with the Third Sector or use Third Sector expertise. In one of the fieldwork areas, a government agency had commissioned work which directly duplicated services that the TSI delivers locally.

### **Other objectives of the TSI**

The Scottish Government grant offer letter to TSIs specifies other objectives that the TSIs must meet. It states that “the Third Sector Interface is responsive to the diversity of the community and is well managed, governed and effective.” The following sections consider the extent to which the TSI network achieves these objectives.

#### **Responsive to diversity**

Across the board, TSIs stated that addressing inequality is at the heart of what they do:

“Tackling inequality is our ‘raison d’etre – that’s why we exist’ (TSI Board Member)

<sup>11</sup> <http://www.gov.scot/resource/doc/352649/0118638.pdf>

Equalities is one of the core values of the TSI network, and inherent in the common approach. The commitment to Equalities in the Common Services Framework is:

- Develop flexible responses to meet different needs; e.g. opening times, drop-in facility, outreach locations, telephone helplines and online facilities.
- Make our services, publicity materials and premises as accessible as possible.
- Be proactive in engaging all of our stakeholders.
- Focus limited resources towards those who need them most.

TSIs provided numerous examples of how they promoted equalities within the sector (for example raising awareness of equalities, or providing training on equalities and diversity for the Third Sector), and how they worked to promote services and engage with more disadvantaged groups.

Examples of the ways in which TSIs are fulfilling their commitment to equality and diversity include:

- Staff being members of local equalities networks.
- Some TSIs are committed to the Scottish Government's Partnership for Change which encourages 50/50 gender balance on boards by 2020 across the Third, public and private sectors.
- Work with local groups e.g. community councils, schools to respond to all sections of the community.
- Working with minority groups such as the travelling community and undertaking outreach.
- Achievement of the LGBT Charter of Rights which involved training for all Board members, volunteers and staff and they have an LGBTI champion on their board.
- Accessible property that provides an inclusive physical environment.
- Staff trained in good practice in diversity and equalities.
- Running conversation events in places where people meet to support them to influence policy and legislation.
- Being a partner in a local equalities partnership involving statutory agencies.
- Undertaking Equality Impact Assessments to ensure that all equalities groups are communicated with around all processes.
- Providing support to equalities organisations.



- Engaging the advice of specialist local Third Sector organisations (e.g. sensory impairments).
- Involvement in research.
- Including an equalities audit in the annual survey.
- Taking into account the National Standards for Community Engagement.
- Support to Equality and Diversity Fora.
- Delivering the local Equality and Rights Network.
- Chairing/co-chairing a Community Planning Partnership sub-group on disability.

As can be seen above, there are a plethora of examples of good work on-going in relation to equalities and it is clear that equality of access is simply a “given” for TSIs and something that they see as integral to their core purpose.

From the Third Sectors perspective, 63% of Third Sector survey respondents agreed that equality and diversity considerations are at the heart of what the TSI does.

However, TSIs also acknowledged that resource limitations inevitably limit what can realistically be achieved, and whilst equality of access is what all TSIs aspire to, the scale of their potential market and the diverse range of needs that TSIs are required to meet pose a significant challenge in prioritising services:

“We would like to do more outreach to connect with people who are digitally excluded, but don’t have the resources to do that” (TSI Chief Executive Officer)

### **Governance and management**

There are expectations among stakeholders and within the network itself, that TSIs should be seen as exemplars of governance but during our fieldwork in the 11 selected areas it was clear that the quality of governance and management was variable.

Some TSIs exhibited strong governance structures and leadership which was respected by and had the confidence of internal and external stakeholders. Other TSIs had weaker governance structures, and in one TSI governance was perceived by its members to be failing on a number of levels and a governance review is currently underway.

In addition, over recent years there has been a number of failing TSIs where weaknesses in governance have been central to the failure.

Some of the specific challenges being faced by TSIs in relation to governance include:

- Challenges in recruiting board members: In some areas, especially those that are smaller, areas with predominantly small local organisations and in more disadvantaged areas, TSIs experienced challenges in recruiting board members with the range of skills and knowledge that they require. In addition, we heard of TSI boards finding it challenging to recruit the range of trustees they need to represent the disparate communities that they serve (geographic, sectoral etc.) and the functions that the TSI delivers, as well as having appropriate 'professional' skills and experience such as human resources.
- In partnership TSIs there is contention about the extent to which directors of individual partners represent the interests of their own organisations rather than those of the TSI.
- We also heard from Community Planning Partnership staff and local Third Sector organisations of disagreements taking place between partner boards that can and have adversely affected the TSI's operation and its reputation locally.
- Memorandum and articles of association which have not been reviewed or updated since the TSI's inception and which may no longer be fit for purpose.
- Tenure of membership of boards being too long.
- A wider challenge is that there are times when governance issues have not been addressed by local boards. As independent organisations, responsibility for governance, leadership and legal compliance rests with their governing body.
- TSIs must already comply with relevant laws and conditions of grant so they cannot be further compelled to strengthen their governance. Scottish Government and the Office of the Scottish Charity Regulator already have the scope to intervene. However, there is no structure or process in place to compel TSIs to seek assistance when governance is compliant but weak, and it is therefore for individual TSIs to engage with and take up such offers of support. Voluntary Action Scotland has provided support to individual TSIs and provided guidance more widely but has no mandate to intervene when a problem is identified.

Ensuring good governance needs to be given far higher priority within the model than it currently is. It is imperative that any future model has at its heart a culture of continuous improvement and self-evaluation, backed up with support mechanisms to ensure this is followed through on.

TSIs boards should take responsibility, supported by their intermediary body, to address governance issues and ensure that they are well functioning governing bodies working to best practice.

## Effectiveness

It is challenging to define effectiveness, as the range of local circumstances and the differences in the resources available mean TSIs have different capacity to deliver services. (It is also recognised that there is variation in the quality of delivery across the network). However, through the evaluation it became clear that where TSIs are most effective this appears to be due to a number of key factors:

- Maturity of organisation.
- Effective leadership by the Chief Executive and a strong strategic lead from the Board (good governance).
- Achieving the right balance between a strategic and delivery role.
- Relationships with/trust of local Community Planning Partnership partners:
  - Community Planning Partnerships which recognises/supports the value of the sector and supports Third Sector engagement in design and delivery of services.
  - TSI is recognised as a strategic partner and is empowered and supported to deliver that role.
- Resourced by local partners:
  - Some TSIs receive funding from Local Authorities and other sources to enhance all or some core functions. This is a key determinant in their capacity to extend the reach of services.
- Strong relationships with the local sector.
- Trust of the local sector.
- Relationships with local and national partners (who deliver services to the sector):
  - Capacity to co-ordinate services from a range of providers and lever additional resources around local need.
- Skills and expertise:
  - Some TSIs have a particular set of knowledge, skills and existing relations that will influence how it operates (often related to the organisations that pre-dated the TSI).
  - Intelligence on the sector and understanding needs and capacity locally.
  - Skills of delivery staff.

## Chapter Conclusions

In this chapter we specifically sought to establish how effective the TSIs are in the delivery of the core functions. We found that there is a significant variation in how these functions are delivered and that whilst good practice can be identified across the functions, effectiveness in delivery is also variable. The following key findings are of particular relevance to consideration of any future model of delivery:

- There is no one way of delivering the four core functions and it is clear that a “one size fits all” approach would be ineffective. The current approaches being taken are determined by a range of factors including access to additional funding, demand and the local strategic context.
- There is variation in the quality of delivery of the four functions and the effectiveness of some of the TSIs overall. Good leadership and good governance; maturity of the organisation; adequate resourcing; strong relationships locally and nationally; having the right skills in-house; and managing the balance between the strategic and delivery role well appear to be key to effective delivery in the most successful TSIs.
- The social enterprise function is the most contentious, with some research participants questioning the TSIs’ role in delivering social enterprise support. This function seems to be being delivered most effectively where the TSI acts in a facilitating and sign-posting capacity, but again local circumstances may dictate that a TSI should have a more hands-on role in delivering social enterprise support. Developing a local solution to the TSI’s role seems key to getting this right going forward.
- In some areas, TSIs have been successful in developing mechanisms which enable the sector to engage with partners in the design and delivery of services. In others, the TSI formally represents the sector in planning structures, but has been less effective in brokering connections between the sector and the partners.
- The effectiveness of the Community Planning Partnership and its willingness to engage with the TSI and the Third Sector, directly affects the TSI’s ability to fulfil its remit effectively.
- Increasing levels of demand from local Third Sector organisations and stakeholders in relation to policy developments is affecting TSIs’ ability to deliver a quality service.
- There is a lack of clarity with regards to role definition/unique selling points between the TSIs and national intermediaries and in some

cases relationships between the two are poor. This is particularly significant in relation to the TSIs' role in delivering the social enterprise function, given the significant amount of resource going into other social enterprise support mechanisms.

- All TSIs are committed to equality of access however addressing the diverse range of needs in local areas is currently inhibited by resources available to TSIs.
- Good governance is not exhibited by all TSIs and more must be done to improve governance across the network.

## 5. How effectively is Voluntary Action Scotland (VAS) fulfilling its role as the intermediary body for the Third Sector Interface (TSI) Network?

### Overview

In addition to evaluating the effectiveness of the Third Sector Interface model, we were tasked with evaluating the effectiveness of Voluntary Action Scotland (VAS) - the intermediary body representing the 32 Third Sector Interfaces – and to consider what form any TSI network intermediary body would need to take in future. In this chapter we outline our findings in relation to VAS’s effectiveness to date, and in the final chapter of this report we explore the significance of these findings for any future model of support.

### Background

VAS’s role is to develop, support and represent the Third Sector Interface network through:

- promoting the positive impact that the Third Sector Interfaces have at local level;
- encouraging good practice;
- raising the profile of the Third Sector Interfaces at national level; and
- facilitating peer support to the network.

VAS was first conceived in 2009, not long after the TSI model itself was introduced.

The organisation receives approximately £250,000 annually from Scottish Government. VAS is a small organisation and although it has existed for seven years, compared to other national intermediary organisations it is still a relatively young organisation.

VAS’s vision is for “A Scotland based on fairness and equity with a thriving Third Sector at its heart.” Its mission is “Championing, connecting and developing the network of TSIs to support their contribution to a Scotland

based on fairness and equity.” It seeks to deliver this vision through three key objectives which are outlined in the next section.

## **Key objectives**

Voluntary Action Scotland has three key objectives which are to:

- champion the role, impact and interests of the TSIs, Third Sector and volunteers they support;
- connect TSIs to each other, national stakeholders, Government and key policy issues; and
- develop VAS as an effective peer-led network organisation able to support and challenge TSIs.

## **Is Voluntary Action Scotland (VAS) achieving its objectives?**

In this section we explore the extent to which VAS is delivering on these objectives and any challenges that are being encountered.

### **Views from the TSI network**

First and foremost, VAS is accountable to its members and we therefore sought to establish the extent to which members feel that it is meeting its objectives. We also consulted with staff and boards in the indepth study areas.

The results of the survey we conducted with Chief Executive Officers and Chairs of TSIs during our consultation process indicate that views are very mixed in relation to the effectiveness of VAS in delivering on its objectives. As would be expected, amongst the 32 TSIs, individual experiences of the services being provided by VAS vary depending on whether the services meet their needs, what services they and their staff have accessed to date, and the closeness of their relationship with VAS. Some TSIs have very pro-actively engaged with VAS, others less so – sometimes through choice, and sometimes because they do not think that VAS has reached out to them enough.

The annual conference was seen as a helpful way of meeting others in the network, as were the practice forums for some, but attendance at VAS events did not appear to be a priority among those interviewed, and there was a strong message from research participants that VAS events were not sufficiently accessible to TSIs outside the central belt.

Some of the TSI staff and board members in the depth study areas often had little knowledge about VAS and what it did.

Lead officers have the greatest connection to VAS, and welcomed the re-introduction of more regular Chief Officer meetings, but there were mixed views of how useful participation in the recently revived TSI Chairs' network has been.

We have endeavoured within these next sections to give a sense of the range of these views.

### Objective 1: Championing the role, impact and interests of the TSIs, Third Sector and volunteers they support

In our survey of TSI Chief Executive Officers and Chairs we asked them to specify the extent to which they agree with the statements in the table below:

**Table 5.1 TSIs' views of impact in championing the role, impact and interests of the TSIs, Third Sector and volunteers they support**

	Base	Not at all	A little	To some extent	To great extent	a
VAS has increased the profile and credibility of the TSI Network with national stakeholders	66	2 3%	21 32%	37 56%	6 9%	
The contribution of the TSI Network is better understood by national stakeholders because of the role of VAS	66	3 5%	19 29%	37 56%	7 11%	
The policy interests and priorities of TSIs are better represented as a result of VAS's role	65	6 9%	21 32%	24 37%	14 22%	
The value and role of volunteers in local delivery is better understood at a national level as a result of VAS's input	64	10 16%	20 31%	30 47%	4 6%	

The responses received through the survey show a very mixed response to perceptions of VAS's impact in relation to championing the role, impact and interests of the TSIs, Third Sector and volunteers:

- Slightly more than half of respondents (56%) indicated that they felt VAS has to some extent increased their profile and credibility with national stakeholders and helped them to better understand the contribution that the TSI network makes. Only a minority felt that VAS had achieved either of these impacts to a great extent.
- 59% indicated that as a result of VAS's role their policy interests and priorities are better represented, but 41% thought this had only happened on a limited scale or not at all.
- 53% indicated that VAS had some success in helping the value and role of volunteers in local delivery to be better understood at a



national level, but 47% thought VAS had had little or no success in doing so.

Stakeholders and policy influencers also expressed concern that VAS had made little impact in championing the role of the TSI although it was recognised that there were examples of good practice (e.g. Supplementary Guidance on the role of TSIs in Health and Social Care Integration).

## Objective 2: Connecting TSIs to each other, national stakeholders, Government and key policy issues

**Table 5.2 TSIs' views of impact in connecting TSIs to each other, national stakeholders, Government and key policy issues**

	Base	Not at all	A little	To some extent	To a great extent
TSIs are more connected and know more about the work of other TSIs in the Network	66	6 9%	19 29%	24 36%	17 26%
TSIs have greater access to expertise from within the TSI Network	66	5 8%	22 33%	27 41%	12 18%
TSIs are more connected with national Third Sector intermediary organisations/initiatives that support the Third Sector	66	8 12%	28 42%	25 38%	5 8%
TSIs have greater access to expertise (to support the Third Sector) from national Third Sector organisations (and national bodies) that support the Third Sector	66	12 18%	22 33%	29 44%	3 5%
TSIs have increased access to knowledge and expertise on national policy priorities	66	7 11%	20 30%	25 38%	14 21%
TSIs have been able to contribute to national policy development	65	5 8%	25 38%	25 38%	10 15%
TSIs have been able to influence national policy development	65	7 11%	24 37%	29 45%	5 8%

Again, responses are very mixed showing very disparate views about the effectiveness of VAS in this role, notably:

- 54% indicate that VAS has had little or no success in connecting TSIs to national Third Sector intermediary organisations or initiatives;
- 46% indicate that VAS has had little or no success in supporting TSIs able to contribute to national policy development; and,

- 48% indicate that VAS has had little or no success in supporting TSIs to be able to influence national policy development.

### Objective 3: Developing as an effective peer led network organisation able to support and challenge TSIs

We asked Chief Executive Officers and Chairs to rate the extent to which VAS's work has influenced the way their TSI works.

**Table 5.3 TSIs' views of impact in developing as an effective peer led network organisation able to support and challenge TSIs**

	Base	Not at all	A little	To some extent	To a great extent
We share our learning/practice with other TSIs	65	5 8%	22 34%	27 42%	11 17%
We have learned from other TSIs	64	4 6%	25 39%	25 39%	10 16%
We have changed our practice as a result of things we've learned from the network	63	16 25%	25 40%	13 21%	9 14%
We have collaborated with other TSIs to develop new projects/processes/services	65	12 18%	23 35%	22 34%	8 12%
Learning from the network has increased our capacity to support the Third Sector at the local level	65	12 18%	26 40%	21 32%	6 9%

Again, the responses are mixed, but while more felt that VAS had been to an extent successful in supporting TSIs to share their learning (59%), there was little evidence of changes in practice - 65% of respondents indicated that there had been little or no change to their practice as a result of things they have learned from the network, and 58% did not think that it had significantly impacted on their capacity to support the Third Sector locally.

### Quality of Voluntary Action Scotland services

Through our survey we sought to establish levels of satisfaction with the quality of services being delivered by VAS. The table below shows the ratings given to each of the services by respondents to the survey.

**Table 5.4 Quality of VAS services**

	Base	Very good	Good	Fair	Poor	The TSI does not engage with this service
TSI Practice Forums	61	13 21%	32 52%	13 21%	1 2%	2 3%
Other practice events	54	10 19%	21 39%	16 30%	1 2%	6 11%
Conferences	64	17 27%	27 42%	14 22%	4 6%	2 3%
Ad-hoc advice and support	62	13 21%	21 34%	12 19%	2 3%	14 23%
Use of the Knowledge Hub	57	3 5%	8 14%	17 30%	10 18%	19 33%
Use of policy briefings	62	18 29%	16 26%	20 32%	6 10%	2 3%
Newsletter/bulletin	63	14 22%	30 48%	17 27%	1 2%	1 2%

The majority of responses are clustered between good and fair ratings, but with a significant minority of respondents rating the Knowledge Hub, for example, as poor.

A significant percentage do not currently use some of the services on offer – particularly the ad hoc advice and support, and the knowledge hub:

- Almost a quarter do not engage with VAS for ad hoc advice and support and a further fifth regarded this service as fair to poor.
- This suggest a lack of confidence in the quality of advice and knowledge held at VAS.

In VAS’s own progress survey, last conducted in 2015, around half of respondents rated the services overall as a 4 out of 5. This is an improving picture since the survey was first conducted in 2013, but poorer ratings were given in critical areas:

- practice development support needs (only 37.71% rating the support highly), and
- supporting the TSI to play a role in community planning locally (only 38.71% rating it highly).

We do not expect these findings to be of surprise to VAS. Staff and board members consulted during our evaluation recognise that further development of services is needed to better meet the needs of the network and indicated that these were a priority for development.

In the next section we summarise those areas where VAS has been most successful and note areas where further improvement is required. The summary reflects views gathered across the research participants we consulted, including TSI survey respondents, depth study area participants and stakeholders (where they were sufficiently familiar with VAS to comment).

## **Key achievements**

Throughout the evaluation we asked participants to share with us their experiences of the support provided by VAS. Key achievements identified by them included:

- Some pro-active development work with partners such as the work with Community Planning Partnerships and the Alliance to broker better understanding of the TSIs among national Third Sector organisations, although more needs to be done in this area.
- The development of additional guidance to Health and Social Care Partnerships on the role of the TSI in relation to integration activities.
- Production of written publications that are of a high standard e.g. high quality report on “Collaborating for Community Impact”.
- Work with Quality Scotland to help TSIs to achieve the Committed to Excellence Award.
- Practice forums which are seen to be relevant and improving.
- A high quality, well-organised annual conference that is both informative and, more importantly perhaps, an opportunity for a wide range of people involved in the TSI at different levels and in varying roles to come together and exchange views and experiences, although as we noted previously the priority placed on attending the conference varies from one TSI to another.
- Improving connections to civil servants and politicians.
- Improving understanding within Community Planning Partnerships of TSIs through the Community Planning Improvement Programme.

While progress has not been as fast as most stakeholders would have wished, it is notable that most stakeholders described VAS’s performance as “improving”.

## **Areas for improvement**

Research participants also identified a number of areas where they believed VAS had performed less well, and are areas for improvement:

### **Connecting the network**

- VAS needs to better connect with each TSI, but there is also a need for VAS to engender a greater sense of a connected network. Many TSIs did not feel part of a bigger network.
- Some regional connections exist between neighbouring TSIs and this is something that could be fostered by VAS.
- More presence is needed in local areas and more contact from VAS - “having been on the board, that seems to be the privileged position, for the majority of the network this is fleeting at best, connection is very much part of individual effort and connectivity”.
- VAS is too central-belt focused.

### **Promoting the network and having an influencing role**

- A sense that VAS had not achieved parity of status with other national intermediaries and did not have influence.
- Lack of success in increasing the knowledge, awareness and understanding of national Third Sector intermediaries about the role of TSIs in local areas.
- Need for more focus on policy development and influencing policy change.
- Absence of a well-defined communication strategy between VAS and the network and externally.

### **Supporting and developing the network**

- Need for more sharing of good practice within the network to improve quality.
- Concern about the lack of support for failing TSIs. VASs role and capacity to intervene is unclear but is a priority for the network.

## **Effectiveness of the organisational structure**

### **Governance**

VAS's board comprises a mix of Chief Officers or trustees of TSIs who are elected by the network (each TSI having one vote) and independent members who bring specialist expertise to the board, for example in strategy development. Independent members are recruited through an open recruitment process. At the time of writing we understand that plans are in place to recruit additional independent members imminently.

VAS staff and board members themselves acknowledge that historical governance arrangements have not served them as well as they hoped and

that improvements are necessary. This view is strongly reinforced by those members of the network we heard from.

This has led to a situation where self-interest is sometimes preventing vital discussions being pursued (for example, outcomes of discussions around the allocation of Scottish Government funding to TSIs would directly affect individual TSIs and so an objective discussion at Board-level becomes impossible), and agendas being driven which do not necessarily reflect the views of the broader membership.

Challenges in relation to governance have to date included ensuring a clear operational and strategic split of responsibilities; ensuring there is no geographical bias in membership; and ensuring that members are acting on behalf of the network and not representing their own interests.

We know that action is already underway to address some of these concerns including:

- At a recent board meeting, the decision was taken to recruit more independent members.
- To date, board membership has been reviewed annually, but at a recent Annual General Meeting a motion to appoint members for a three-year period was agreed.
- Trying to ensure diversity of experience on the board, with new members being sought to address gaps in expertise.
- Gradually re-introducing portfolios for board members to ensure that they can tap into expertise and share the burden of representation at events etc..
- Implementation of 3 short-term working groups to address governance, policy and health and safety. The membership of the working groups also draws on the expertise of the wider membership.
- Plans to introduce a corporate policy sub-group of the Board.

It is too early to say whether these actions will be effective, but they give a sense that the VAS board recognises the challenges and is taking responsibility for improving governance.

### **Accountability**

As a membership body, VAS's accountability is to its members. We asked Chief Executive Officers and TSI Chairs, and staff in the selected study areas whether they feel that VAS is accountable to its members. Feedback was very mixed.

- Some respondents were positive about VAS's accountability, with 22% stating that it was accountable "to a great extent";
- "VAS is excellent with respect to being accountable. It fully involves TSIs in all aspects of its work and governance";
- 51% indicated that they felt that VAS was accountable to some extent;
- Others were more negative, with 27% of respondents stating that they thought VAS was only accountable to its members to a little extent or not at all; and,
- "As a Chief Officer not involved in the VAS board I feel somewhat disconnected from decision-making and scrutiny of VAS".

## **Issues and challenges for Voluntary Action Scotland**

We have identified a number of issues and challenges which have impacted on VAS's performance. These are issues which need to be addressed in any future intermediary model.

### **Organisational maturity**

There is a sense of VAS as a relatively new organisation. TSI representatives and stakeholders alike recognised that it can take time for a new organisation to embed itself, but there is a sense that the organisation lacks leadership and strategic direction.

### **Governance**

In the period since its inception, VAS has experienced frequent change at board level (due to the current, but we understand changing, requirement for board members to be renewed annually) which will inevitably have had an impact on the achievement of the organisation's strategic and operational goals. There is a need for VAS to develop its leadership and governance structure to support improved performance.

### **Leadership**

If VAS is to improve its credibility as an intermediary body for the TSI network it is essential that it shows strong leadership. There is an opportunity to address some of the challenges highlighted in this evaluation report and to drive forward the progress already being made.

## **Lack of clarity of purpose**

Stakeholders and TSI interviewees reported that VAS's purpose was not distinct and clearly defined, and the scope of its apparent remit in comparison to its size meant that it was 'pulled in too many different directions'. Its positioning in the wider landscape of intermediaries, also needs to be reviewed:

"VAS needs to stop being pulled in lots of different directions and re-focus on supporting TSIs and the big impact issues" (TSI Chief Executive Officer)

"VAS is operating in a busy field, full of organisations that are very territorial. It is hard for a small organisation like VAS to carve a niche" (Stakeholder)

Moving forward, it will be important to focus on key areas of work and target resources on delivering critical outcomes.

## **Expertise and understanding of TSIs**

TSIs feel that at a fundamental level, VAS does not have the in-depth knowledge of the TSI work and environment in which they operate.

To be an effective intermediary, VAS needs to be seen as having expertise that goes beyond that of the TSIs. Some TSIs did not feel that VAS had the necessary expertise to offer:

"You would only go to someone for advice and support if you felt that they knew more about it than you did." (TSI Representative)

This is a critical gap that must be addressed if VAS is to act as an intermediary for the TSI network.

## **Behaviour of TSI network**

Some research participants identified a culture of resistance to change within the TSI network which VAS has struggled to dispel, and noted that the TSI network itself needed to improve its behaviour in order to ensure that VAS can increase its impact.

To date they have not succeeded in engendering a sense of a connected network – "There are 32 opinions of what VAS should look like" and VAS is challenged in meeting the needs of all 32 TSIs.

As a membership organisation, more TSIs need to get behind VAS and play their part in promoting, supporting and developing their own network.



## Chapter Conclusions

- To date, the quality of support delivered by VAS has been inconsistent and has not addressed all of the TSIs' needs but many members of the TSI network, and external stakeholders, believe that support is improving and has the potential to improve further.
- VAS is not considered to have achieved the 'positioning' and credibility to achieve its role in championing and policy influence.
- The criticisms of VAS recognise that VAS is a small and relatively young organisation, operating with a small team of staff to service 32 TSIs with a wide range of expectations and needs, and operating in a complex environment. There is a need for greater clarity of purpose and increased focus on a smaller range of critical activities.
- The organisational structure and leadership of the organisation needs to be improved to support improvements in the operation of the organisation.
- There are a number of governance challenges which need to be addressed including issues relating to the balance of independent and TSI members, and tenure of membership.
- While it was recognised that VAS has not yet fulfilled its core functions, there is broad agreement that the TSIs need an intermediary body.

## 6. Conclusions and considerations for the future

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

In this chapter we draw together conclusions from the evaluation, and consider the implications of our findings for the future model of local Third Sector support in Scotland. In addition, we draw conclusions in relation to the effectiveness of VAS currently, and the role of any future intermediary body representing the TSIs.

### **Structure of the current Third Sector Interface network model**

The structure and the purpose of the TSIs has been defined in relation to the four core functions. The structure was focused on bringing together local CVSs/Volunteer Centres, and sometimes SENs, to create a delivery body in local areas which could deliver the four core functions specified by Scottish Government.

We were tasked with conducting an evaluation of the model - however structures and functions are diverse and while integration has helped to develop a more strategic approach to supporting the Third Sector in most areas, there remain some challenges over partnership structures.

There are currently 22 TSIs operating as single organisations and 10 partnership structures. History, resourcing and local context has shaped the TSIs and resulted in this mix of single entities and partnership bodies.

Our research suggests that there are benefits where the TSI operates as a single entity, for example in providing clarity for partners and Third Sector organisations, better integration of services and planning, greater strategic direction and efficiencies. Critically, the single organisations have provided a single point of contact for partners.

While some areas have made the partnership model work, some stakeholders and partnership TSIs expressed concern over specific challenges that are primarily concerned with governance, relationships and lack of cohesion and

leadership at a strategic level. However, there are issues which at least for some partnerships may predicate against a formal merger (pensions liabilities, ownership of assets) as well as historic structures.

## **Governance**

Weaknesses in governance within individual TSIs has emerged as a significant issue and has had an impact on the reputation of TSIs and on the confidence of some stakeholders in the effectiveness of these TSIs. This has impacted on the reputation of the network as a whole.

Good governance must be a higher priority going forward and there is currently no mechanism for ensuring that governance structures are strong. The critical factors moving forward are therefore how governance can be improved where it is weak and who is responsible for supporting improvement, scrutiny and intervening when problems become evident.

VAS currently has no mandate to intervene and efforts to support improvements in this area have not been sufficiently intensive to date. However, the logical place for this scrutiny role rests with the TSI intermediary body with the option for recourse to Scottish Government as funder where necessary and appropriate. We have noted that as a membership body, any re-focussing of VAS and additional responsibilities in terms of scrutiny must be supported by the membership.

There are practical approaches that can and should be taken towards improving governance, for example in relation to board recruitment, training and development, and strengthening board structures. In considering the need for better governance, it is also important to recognise the importance of strong and effective leadership in the network – within governing bodies and among TSI Chief Executives and senior managers.

## **Effectiveness of the Third Sector Interface network model in delivering across the four core functions**

The brief for the study required us to assess the effectiveness of the TSI network in the delivery of the four core functions (and associated outcomes) to explore what works and what does not, in order to inform the future approach to support for the sector.

The aspiration of the TSI network as outlined in the Common Services Framework was to 'offer a portfolio of Common Services in every area around the country'. The Common Services Framework recognises that 'These services may be offered in different ways to suit the needs of the local communities, but our clients and stakeholders should expect to be able to

access a quality service regardless of which of Scotland's 32 Local Authority areas they operate in'.

In reality, the differences in the level of resources, skills and expertise of TSI staff, and local need mean that the portfolio of services looks very different in each area.

The variation in size, scope, and quality of service being delivered by individual TSIs makes it difficult to assess the effectiveness of the TSI 'model' overall as the level of capacity and quality varies considerably across the network. However, a number of issues and challenges have been identified which should inform the approach to support for the sector in future.

Increasing demand for services across each of the functions is a key issue for any future model as is how local infrastructure can best target its resources to meet local need and contribute to local outcomes:

### **Volunteering development**

There are strategic challenges for volunteering development due to:

- different demands on volunteering (for example, as a vehicle for supporting employability, recovery, therapeutic volunteering);
- frequently additional resources are required to support volunteers with additional support needs; and
- increasing expectations on volunteers in the delivery of services and as board members.

This has resulted in a tension for TSIs between a focus on 'increasing volunteering' and increasing the impact of volunteering on more disengaged communities/equalities groups.

There are some operational challenges due to:

- demand for services exceeding supply of resources, which limits the capacity of TSIs to engage with more disadvantaged groups, for example those marginalised by poverty, rurality, and additional support needs;
- some tensions at the local level over the role of the national infrastructure organisation; and,
- on-going challenges in using the MILO database system.

### **Social enterprise**

There are diverse models of delivery and different approaches reflecting local issues (historic arrangements for social enterprise support), as well as

different perceptions of the role of the TSI in supporting social enterprise – some see this as a dedicated function and others deliver it as part of more generic organisational development support.

This is the function that is most contested as a core function of the TSI. Stakeholder perceptions of the TSI network are that it has struggled to engage effectively in social enterprise support, but that the picture is improving over time. It is a 'new' function for some TSIs and recognised as 'challenging' by many.

There are also a number of regional and national providers delivering support to social enterprise. As a result it is not always clear what the TSI's role is in relation to social enterprise support. Some TSIs have been effective in co-ordinating the range of support around social enterprises - but there are also examples of duplication and very poor 'joining up' of resources.

Far greater clarity and agreement in relation to the TSI network's role in relation to social enterprise support is required going forward, but there is a strong sense from the research that solutions must be tailored to take account of local circumstances – including levels of need, and the range of other social enterprise support services already in place. Where social enterprise support is already being delivered well by other organisations in an area, then it makes sense for the TSI's role to focus on sign-posting and connecting organisations. Where good social enterprise support is lacking the TSI may have a role to play in provision of this support, or in sub-contracting with others to provide this support.

### **Supporting and developing a strong Third Sector**

The range and scope of services offered under this function are broad. Service availability differs across the network as a result of different needs, levels of resources, and skills and expertise in the TSIs, and in most areas there are other providers who also deliver services to the sector.

Most TSIs identified a tension in managing demand whilst maintaining high quality support.

Although TSIs work towards EFQM, there is no recognised quality standard for network service delivery, and quality of delivery is variable across the network.

Where TSIs are working well, they are leveraging resources in to the area from other providers, although some challenges exist around duplication of roles in some areas with Community Learning and Development departments.

It has also been highlighted that Third Sector organisations are not good at self-identifying organisational development needs and often do not engage in

services at the right stage, only seeking help when it is too late. This increases the demand for time-intensive 'crisis interventions'.

### **Building the relationship with Community Planning; engaging and connecting the Third Sector**

External circumstances are key to the successful delivery of this core function. Where there exist well-functioning Community Planning Partnerships and partners who have a commitment to the Third Sector, TSIs have been better able to engage as a strategic partner. In areas where there is a poor performing Community Planning Partnerships, and little understanding of where the Third Sector can contribute, the opportunity for the TSI to develop meaningful engagement is limited, irrespective of how 'good' the TSI is.

A further key issue is the increasing demand for TSIs to support Third Sector engagement in a range of planning structures. The role of TSIs in supporting Third Sector engagement in Integrated Health and Social Care bodies has had major resource implications and the implementation of the Community Empowerment Act will also have implications for the sector and the TSI. The increasing resource requirement to service this 'function' has implications on the level of resources available to deliver the other functions.

### **Implications for a future approach**

The evaluation of the TSI network model and VAS is being carried out at a time when public policy has again highlighted the role of the Third Sector at the heart of community planning.

In the developing policy context (as outlined in Appendix 3) the Third Sector plays a critical role in achieving the Scottish Government vision of a more successful country with opportunities for all to flourish, through achieving sustainable economic growth<sup>12</sup>. Now, more than ever, there is a need to connect the Third Sector to Community Planning Partners to work in partnership to reconfigure services towards prevention and to tackle inequalities.

The Community Empowerment Act is the major driver for increased involvement of community-based organisations in making a direct impact on the growth of Scotland's economy, the wellbeing of its citizens and the improvement of its public services. The Act will drive a much greater level of demand for development support from communities at the local level.

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<sup>12</sup> <http://www.gov.scot/Publications/2015/03/5984>

In some areas, Local Authorities have 'geared up' their CLD resources to focus on Community Empowerment, but in the majority of areas it is recognised that there is a huge unmet need. The development of locality planning, which makes decision making structures more accessible to communities, will make a further demand on TSIs to support community/Third Sector involvement in these structures. Stakeholders expressed an aspiration for TSIs to be able to support the development of community involvement in locality planning

The enormity of the changes in the health and social care structures through the creation of Integrated Joint Boards presents opportunities for strategic repositioning of the Third Sector in the emerging landscape, and an opportunity for TSIs to further consolidate their position as strategic partners in this area.

### **Contributing to Scottish Government's vision and policy commitments**

The Scottish Government is committed to ensuring that the Third Sector is able to play a full role in public service reform through greater involvement in service design and delivery.

As Community Planning Partnerships are the focus for local decision making, this would suggest a need for a local body which acts as an advocate for the sector and provides conduit and brokerage to engage Third Sector with partners in the design and delivery of services and support the voice of people who use services. The 2012 Statement of Ambition set a new direction for outcome-based partnership working in Scotland and the Statement of Ambition places the Third Sector as a strategic partner in Community Planning.

### **Austerity**

Across the depth study areas, public sector partners repeated the message that they were 'looking to the Third Sector' because cuts in public sector spending were affecting their capacity to meet needs. While there is a need to challenge the notion that the Third Sector is 'cheap' or that the 'voluntary sector' means that services are delivered by volunteers (and therefore free), austerity is also one of the most powerful levers for the involvement of the Third Sector in the delivery of services.

# Recommendations for a future model of local infrastructure in Scotland

## Limitations to the recommendations

The purpose of this study was to review the current TSI network model and make recommendations on the future strategic direction and approach to Third Sector support in Scotland at the local level. The Scottish Government also funds a range of support for the sector through national and thematic intermediaries. A review of the wider voluntary sector infrastructure is out-with the scope of this study, and as a result our recommendations are based on assumptions that the current national and thematic infrastructure remains as is. Our recommendations relate therefore to the future of local infrastructure, rather than strategic options for wider Third Sector support in Scotland.

## “Do nothing” option

During the evaluation process it became evident that there was no appetite for a wholesale change in the model and many of the national and local stakeholders reported that there had been considerable improvements in the network and TSIs in the recent past.

National and local stakeholders also emphasised that:

- Support for communities is best delivered at the local level.
- Support must be responsive to local need (one size does not fit all).

However, the evaluation has highlighted serious concerns over the effectiveness of some TSI structures, and significant variation in the quality of services delivered across the network. To retain the status quo would risk some TSIs continuing to fail to deliver on the original vision for support for the Third Sector locally.

The challenges highlighted through this evaluation must be addressed to create a network which is fit for purpose and which can contribute to the Scottish Government’s vision for Scotland.

## Challenges

To date the structure and the role of the TSIs has been defined in relation to the four core functions:

- The development of local structures have focused on bringing together existing organisations (CVS/VC and sometime SENS) or creating a new body which could deliver the four functions.



- The focus on the functional capacity of the TSIs structures has lost sight of capacity of the structure to deliver the overall purpose of the TSI.
- The focus on the delivery of functions, and the aspirations to provide a common set of services that could be delivered across the country has resulted in TSIs ‘stretching their resources’ to deliver the four functions. There is a tension between the pressure to deliver ‘similar services’ and the local needs/priorities.
- However, there is a clear message from stakeholders that support must be responsive to local need (one size does not fit all).

A number of national stakeholders reported that the focus on the ‘four functions’ and associated tasks and activities has driven TSIs to be operationally focused, and undermined their capacity as strategic partners:

“We need a smarter way of defining what the Scottish Government funding is for – it’s about achieving that vision [Third Sector as a strategic partner] at the local level – not about the functions they deliver” (National Stakeholder)

TSIs also report that the focus on the functions has reduced the emphasis on the more strategic role they have:

“The four functions seem increasingly dated and out of place in the new world we are all trying to create – they feel operational and task focused – we need to move towards TSIs being real strategic partners and leaders of the Third Sector” (TSI Survey)

It would appear that attention on the ‘functions’ has resulted in a loss of sight on the core purpose of the TSI. The statement of ambition places the Third Sector as a strategic partner in Community Planning. The core purpose of the TSI is therefore to be a strategic leader to facilitate that change in relationship. This can only be achieved if the Third Sector can engage strategically with partners. Therefore the critical role of local infrastructure is to facilitate this engagement – and it has to happen at the level of the key decision making structure (Community Planning Partnerships, Integrated Joint Boards, locality planning). This is the unique contribution that local infrastructure can make - and is the ‘function’ that cannot be delivered by a national organisation.

Consequently, the approach for the future should remove the focus on functions and redefine the TSI in terms of its strategic purpose and the outcomes that it delivers at the local level.

## What is required for the future?

### **Recommendation 1: TSIs' core purpose should focus on becoming a strategic vehicle for Third Sector involvement in Community Planning and integration.**

The backdrop of the policy drivers which support the concept of more Third Sector participation in decision making, combined with the research findings, lead us to conclude that there is a need for **a strategic vehicle for Third Sector involvement in Community Planning and integration** and that this should be the core purpose of the TSI model in future.

There is a need for the TSIs' role to be redefined in terms of its strategic focus, and to clarify what is required of a strategic partner (rather than the functions it should deliver). The operational issues that have been identified elsewhere in the report must also be addressed for the TSI network to be fit for purpose and have the credibility to operate as a strategic partner.

As a strategic partner, the driver for the TSI would be the delivery of local outcomes. Outcomes would be agreed at the local level and would respond to local priorities which in turn would feed into the achievement of national outcomes.

This re-positions the TSI in relation to partners and the sector, and would result in the TSI work plan fully reflecting local priorities.

### **What is the role of the strategic partner?**

Developing a vision and strategy for the Third Sector in each area (with the sector and partners) so that there is a shared understanding of the role of the sector, and clear priorities for the development of the sector.

The vision developed would be more explicitly aligned with Community Plan/locality plan priorities, and integration, creating greater understanding among partners of the value of the TSI and the sector to the delivery of local outcomes.

In moving forward in this way, TSI resources would be better aligned with Community Planning Partnerships priorities. As such, it is reasonable to expect that Community Planning Partnerships move towards a position of providing financial support for these strategic partners, recognising that some already do so. This would be in addition to rather than instead of what is currently provided by Scottish Government.

## **What does that mean for the four core functions?**

As a strategic partner, a TSI could continue to deliver similar functions, but it could also deliver functions differently, for example by contracting services. The functions become the tools which support the delivery of the purpose and the achievement of local outcomes. The TSI as strategic partner would be responsible for identifying need and co-ordinating local (and national) resources to meet those priorities rather than, necessarily, a deliverer of services that they currently provide. What they do and how they do it would be defined by local need and outcomes.

Would this reduce the level of services available to the Third Sector? The evaluation identified that there are resources available through regional and national intermediaries (and other TSIs). Some TSIs have been good at co-ordinating resources from other providers, others less so. As a strategic partner, we would expect the TSI role to focus on:

- leveraging resources into the area by linking to and collaborating with national and thematic intermediaries who deliver services (reducing duplication, better use of resources); and
- better collaboration between TSIs to reduce costs and share resources, expertise, and best practice.

## **What else needs to change to deliver a successful infrastructure model that meets local need across the country?**

In exploring how best to deliver the proposed model we would suggest that the Scottish Government, the TSIs and VAS take into account the following factors:

### **Third Sector Interface organisational structure**

The organisational structure must be effective for the purpose (rather than for effective delivery of four functions).

The challenge for the future is to build a local organisation which has strategic capacity rather than delivery capacity.

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

The evidence from the evaluation suggests that while there are examples of effective partnership models, the 'single organisation' model has proved to be most effective as a vehicle for strategic engagement. However, there continue to exist structural barriers to mergers and in some cases sound organisational reasons for partnership models.

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

The evaluation has highlighted weaknesses in effectiveness of VAS, but concludes that the TSI network requires an intermediary body.

#### **What does the Third Sector Interface network need from an intermediary?**

The role of a TSI intermediary body should be to focus its activity around three key functions:

- Improving the governance of the TSI network
- Supporting and developing good governance in the TSI network
  - Providing scrutiny of the network
- Supporting the network to develop the skills and competencies to deliver as effective strategic partners
  - Supporting improvements in performance
  - Monitoring of TSI performance
- Influencing the external environment
  - Advocating at the national level to raise awareness of the purpose and impact of TSI
  - Influencing at the national level to create the ‘enabling environment’ necessary so that TSIs can fulfil their role as strategic partners.

Critical to the success of any future intermediary body representing the TSI network is the following:

- A clearer purpose and focus so that limited resources are targeted on a small number of key outcomes.
- Having an organisational structure that is fit for purpose, and the skills, leadership and credibility to meet the needs of a very diverse network of organisations and to represent it at a national level.
- Clarity of purpose and definition of its unique role in relation to other national intermediary organisations.
- A clear mandate in relation to quality assurance and intervention in “failing” TSIs.
- A strategic partnership with the Scottish Government that is based on ‘more than money’. Currently the relationship is transactional – the Scottish Government funds VAS to deliver services. The relationship with Government needs to be strategic, based on an

understanding of the shared purpose and the shared outcomes that VAS will deliver for the Scottish Government.

- Credibility with national stakeholders.

The research has identified a number of issues in relation to the governance and operation of VAS which bring into question the organisation's ability to fulfil the role required of it going forward. However VAS is going through a change process and there is a strong message coming from stakeholders that it has the potential to deliver on its purpose.

During our process of consultation, VAS board members undertook a process of reflection in relation to their current role and provided us with a position statement. This position statement includes constructive suggestions for development of the organisation and these have been carefully considered by us in constructing our recommendations.

The research has identified a need for an organisation such as VAS, the question is whether VAS itself can rise to the challenge and be supported by Scottish Government to do so, or whether a new organisation or alternative contracting arrangement is needed.

Our recommendation recognises the continued need for a TSI intermediary body. We have assumed that VAS will continue on the basis that the organisation takes steps to address the issues that have been identified but we recognise that the Scottish Government may require further assurances from the VAS board that these can and will be addressed.

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

These partnership agreements should include:

- A description of the purpose of the funding of the TSI
- A commitment to comply with Scottish Government requirements in relation to quality of governance and management.

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

## **Operational recommendations for Voluntary Action Scotland (VAS) and the Third Sector Interface (TSI) network**

**Recommendation 6: VAS and the TSI network need to ensure quality standards for the delivery of services are put in place and implemented.**

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

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

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

**Recommendation 10: VAS, through the Services, Quality, Impact Group, together with the TSI network and Scottish Government, to support the work on developing an outcomes framework for the TSI network. This could include a menu of common outcomes which TSIs could be expected to deliver at the local level (although recognising that actual outcomes will be co-produced at the local level).**

**Recommendation 11: VAS and the TSIs undertake a review of their own governance arrangements to ensure that they are fit for purpose.**

This is likely to include:

- A review and update where necessary of their constitution and/or memorandum and articles.
- Organisation membership.
- Board composition including the number of external trustees and the role/status of the chair and duration of appointments.
- Governing structures such as sub-committees and working groups.
- Trustee recruitment and appointment processes.
- Trustee skills audit.

## **Resourcing the network**

The development of the TSI network must be financed within the existing level of resources. We suggest that the re-focussing of their role takes place through a re-alignment of existing budgets, but this may have implications for infrastructure funding more widely.

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

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

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

There are resources in the system focused on supporting communities to engage in decision making structures, but they are focused on different decision making structures, including:

- Community Learning and Development (CLD) resources:
  - In some areas, CLD departments are driving the development of locality plans.
- NHS Public Involvement:
  - NHS Boards have a statutory responsibility to communicate with and involve the communities they serve in decisions around the provision of care and has resources dedicated to this function.
- Integrated Joint Boards:
  - are resourcing separate engagement structures for public and Third Sector and carer engagement.

As the Community Empowerment Act comes into force, the development of locality planning will increase the demand for engagement at the local level. The Community Empowerment Act 'requires Community Planning Partnerships to consider which community bodies could contribute to community planning, and make all reasonable efforts to get these bodies involved. Statutory partners must contribute money, staff or other resources to secure this participation.'

At the moment, there are a number of decision making structures which require community engagement, and different structures to service each of these. Looking forward, the public sector needs to consider how it can better harness the resources required for 'community engagement' across all of these structures.

The Scottish Government should require Community Planning Partnership partners to explore new models which could lever efficiencies for the public sector by 'pooling' resources for community engagement. For example, Community Planning Partnerships and Integrated Joint Boards could explore models where existing 'community engagement' staff from different agencies are seconded to a central 'engagement team' delivered centrally by the TSI.

## **Influencing the external environment**

**Recommendation 15: Scottish Government to take further steps to reinforce the recommendations outlined in the Audit Commission report on community planning and host round table discussions with the National Community Planning Group and with national stakeholders to build awareness of purpose of the TSI Network.**

**Recommendation 16: The role of the TSI intermediary organisation to be defined in relation to that of other national intermediaries.**

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

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



## **APPENDIX 1 – INTERVIEWS AND FOCUS GROUPS**

Interviews and focus groups were undertaken in each study area with:

- TSI staff, lead officers and boards
- Third Sector organisations
- Volunteers
- Community Planning Partners (this varied across areas but included focus groups and individual interviews with representatives of Local Authority departments, NHS Boards, Health and Social Care/Integrated Joint Boards, Police Scotland, Scottish Fire & Rescue Service)
- Community Planning Managers/Co-ordinators.

## **APPENDIX 2 - RESEARCH INTERVIEWEES (ORGANISATIONS EXTERNAL TO VAS AND THE TSI NETWORK)**

- Firstport
- Senscot
- COSLA
- NHS Health Scotland
- OSCR
- Improvement Service
- Carnegie Trust
- Volunteer Scotland
- SCVO
- Big Lottery Fund
- Voluntary Action Fund
- Scottish Government

## APPENDIX 3: THE STRATEGIC CONTEXT

### The changing environment within which TSIs operate

#### Public Service Reform

The Christie Commission on the future delivery of public services was tasked with looking for solutions to the challenges facing public services in Scotland and produced its report in June 2011. This established four pillars for public sector reform: prevention, performance, people and partnership. From a Third Sector strategic perspective the focus on prevention and partnership working along with a shift in focus from public sector to public service placed the Third Sector at the core of this reform agenda.

#### Community Planning

As part of the Scottish Government's response to the Christie Commission's recommendations it agreed to undertake a review of Community Planning. The Scottish Government and the Convention of Scottish Local Authorities (COSLA) published the shared Statement of Ambition<sup>13</sup> in 2012.

This put Community Planning at the heart of an outcome-based approach to public services in Scotland and made clear that effective community planning arrangements would sit at the core of public service reform:

“Effective community planning arrangements will be at the core of public service reform. They will drive the pace of service integration, increase the focus on prevention and secure continuous improvement in public service delivery, in order to achieve better outcomes for communities. Community Planning and Single Outcome Agreements will provide the foundation for effective partnership working within which wider reform initiatives, such as the integration of health and adult social care and the establishment of single police and fire services, will happen.”

The statement of ambition underpins the Scottish Government's commitment to involving the Third Sector in public service reform (requiring Community Planning Partnerships to ensure “effective involvement not just of the public sector but also of the higher and further education, private, and Third Sectors”) and reconfirmed the need to put communities at the heart of community planning: “strengthening community engagement and participation in delivering better outcomes”.

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<sup>13</sup> Scottish Government and COSLA (2012), ‘Community Planning Review - Statement of Ambition’, <http://www.gov.scot/Topics/Government/local-government/CP/soa>

## Reshaping Care for Older People

Reshaping Care for Older People (RCOP) was a Scottish Government initiative aimed at improving services for older people by shifting care towards anticipatory care and prevention.

In 2010 the Scottish Government and COSLA jointly launched Reshaping Care for Older People: A Programme for Change 2011 - 2021<sup>14</sup>. This set out the vision – that 'older people are valued as an asset, their voices are heard and they are supported to enjoy full and positive lives in their own home or in a homely setting'.

Achieving the RCOP vision required significant changes to the way that traditional services are delivered and the creation of new services that support people in a different way. To catalyse this change process the Scottish Government created a 'Change Fund' of £300 million over four years (2011–2015). Although RCOP was a national agenda with national outcomes, the RCOP Change Fund resources were allocated to each local authority area, in recognition that changes to services and the achievement of RCOP outcomes would be delivered at the local level.

The Scottish Government required each Local Authority area to set up a local strategic partnership to manage the change process and to allocate the Change Fund investment. The core membership of the strategic partnerships was specified by the Scottish Government to include the Third Sector, local NHS Board, Local Authority and Independent Sector.

The RCOP Programme was intended as a partnership programme and the inclusion of the Third Sector in the Strategic Partnerships formalised the TSIs role as the representative of the Third Sector.

Arrangements for a new three year Integrated Care Fund administered by partnerships have now taken the place of the Change Fund.

## Health and Social Care Integration

Legislation to implement health and social care integration, passed by the Scottish Parliament in February 2014, came into force on 1 April 2016. The Public Bodies (Joint Working) (Scotland) Act 2014 sets out the legislative framework for integrating health and social care, which will support improvement of the quality and consistency of health and social care services in Scotland.

The legislation brings together NHS and local council care services under a new legal entity - health and social care integration partnerships, all fulfilled by an integrated joint board (IJB) arrangement, except one area which is implementing a one lead agency model.

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<sup>14</sup> Scottish Government (2010), Reshaping Care for Older People: A Programme for Change 2011 – 2021. Available at: <http://www.scotland.gov.uk/Resource/0039/00398295.pdf>

Thirty-one local partnerships, managing almost £8 billion of health and social care resources, have been established across Scotland.

The health and social care integration partnerships are responsible for the health and care needs of patients, to ensure that those who use services get the right care and support whatever their needs, at any point in their care journey.

Integration means a greater emphasis on enabling people to stay in their homes, or another homely setting, where possible, sharing their lives with their family and friends, doing the things that give life meaning and value.

Health and social care integration presents opportunities for strategic repositioning of the Third Sector in the emerging landscape, and an opportunity for TSIs to further consolidate their position as strategic partners, particularly as the Act places a legislative requirement on partnerships to involve the Third Sector in planning and delivering services.

### **Community Empowerment (Scotland) Act**

The Community Empowerment Act is major driver for increased involvement of community based organisations in making a direct impact on the growth of Scotland's economy, the wellbeing of its citizens and the improvement of its public services.

The Community Empowerment Act will help to empower community bodies through the ownership of land and buildings, but also seeks to improve outcomes for communities by improving the process of community planning, ensuring that local service providers work together even more closely with communities to meet the needs of the people who use them.

## **APPENDIX 4: LEARNING FROM OTHER MODELS**

### **UK context**

Policy and practice in supporting the Third Sector changed significantly in 2010 with the election of the Coalition Government and the launching of the Big Society initiative. 'Big Society' set out an agenda to transfer power to local communities and enable individuals to 'take control of their lives', and placed the voluntary, community and social enterprise sector at the heart of those ambitions.

However, the implementation of the policy coincided with large-scale cuts in public expenditure which over the period has resulted in a massive reduction in the public sector support for the Third Sector at large, and a direct reduction in levels of financial support for infrastructure organisations.

The reduction in the infrastructure funding was supported by significant investment from the Big Lottery Fund through its 'Transforming local infrastructure fund'. This was a short term programme of investment aimed at supporting a rationalisation and transformation in local infrastructure. The result of the cuts in funding has been that many of the infrastructure organisations closed down, but there has also been a streamlining of infrastructure through mergers and collaboration.

Although central government no longer funds local infrastructure in England, there continues to exist a network of Councils for Voluntary Service and Volunteer Centres (among other infrastructure organisations) but it is not national and exists only where it is funded by local government and other (non-governmental) sources. Significant differences exist in the policy and funding commitment to the Third Sector in Scotland, Wales and Northern Ireland where the policy is devolved. In Northern Ireland and Wales, there is a strong policy commitment to supporting the Third Sector. In both countries, central government funds infrastructure to support the development of the sector.

### **Northern Ireland**

In Northern Ireland, responsibility for policy on the voluntary and community sector (VCS) rests with the Urban Regeneration and Community Development Group within DSD, which includes The Voluntary and Community Unit. A Concordat exists between the Third Sector and the executive, setting out the roles and responsibilities of each party.

There is a joint Government/Voluntary and Community Sector Forum, which facilitates discussion of issues which impact on the relationship between the voluntary and community sector and Northern Ireland Departments and their agencies.

The main aim of the regional infrastructure support arrangements is to ensure that the Third Sector in Northern Ireland is supported to operate effectively and

efficiently, in both urban and rural areas. The current support for the Third Sector, funded by the Northern Ireland Government is delivered through the Regional Infrastructure Support Programme (RISP). This programme has five strands and supports core costs of regional infrastructure organisations involved in playing a supporting, co-ordinating or development role in relation to voluntary and community sector organisations. These five strands are:

- Generic: Support functions likely to be needed by most or all VCS organisations including capacity building support (organisational development, workforce development, networking, sharing good practice, evaluation) and leadership/ representation of Third Sector and influencing policy). This strand is delivered through a consortium arrangement.
- Support for volunteering: which supports a network of 6 regional organisations across Northern Ireland to promote and support volunteering.
- Faith based engagement: variation on the generic set of services, recognising that faith-based organisations (FBO's) have an important place and reach in society and that their community work plays an important role in serving the needs of the most vulnerable and disadvantaged communities across Northern Ireland.
- Women in rural and disadvantaged areas: generic set of services, with a focus on specialist support to women's sector organisations which seek to serve the needs of marginalised and isolated women.
- Generalist Advice strand (delivered by a consortium of advice agencies).

The RISP is currently under review. A co-design approach is being utilised to afford the Sector an opportunity to be directly involved and contribute to the development of new arrangements.

## **Wales**

The Welsh Government's vision is for the Third Sector to be a key partner, supporting the development of Welsh Government policy and delivering tangible results to support communities and individuals across Wales.

The Welsh Government's framework for working with the Third Sector is laid out in their Third Sector Scheme, published in January 2014. It covers arrangements for consultation, working in partnership with the Sector and also funding. The Third Sector Scheme is designed to deliver a partnership with the goals of stronger communities, better policy and better public services. To do this, the Scheme covers the Welsh Government's (and its delivery agencies') relationships with the Third Sector in terms of:

- sharing views and information;

- joint planning, design, monitoring and evaluation of programmes and schemes where there is Third Sector involvement;
- direct and indirect funding; and
- a shared interest in the way wider public services interact with the Third Sector.

The Third Sector Scheme includes the arrangements for funding the Third Sector infrastructure (Infrastructure Partnership Agreement). In 2014/15 the Welsh Government invested a total of £7million in supporting national and local infrastructure: Wales Council for Voluntary Action (WCVA), County Voluntary Councils (CVCs) and Volunteer Centres (VCs).

The relationship between these three organisations and the Welsh Government is governed by a Partnership Agreement, which includes the responsibilities the partner organisations must meet in exchange for receiving core funding from government. This agreement includes specific standards of service. Additionally the Third Sector Scheme sets out details of strategic engagement between the Third Sector and government:

- A Third Sector Partnership Council (TSPC) comprises representatives of 25 identified categories in the Third Sector and three representatives of the Wales Council for Voluntary Action exists to ensure the government hears the sectors views and the sector can influence policy.
- Ministerial meetings with the Sector: there is an annual cycle of meetings between each Welsh Minister and representatives of Third Sector networks relevant to their portfolios.

### **Effectiveness of local infrastructure models – what the literature says**

Evidence collected for this study highlights that the quality and levels of satisfaction with the support delivered by the TSI network is variable. This finding reflects the findings of other studies on the effectiveness of infrastructure in the UK.

The impact and effectiveness of infrastructure organisations in building the capacity of the Third Sector remains a contested area, and research by Sheffield Hallam University in 2010 concluded that there is little hard evidence of the impact of infrastructure. A key recommendation of the research is that infrastructure organisations need to improve their capacity to demonstrate the impact that they make.

However, evidence from UK research suggests that accessing infrastructure is associated with positive outcomes, including a substantially higher likelihood of success in grant applications and bidding for contracts:

- 52% of support users reported being very or fairly successful, compared to 22% of non-users.



## Impact on equalities

Research also suggest that organisations working with excluded communities and equalities groups are much more likely to access support (with the exception of faith-based groups).

Without capacity building support, the inequalities gap widens. Voluntary and community activity thrives in communities where there are high levels of skills and social capital. Communities of need: those with low levels of educational attainment, poor health, low levels of connectivity, poor access to services are the communities which need support to engage communities and grow the Third Sector.

The Rise of the Enabling State recognises the ‘unequal capacity to engage’ and states:

“It is apparent that in order to avoid negative equalities outcomes, the role of the state needs to change fundamentally towards supporting capacity in more vulnerable or deprived neighbourhoods”

Evidence also suggests that those organisations that use infrastructure services are much more likely to report good relationships with the public sector: 33% of support users reported that their Local Authority was a positive or very positive influence, compared with 16% overall.



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