Competing Drivers of Hybridity: Third Sector Housing Organisations in Northern Ireland

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WORK IN PROGRESS, NOT TO BE QUOTED WITHOUT PERMISSION
Abstract

Hybridisation is sometimes considered as a purposeful adaptive response by organisations to a turbulent environment, for example by charities moving to more market or trading based methods of income generation (Smith 2010). The importance of external drivers arising from change in the public policy and funding environment is also increasingly recognised (Harris 2010). What is less well researched are the messy processes whereby organisational adaptation occurs in an incremental way and in specific political contexts, influenced simultaneously by competing public, market and community logics that drive hybridisation at sector and organisational levels.

This paper draws on recent work with third sector housing and support organisations in Northern Ireland undertaken in the new political context associated with the restoration of accountability to the NI Assembly. It investigates the competing influences of i) moves towards greater democratic accountability to the devolved Northern Ireland Assembly ii) policies to promote voluntary and community sector involvement in public service delivery (the NI Concordat) and iii) grant –based commissioning of housing support and welfare services in the fields of mental health and homelessness. It explores how these competing influences affect organisational adaptation strategies. The role of agency and how this is articulated through incremental adaptation decisions for long term sector hybridisation are explored through case studies of the enactment of policies on Supporting People in the fields of mental health and homelessness.

Key Words  Hybridity, Housing and Support Services, Mental Health, Homelessness, Voluntary and Community Sector Concordat, Northern Ireland
1.0 Introduction

Hybridisation is sometimes considered as a purposeful adaptive response by organisations to a turbulent environment, for example by charities moving to more market or trading based methods of income generation (Smith 2010). The importance of external drivers arising from change in the public policy and funding environment is also increasingly recognised (Harris 2010). What is less well researched are the messy processes whereby organisational adaptation occurs in an incremental way and in specific political contexts, influenced simultaneously by competing public, market and community logics that drive hybridisation at sector and organisational levels.

This paper explores the process of hybridisation through the lens of case studies of partnerships between housing associations and voluntary and community sector providers of housing related support in the mental health and homelessness fields in Northern Ireland. The common policy influences on all the partner organisations include the establishment of devolved government by the Northern Ireland Assembly, the development of a Concordat between the voluntary and community sector and the Northern Ireland Government (DSDNI 2011a) and changes to the strategic framework and procedural guidelines for Supporting People funding for housing related support services (DSDNI 2012). Over and above these common policy influences the two fields included in the case studies experience different policy influences in the form of Health and Social Care boards, which provide a complementary funding stream for some housing related community based health social care services, and from the NIHE Homelessness Strategy (NIHE 2012) which provides a framework for funding homelessness response and prevention services in NI.

However, state policy influences form just one of the three main types of driver that affect the organisational behaviour of hybrid organisations such as housing associations and support providers (Billis 2010). The other drivers derive from the voluntary and community sector identities and from the market based behaviour in which these organisations are nowadays increasingly involved.

Voluntary and community identities are perhaps most apparent among the support providers, many of which grew from civil society responses to social need, most of which are guided by a strong ethos and sense of social purpose and some of which have governance structures that emphasise accountability to service users and local
communities. Many such providers emphasise their origins in civil society and cherish their independence from the state, leading to organisational adaptation to rather than simple implementation of policy and funding changes that might be anticipated from state delivery agencies. In some cases voluntary identity is expressed through volunteering and charitable fund raising for projects; leading to trade-offs with statutory funding and state control and regulation. In recent times this relationship has hinged around the extent to which grant funding covers full economic costs and surpluses can be re-invested into future service provision. Providers are likely to have greater incentives to cross-subsidise services through voluntary inputs and charitable fund raising where a ‘reasonable’ regime exists for public funding. Furthermore the treatment of voluntary and community organisations taking on public services in relation to TUPE, pensions provision and tax treatment is likely to have a further impact on voluntary identities.

Market identities are perhaps more apparent among housing association partners who now have extensive experience of business planning to manage significant streams of private borrowing which nowadays exceed state funding in the make-up of funding for new housing schemes. Within their business plans, housing associations have to provide for collection of sufficient rental income to repay loans and cover ongoing management and maintenance costs as well as providing for longer term major repairs and re-provisioning of accommodation that no longer meets user needs. These market based logics influence the relationships that housing associations have with their voluntary and community sector support partners for example in relation to the terms of joint management agreements and service level agreements in relation to occupancy levels, rent collection and the management and apportionment of risks between the parties.

In this paper we will draw on case studies of Supporting People partnerships in Northern Ireland to consider the extent to which these partnerships are leading to further hybridisation of the organisations involved or re-inforcing one form of ‘principal ownership’ (Billis 2010) or another. These case studies are part of a larger and longitudinal project in which we are also considering the impacts of partnerships between housing associations in the building of new social housing. Unlike the Supporting People partnerships which have elements of voluntary agreement, membership of the ‘procurement groups’ for new social housing are required of all
housing associations and their implementation has been closely monitored by the Department of Social Development (see Muir and Mullins 2012 for further discussion).

The paper considers the competing drivers of hybridity on supporting people partnerships in Northern Ireland. First we provide a brief review of the relevant literature on hybridisation, then we review the Northern Ireland policy context, paying particular attention to the changing context for Supporting People policies in the fields of mental health and homelessness, drawing on stakeholder interviews and recent policy documents. Our analysis continues by drawing on qualitative case study research with housing associations and support providers in the two selected fields. Some conclusions are then drawn in relation to the implications of our analysis for the understanding of the enactment of hybridity and the competing logics to which organisations must adapt by actively managing their strategies of change.

2.0 Hybridization as process: organisational agency and adaptation to change

This paper draws on recent work on hybridity focusing on the role of third sector organisations involved in public service delivery and using an increasing repertoire of market based models and funding mechanisms to do so. Following Billis (2010) we are interested in the potential shift in principal ownership of formerly voluntary (membership based) organisations as a result of increased interaction with the public and private sectors. His concepts of principal ownership and zones of hybridity capture for us the source of some of the day to day tensions we observe in decision making by third sector organisations. By principal ownership we understand ‘the different levels of decision making accountability’ (p.50) that on balance exercise control over an organisation’s strategies. By zones of hybridity we understand that organisations may simultaneously be subject to several principal ownerships in up to nine theoretical combinations of public, private and third sector principles. This is an attractive theoretical framework, especially when the further concepts of shallow and entrenched hybridity are added to give a dynamic impression of how things may change, and organic and enacted hybridity is injected to distinguish the later organisations that were designed as hybrids from the start rather than becoming so through organic change. However, we are most interested in conceptualisations that capture the change dynamics involving third sector organisations as they negotiate
their own pathways through the ‘mixed economy of welfare’ recognising that nowadays ‘it is not just the economy but also the organisations themselves that have become mixed’ (Billis 2010, p.12). Earlier work reviewing progress in conceptualising hybridity in third sector housing led us to conclude that meaningful critical theorisation works best ‘by focusing on dynamic processes of hybridisation rather than static descriptions of hybridity, by setting these processes in a broader social and political context and by underlying change mechanisms such as competing organisational logics, trade-offs between social and commercial goals and resource transfers ’ (Mullins et al 2012 p.410).

Thus we place particular emphasis on organisational change and the dynamic processes this entails including hybridization; adaptive responses; organisation agency; competing logics, trade-offs and resource transfers.

Smith’s (2010) work on hybridisation is set in the US context where a key driver has been for third sector organisations to move to trading models and market mechanisms to substitute for declining state funding (Kerlin 2006). Smith places particular emphasis on the emergence of hybrid organisational structures with mixed public, non-profit and for profit characteristics. Concrete examples show how hybridisation processes respond to specific funding and legal opportunities such as the 1986 US low income housing tax credit programme which stimulated scheme based partnerships between equity investors and non-profit housing providers and the wider use of tax-exempt bonds to fund social purpose capital projects.

However, hybridisation is seen by Smith as combining formal contracts and less formalised relationships resulting in challenges to governance as a result of reduced transparency and blurred accountability. Minkoff (2002) sees hybridisation as an adaptive response to environmental uncertainty, enabling organisations to combine market, state and community missions. In the UK context, Harris (2010) has placed a strong emphasis on adaptive responses to the public policy environment, especially through the injection of market principles to provide public services under New Labour’s ‘third way’ (Giddens 1998). Hybridisation developed as TSOs were pressured to deliver mainstream public services, to tender for contracts, to collaborate with other TSOs and the private sector and to co-operate with public sector scrutiny and monitoring in order to increase prospects of long term survival.
Pragmatic responses to these pressures can lead to ‘unclear lines of accountability...not in keeping with the TSO’s own strategic goals’ (Harris 2010 p.37). While this strand of thinking can lead to a view of TSOs as passive victims of external drivers such as the new public management, research into enactment processes has often highlighted the continued importance of a degree of organisational agency through which TSOs respond to the competing logics of hybridity. Bratt (2012) uses the devise of the ‘quadruple bottom line’ to explore how organisations in the US non-profit housing sector balance their financial viability against the social and economic needs of residents, neighbourhood viability and environmental sustainability. Similarly Blessing (2012, p205) has summed up social enterprise models as ‘not so much a super-blend as a balancing act’. Sacranie (2012) provides a more concrete exploration of enactment of hybridity in a large English housing organisation whereby corporate business logic developed across the group to displace more locally focussed competing logics of community. In this process decision making on priorities for community investment shifted upwards from community based subsidiaries to a more corporate strategic approach that might be found in any large profit distributing business.

Hybridisation inevitably involves trade-offs for example between commercial and social objectives, or between the desire for independence and the need to conform with public control or regulation in return for public funding. What is less well recognised is that hybridisation may provide mechanism to side-step some of these logic conflicts by harnessing resource transfers. Teasdale (2012) argues that work integration social enterprises in the homelessness field face apparently irreconcilable tensions between the need to be profitable and a goal of integrating the most marginalised into the workforce. In practice he finds no evidence that these commercial goals can be effectively traded off. Instead they are sidestepped by using hybrid identities to bring in additional resources from other sectors of the economy to maintain competitiveness. The main resource transfers identified are charitable donations, volunteer labour, ethical consumers (prepared to pay more for products and services from homeless social enterprises) state benefits and extra payments for employment and training services.
3.0 The Northern Ireland policy context: competing logics in a “policy-light” zone

While many of the processes of hybridization among TSOs in Northern Ireland will be familiar, the adaptive responses of individual organisations are coloured by the policy environment particular to the region. Particular features of the political environment have served to emphasise the embedding of TSOs in rationally driven structures to deliver favoured government policy goals at the expense of their civic roots, setting up a feedback loop in which organisation adaptations simply serve to reinforce the process.

The Northern Ireland administration evidences a very low capacity for policy innovation (Birrell 2009). The region remains a post-conflict transitional society in which the underlying dynamics, and a number of legacies of the conflict are yet to be resolved. Relations between the two main communities remain wary (Devine, Kelly and Robinson 2011) and across many measures the evidence suggests that significant risks to long-term stability remain (Nolan 2012). The continuing relevance of transition informs the context in which relations between the local state and civil society are played out and is reflected in both the nature of the political settlement and the role of civil society.

The 1998 political settlement led to a compulsory coalition between two nationalist party blocs representing each of the Irish and British national identities within Northern Ireland. As in previous elections, there were almost no transfers of votes between the two main ethno-religious blocs in the most recent Assembly election in 2011 (Nolan 2012). As a result, the two main parties are not in competition with each other for votes and consequently ideologically based policy directions are never decided at the ballot box. This has tended to result in government by the “lowest common denominator” (Gray and Birrell 2012) with political differences over policy, when they arise, never being resolved and a distinct risk-averse and extremely path dependent style of public administration in which many of the potential opportunities provided by devolution to develop local policy solutions have been squandered (Horgan and Gray 2012). “Northern Ireland is a policy-light zone, almost a policy free zone... It's because the inter-communal divide and constitutional issues take up so
much precedence and all the policy issues are seen through the prism of the position of the respective communities” (Trench 2011, cited in Nolan, 2012: 121).

This feature of government in Northern Ireland has had two significant and related consequences for the adaptive choices open to the voluntary sector. First the structuring of politics around competing ethnic/national identities has led some commentators to note the difficulties in representing interests that cut across these divisions in the public sphere either in a way that would resonate with the political priorities of the governing parties or in the absence of a formal opposition as a focus of potential grievances (Acheson 2010). Second, while there remains a high level of rhetorical commitment in the devolved government to the principle of partnership to what is locally known as the voluntary and community sector, the absence of agreement among the political parties over substantive social policy concerns has meant this is a partnership largely without policy content and is consequently dominated by funding relationships.

A local administration unresponsive to organized interests in civil society has been coupled to a rapid expansion in the level of outsourcing of public services. In effect, a narrative about modernising public services through extending competition and choice has captured the partnership structures that underpinned relations between the sector and government (Acheson 2010). By the time the devolved institutions were re-established in 2007 after their suspension in 2002, the Northern Ireland voluntary sector was as reliant on contracts to deliver services on behalf of government for their income as their counterparts in England (Acheson 2010). Funding trends are difficult to estimate and are unreliable due to differing methodologies being used in computation and to incomplete data. But the most recent estimates from the data available, taking into account changing methodologies, suggest that in 2009/10, total government funding from all sources was approximately £392m, over 50% of total income, up from £279m in 2006/07, then 45% of all income (NICVA 2012; Acheson, 2010). The most recent evidence suggests that 58% of all third sector income in 2009/10 was earned from the provision of goods and services, higher than the UK average of 54.7% (NICVA 2012; NCVO 2012).

1 Unlike elsewhere in the UK, responsibility for the voluntary and community sector and the social economy and social enterprise remain split in the structures of the Northern Ireland administration between respectively, the Department for Social Development and the Department for Enterprise, Trade and Industry. The term “third sector” has not generally appeared in government or sector discourse.
To reflect these new realities, in 2011 a revised 'Concordat' between the voluntary and community sector and government was agreed to replace the Northern Ireland compact that had been introduced in 1998. Phrased in very similar language to the earlier document, it offers a powerful rhetorical recommitment to the idea of the sector as a single policy actor in the system of devolved governance in Northern Ireland. It refreshed the formal structures that had been established to oversee strategic relations, most notably the joint government voluntary sector forum, by strengthening the accountability mechanisms by formally constituting four commitment action teams (covering reform of the partnership structures, outcome approach to funding, bureaucracy in funding relationships, and the role of the sector in influencing and examining government policy) and by requiring the presentation of an annual report to the NI Assembly. The rhetorical commitment to the sector’s civic roots is yet to be tested, but early evidence is found in the first annual report, dated June 2012, which declares that the Concordat “has strengthened the social partnership role of the sector by placing it on an equal footing with public sector bodies”, although in what respect is not made clear (DSD 2012: 7) and reiterates the importance of the sector as a civic voice and advocate for “communities, families and people” (ibid: 8). The impact of these commitments is hard to judge at this early stage, but it is notable that the evidence of the annual report suggests that the commitment action team tasked with taking forward the agenda of the role of the sector in influencing and examining government policy has made least progress of the four.

More initial progress is reported on developing outcome-focused approaches to funding and on reducing bureaucracy in funding arrangements. These reflect the major concerns of a parallel review of relations that has flowed from a Northern Ireland Audit Office Report on creating effective partnerships published in September 2010 (NIAO, 2010). Whilst it does deal with broader issues, for instance reviewing progress on implementing the commitments in the 1998 compact, the bulk of its attention concerns public service delivery through the sector and associated funding issues.

The Assembly Public Accounts Committee subsequently took evidence on the Audit Office’s recommendations. It reported in January 2012 (PAC NI 2012) with 11 recommendations, six of which concerned the management of funding relationships. Of particular note is the recommendation that all public sector bodies move towards the adoption of long-term funding arrangements together with a recommendation that the DSD "develops and publishes revised guidance on full cost recovery” in consultation
with the sector. The DSD response contained in a memorandum issued by the Department of Finance and Personnel two months later (DFP NI 2012), recognises the benefits of long-term funding arrangements and offers to promote its adoption. The difficulties in doing this in a context of static or falling budgets is however illustrated by new supporting people guidance issued by the same department in June 2012 which makes clear that even in cases where a funding agreement is for a number of years, any unspent money in any particular year must be returned at the end of that year, in effect turning multi-year agreements into a series of one year agreements (DSD NI 2012).

Underpinning these concerns is a continuing commitment by the Northern Ireland Assembly to outsourcing public services, reflected in the current Programme for Government (NI Executive 2011). Reducing or static budgets are forcing funding departments to focus their resources more clearly on outcomes that promote specific government spending priorities, rather than more general funding of VCS organisations. This in turn is adding pressure to move from the widespread use of grants as a form of intelligent commissioning towards a procurement based and outcome focused funding regime in the name of securing greater transparency in the allocation of scarce funds and the search for greater efficiency. This is leading to contests over the under-funding of core organisational costs and to a tendency for multiple services provided by generalist VCSOs to be displaced by single services procured from more specialised providers. In adapting to this emerging environment, voluntary sector organisations are hampered by the absence of opportunities to engage in debate on the nature and purpose of the policies underpinning the services they are funded to provide. We could say that they lack legitimation for identities beyond their services-provision role. How this impacts on processes of hybridization become apparent in dissecting developments in the policy fields of supported housing for people with mental health and homelessness support needs that this paper goes on to discuss.

4.0 Supporting People Policy in Northern Ireland: on the front line of hybridization

‘Supporting People’ was a paradigmatic policy and programme of the new Labour period in the UK and was a particularly important driver of changes in the funding and role of TSOs in welfare production during this period as well as the sets of
relationships within specific welfare policy fields (Buckingham 2009, 2011). The aim, articulated in the Northern Ireland Supporting People strategy 2005-10, was to develop housing support services that would enable vulnerable people to access accommodation suitable to their needs (NIHE 2005). It reformed the way housing support was provided to vulnerable groups in society, substantially increased the resources available and was rolled out across the UK in 2003 according to shared principles and standards.

It is possible to identify three dimensions to the problems that Supporting People was initially designed to offer a solution (Carr 2005). First there was a perception in government that housing support for people at risk of returning to closing forms of provision such as long stay hospitals was not strategic and spending was seen as out of control; second, the management and regulation of provision was deemed to be inadequate, driven by initiatives developed within the third sector as a response to the absence of other solutions; third, it was failing in a fundamental requirement to manage risk to the general public from unruly and potentially dangerous people.

The programme thus operates at the intersection of three policy agendas, the role of social housing in a neo-liberal welfare system, community care, and the need to discipline those whose behaviour is deemed anti-social in a world of responsibilised consumer citizens (Carr 2005; Clarke et al., 2008; Parr 2010).

Although designed to address the needs of people who are homeless, ex-prisoners and victims of domestic violence among other vulnerable groups, the roots of the programme were in reforms in the early 1990s to the way vulnerable people who had hitherto lived in hospitals and other large institutions were looked after. The hospital closure policy had a long history in the UK, dating back to the late 1950s, but changes in the way that support would be financed provided the means of moving people out of hospital much more quickly. Service models for supporting vulnerable people in the community had been pioneered in third sector organisations, some of which had been set up to directly address the lack of state recognition of the problems they set out to tackle. The availability of providers and a government commitment to out-sourcing, meant that most of the new services were provided by third sector organisations, many of which had been active in the field with much less state recognition for many years. At the same time the growth in numbers of people in social housing requiring support meant that housing management became increasingly drawn into a welfare role for
which it was ill equipped (Carr 2005); more tenants required support to maintain their tenancies. Public perceptions of the policy as demand led and poorly regulated were influenced by fears that the people living in these schemes were not properly supervised.\(^2\)

These policy drivers pointed in the direction of a dedicated budget and closer regulation. Supporting People was announced by the government in December 1998 and introduced across the UK in 2003. It transferred money from Housing Benefit and many other sources to a single dedicated and much-enhanced budget. In England £6.6bn was set aside in the October 2010 Comprehensive Spending Review, but subsequently ring fencing was removed in the interests of localist decision making. In Northern Ireland the budget in 2009-2010 was £64m, remained ring-fenced, and was the single biggest source of funding available to third sector organisations (apart from the capital programme for new house building by housing associations). However, three years of static budgets since the Bamford hospital closure programme has led to greater pressure on commissioners and providers alike with limited scope to respond to new needs without terminating some existing grants.

Consultation took place on a revised strategy for 2011-15 in Northern Ireland, but ‘in January 2012, DSD asked that finalisation of the new strategy be postponed pending the outcome of the review of the SP Commissioning Body’ \(\text{http://www.nihe.gov.uk/supporting\_people\_strategy\_accessed\_August\_29th\_2012}\). This review (DSD NI 2011b) made a series of recommendations concerning the SP commissioning process including the procedures for scheme review, the distinction between housing support and personal care services, and the feasibility of transferring the latter to Health and Social Care Trusts, and withdrawal of funding from projects that fail to achieve accreditation. The new DSD Guidance produced in June 2012 clarified that SP must be treated as a grant, and therefore SP funds are restricted and as such the SORP (accountancy) guidance precludes them being used as reserves. This Guidance not only required providers to hand back unspent money in any one financial year, but by clarifying SP funds as grants rather than contracts, placed restrictions on the ability of projects to meet full economic costs by transferring savings on funding agreements into reserves (DSD NI 2012). This placed a significant barrier to the

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\(^2\) In 1992 a man with diagnosed schizophrenia attacked and murdered a bystander at a railway station giving a dramatic focus to these concerns (Carr, 2005). The subsequent inquiry suggested that poorly managed housing was a contributing factor.
development of social entrepreneurial trading strategies by support TSOs and may affect motivation to cross-subsidise support projects from charitable resources. These issues were important for case studies and are discussed later in this paper.

4.1 'Supporting People' in Northern Ireland: using the third sector as it is found

Supporting People has also become a vehicle for shifting the role of TSO support providers to that of 'contractors of the state' (although the terminology of grants rather than contracts has been retained). In the English context, Buckingham (2009, 2011) has explored the different ways in which TSOs have sought to manage the hybridisation that has resulted from the contract culture.

However, unlike Supporting People in England which has lost its ring-fencing and been subjected to more competitive procurement including payment by results and profit-distributing competitors, thus far Supporting People in Northern Ireland has remained ring-fenced and until very recently applied an 'intelligent commissioning model' to an entirely TSO field of support providers. Nevertheless pressures towards hybridisation have arisen from partnerships with more commercially orientated housing associations, competitive pressures from a static budget and a focus on efficiency and quality through the commissioning and regulation process which has led to loss of contracts and pressures for mergers between providers. These pressures are likely to intensify as competitive tendering for services through public procurement is expected to begin replacing existing funding models from 2013 on (case study interviews 2011 and 12).

The structure of ‘supporting people’ as a policy field, as it has developed in Northern Ireland since its introduction in April in 2003, demonstrates features of state third sector partnerships where the state seeks to deliver a regulated government programme through the sector, using delivery models pioneered in the sector. The first feature is complexity. This has its source in the multi-dimensional nature of the policy field, drawing in the government departments of Justice, Health and Social Care, and Social Development together with their respective non-departmental public bodies (NDPBs), the probation board, the regional health and social care board, five health and social care trusts and the Northern Ireland Housing Executive (NIHE). The programme is administered by NIHE, but all the relevant NDPBs are involved in strategic
commissioning decisions accentuating the policy drivers of organisational hybridity by introducing the competing world views and priorities of government departments.

This complexity is compounded by the delivery system. Costing about £64m a year, the programme is delivered through about over 800 contracts with about 110 third sector providers providing services to around 23,000 people. In most cases a particular scheme is managed and delivered by a specialist TSO with a joint management agreement with one of the 33 registered housing associations in Northern Ireland responsible for building and managing the property in which the scheme is based. The exceptions are where the support is delivered to people who live in dispersed privately rented accommodation or in some cases where the housing association provides both the accommodation and the support services.

Second, complexity has been managed through intelligent commissioning and negotiation based on long-standing relationships with a set of TSOs with approved supplier status gained from passing regulatory quality benchmarks. Until now, very little use has been made of competitive procurement procedures with the managing government agent, the Northern Ireland Housing Executive (NIHE) very resistant to their use in comparison to English commissioning authority peers. There has only been very mild pressure on participating TSOs to merge; regulation, while focusing on adequate governance arrangements, centres on operational quality. Once service standards are met, the absence of competitive tendering means that contracts are generally not in themselves used as a regulatory instrument.

A third feature flows from this. There is a level of disconnection between assessments of the need for the service and the commissioning of specific schemes. Needs assessment and decisions to commission the development of services to meet needs are made by government agencies at arms-length to the third sector providers, which have no formal role in this process. But decisions on what schemes to put on the ground are led by NIHE officials on the basis of existing relationships with, and prior knowledge of, the third sector provider partners through a process of negotiation. While they are frozen out of decisions over needs assessment, this approach can nevertheless be seen to be protective of the interests of the approved third sector providers as there are few opportunities for external competitors to enter the field.
In the following sections we review recent policy developments in the two sub-fields of Supporting People policies covered by this study, drawing on recent policy documents and drafts and key stakeholder interviews undertaken in 2011 and 2012.

4.2 Changing Policy Context Mental Healt

Together support for people with learning disabilities and mental health needs account for about two thirds of the total Supporting People expenditure in Northern Ireland (Stakeholder interview, May 2012). Adult social care service care policies in Northern Ireland have not been revised since 1990 when the target of closing long-stay hospitals was set. This policy was given a powerful further endorsement as a result of a fundamental review of mental health and learning disability services established in 2002 and which finally reported in 2007 (DHSSPS, 2007). The strategic direction for mental health policy was set in 2005 when the review team set out its vision for the development of services over the next 20 years (DHSSPS, 2005). The review argued for services that supported an ordinary life and recommended the closure of the remaining long-stay hospital wards. The service model would be based on specialist TSO providers operating in housing association property drawing down both social care and supporting people funds to provide the levels of service deemed necessary to sustain people with chronic mental health problems for the long term. Funds would transfer from hospitals and from nursing and residential homes to support the development of new services.

The recommendations of the Bamford Review were adopted in their entirety by the incoming Northern Ireland administration in 2007 and the core role for housing was recognised in the 2010 spending review where, unlike in the rest of the UK, the Supporting People budget was ring-fenced at a static level of £64m and an additional £16.4 million (and £23 million of care costs) found for both capital and revenue to implement the policy to close the remaining hospital wards. Although a joint bid was submitted by the Departments for Social Development (DSD) and Health, Personal Social Services and Public Safety (DHSSPS, 2007), the £23m needed to pay for additional care support required by the people moving from hospitals was not ring-fenced and in the first year of the spending review period, it has consequently proved very difficult to get new schemes established. In the financial year, 2011 – 2012, some

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3 The review was subsequently named the Bamford Review in recognition of its Chair, Professor David Bamford, who died before the work was completed.
unspent Supporting People capital money was handed over to the DHSSPS by the DSD because of problems in identifying downstream revenue for social care (stakeholder interview, May 2012).

A number of tensions inherent in these arrangements can be identified that contribute to the hybrid adaptations of TSO providers. Problems of aligning the supporting people and the social care budgets have given rise to concerns that in some cases the viability of schemes can turn on the availability of sums to meet the social care costs of residents. Loans taken out by housing associations to build schemes puts pressure on scheme providers to find tenants while at the same time the supply of potential tenants depends on budgetary decisions made by Health and Social Care Trusts and associated assessment decisions which while ratified by the NIHE team are in practice made by health and social care professionals. In effect there has been a worry that the implementation of housing policy was being driven by Health policy priorities and budgetary constraints (Stakeholder interview, May 2012).

In addition difficulties have arisen in deciding the dividing line between the two kinds of support, particularly when in practice the two “kinds” of support are provided by the same people, whose salary costs are met from pooled resources from the two funding streams. An increasingly important source of influence in how the schemes are managed is the social care inspectorate, the Regulation and Quality Improvement Authority, which adds a separate regulatory framework with the power to re-designate schemes and in extreme cases close them down. Thus SP providers face double regulation from both the RQIA and the SP QAF framework. Problems in aligning budgets, overlap in housing support and social care functions and a duplication of regulatory oversight has led some within the DSD to argue that it would be better to move the whole of that part of the supporting people budget used by Bamford review related schemes to the DHSSPS (DSD NI 2011b). Interestingly, this has been echoed by some of the TSO provider organisations on the grounds that it would simplify their external relations with funders and reduce the regulatory burden. The outcome of this debate remains unclear. Evidence from our stakeholder interviews suggest that a real risk that this would happen has receded somewhat over the past six months.

A final tension is the drive towards a procurement-based method of commissioning services; reflecting the public control driver of hybridity discussed earlier. Stakeholder

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4 One scheme closed earlier in 2012 as a result of a RQIA closure order leading to the withdrawal of the provider from Northern Ireland altogether.
interviewees have drawn attention to a potential risk in either of supporting people or social care moving from an intelligent commissioning model to procurement while the other does not. In practice both will move together. Moves to roll out the procurement of social care to a wider range of services from the start of next financial year are in effect forcing the hand of the NIHE, responsible for supporting people. Resistance to the introduction of a procurement funding model by the NIHE has now been replaced by an acceptance that it is likely to be introduced across the supporting people programme at the same time (stakeholder interview, August, 2012), although there is an acknowledgement that much work is necessary to decide how this will be done.

4.3 Changing Policy Context Homelessness

Homelessness is one of the main needs areas to which Supporting People funding is applied to enable service users to receive varying levels of support required to make the transition to independent living. 93 supported accommodation schemes are funded under the NI Supporting People programme for homeless needs groups (comprising homeless families, single homeless, domestic violence, offenders and substance misusers) (North Harbour Consulting 2012).

In 2011/12 a revised Homelessness Strategy was produced (NIHE 2012). Prevention and early intervention are an important part of the vision as is improving services to vulnerable homeless households and individuals. One if its key aims is that through ‘enhanced inter agency co-operation, services to the most vulnerable homeless households will be improved’ (p.7). This highlights the importance of partnerships such as those between housing associations and support providers and it is recognised that this will ‘require the collaboration of a wide range of partners from the statutory, voluntary and community sectors’ (p.7). Alongside ‘transitional’ and ‘episodic’ homelessness, the strategy recognises the need to respond to ‘chronic homelessness, which tends to be long term users of emergency services, particularly rough sleepers’(p.13). It is in the latter area that support providers such as the case study organisation included in this study operate. The strategy adopts a pathways model (p.14) to show the links between housing and support initiatives in enabling successful transitions to suitable permanent accommodation. Amongst the support services involved in this integrated approach are addiction services, domestic violence support, work with ex-offenders, new migrants and youth homelessness; all of which are included in the Supporting People programme.
An appendix to the strategy (p.33) summarises the financial investment of £200 million in homelessness services since 2003 which includes the following budget lines for the 2010/11 investment of £36.1 million:

- Temporary accommodation – housing benefit top up and SP -£30.7 million,
- Homelessness services – furniture storage and exceptional costs - £920,000,
- Voluntary sector funding – homelessness services - £2.2 million,
- Supporting People – floating support -£1.35 million,
- Private sector leased properties - £955,000.

There is some evidence of an inclusive approach to the development of the strategy with 17 organisations reported as having responded to the consultation including umbrella bodies such as the council for the homeless and NICVA, support providers such as Simon Community and housing associations such as ARK (p.34).

Interviews with key stakeholders in 2011 highlighted some of the policy drivers and tensions that were impacting on organisations in the homelessness sector. Of fundamental importance was the extent to which TSO roles and relationships are externally prescribed leading to hybrid forms of identity. Three of the key parameters are set by the relationships with the state. First, prior to admission to schemes all clients of supported housing must be registered on the NIHE Common Housing Register and assessed as homeless and in priority need by the NIHE. Second the scope of services funded by Supporting People is set out in grant funding agreements (Check terminology) and the quality standards of schemes are closely monitored through the regulator QAF self-assessment and inspection process and one off exercises such as the recent strategic review of supported accommodation schemes for homeless people. Third the funding of homeless support schemes is highly dependent on the eligibility of residents (most of whom are out of work) to housing benefit (HB), and to the availability of top up funding for services over and above those that are eligible for HB funding. Welfare Reforms including restrictions in eligibility for single young people and local limits to HB payments were seen as one of the most significant threats to the viability of homelessness support projects in the future, and some interviewees reported the existence of a funding gap within the modelling of income and expenditure streams for new homelessness schemes.
Another driver of hybridity is the increasing commercialisation of housing support TSOs. This driver is promoted by the relationship between support providers and housing associations which is regulated by joint management agreements and in some cases service level agreements between the two parties. These agreements have acted as a driver for an increasingly commercial approach in the TSOs since housing association partners are generally seen as considerably more commercially focused because of the extent of their private borrowing. This commercial focus has led housing associations to take opportunities to maximise rental income and to transfer risks to support providers e.g. in relation to empty properties and rent collection.

One housing association interviewee described the relationship as follows

‘Our charges are set on what we need to make the scheme viable. We should not be cross-subsidising the support partner by depressing our charges...don’t worry about our charges we’ll drop it by 5% because you are not receiving the necessary uplift from the commissioners. It shouldn’t work like that. They feel we should do our best to support them as partners. We try to be sensitive on these issues but we’ve a very tight dynamic, on the loan we are price sensitive and we also know that our partners may be looking to have major works done....A big thing for partnership would be if they fully understood how the organisation was financed..Our relationship with the banks we borrow six figure sums with a set rate of interest. That money can only be returned on the basis of rental charges going in’. (HA Partner Interview, August 2012).

Another competitive dimension was said to be emerging in the relationship between some housing associations and their support partners with the threat by HAs to take low level support services in house rather than extending agreements with support providers

Whilst there remains a high level of value orientation and commitment to social purposes among the homelessness sector, it was reported that one of the main tasks facing the sector as a whole and its umbrella body was to improve business efficiency and to explore collaboration options up to and including mergers.
5.0 Organisational adaptation in practice: actively managing strategies of change

A key aim of the case studies undertaken in 2012 was to identify some of the approaches to managing the competing logics that underpin the partnerships between TSOs and housing associations.

5.1 Mental health partnerships

The mental health service provider in our case study was a long-established charity in the field with a history of providing day care and other services from a volunteer base going back to the early 1960s. The development of outsourcing of mental health services from the early 1990s onwards provided the context for rapid growth and professionalisation and the organisation now manages a wide range of supported housing, group living schemes and floating support funded through supporting people, a number of day care projects, and an advocacy service as well as a workplace counselling service and a substantial research arm. It operates 19 supported housing schemes, ten offering 24 hour support, and three floating support schemes in addition to its day care and advocacy services. The organisation has experience of managing projects in partnership with housing associations, in property it owns itself and in property owned by a health and social care trust.

Its history has enabled it to strategically position itself as the leading generalist third sector mental health provider in Northern Ireland, relying on the professional delivery of services and a well-funded research arm to sustain its role.

The particular scheme we visited was a new housing development of 22 units designed to provide supported living for people who had been long-stay hospital patients – some for over 30 years. Some residents came straight from hospital while others had previously lived in a group home run by the hospital off site that had been closed. Built on land next to the hospital site, now laid out as a suburban streetscape of single story houses in a cul-de-sac, it was regarded by the provider organisation as a model project. There was strong support from senior to operational management for working with a housing association partner as landlord as the preferred model of service.
delivery. Both the service provider and the housing association partner had been recruited to develop the scheme very early in the planning process as a result of a strategic search for partner providers by the Health and Social Care Trust and the NIHE, as part of the hospital decanting process. The absence of competitive procurement had provided the space for developing the necessary trust and sense of involvement in the design and delivery of the scheme that both the provider and the housing association viewed as the foundation of the scheme’s perceived success.

Crucially, control over who lives in the scheme effectively remains with the Health and Social Care Trust. Places are only available to people who have previously been long-stay hospital patients and they are identified through a care planning and care management process that is professionally and administratively led by the Trust. Only after they are selected are they then placed on the housing waiting list so as they can qualify for housing benefit. The TSO care service provider is in effect embedded in this professional/administrative process as the implementer of care planning that is ultimately the responsibility of a consultant psychiatrist in the hospital.

This has important implications for relations with the housing association partner. Whilst the joint management agreement makes the provider formally responsible for the rent, the risks associated with the management of voids, so important in homelessness services, are hard to detect in this case where there is a waiting list for a place of people still in the feeder hospital. In our interviews, problems over rent levels and housing benefit payable were not mentioned. These factors served to reduce the commercial pressures on the TSO provider in the short term and reinforced the adaptive response of becoming embedded in the hospital’s care planning and management processes.

This kind of adaptation fitted the value-base of the organisation that sought to combine its charitable origins and continuing charitable objects with professional practice based on sound evidence, aligning it closely with the values that inform professional psychiatry. Indeed the chairman of its Board of Directors was until recently a consultant psychiatrist. The ability of the organisation to express its charitable objectives in this professional form reduced the potential tension between the logics of each. Thus in the context of the scheme we visited for the case study, where competitive pressures were limited, this form of hybridity underpinned the scheme’s success. It is arguable that despite the legal restrictions around the charitable form,
charitable objectives may be particularly malleable in relation to professional values exercised in public bodies other things being equal. It also seems likely that the “other thing” most likely to cause difficulties is that of commercial pressure.

Evidence for this comes from a scoping interview conducted for this study with another smaller mental health service provider, whose relations with both its housing association and the health and social care trusts partners were much spikier. In this case the housing association was seen as a potential competitor for the service contracts, making commercial confidentiality a much more important issue in the conduct of relations and trust much more difficult to maintain. Similarly commercial concerns seemed to play a larger role in its relations with the health and social care trusts which were perceived to be much more concerned with matters such as costs and less appreciative of the particular contribution of this service provider rather than other potential providers. In short, it felt far more vulnerable than the case study example and while it also emphasised its expertise and professionalism in service delivery, this was done in order to sustain competitive advantage rather than as a form of alignment with care management procedures.

5.2 Homelessness Partnerships

The homeless support provider in the case study exhibited a strong sense of its social mission and historic roots in civil society. This was however, not a pure membership association model of a TSO akin to Billis’ (2010) ideal type. The organisation had evolved organically out of a more generalist congregation based religious TSO into a specialist highly professionalised and social entrepreneurial organisation through a complex process of de-coupling geographical spread and growth. An important feature of its current organisational positioning was its commitment to work with the most vulnerable, and those who no one else will. ‘we've a very strong commitment to working with ......the poorest of the poor, so people who may be... even though they're homeless providers would struggle to work with at times’ (CEO Interview, May 2012). Project visits confirmed that this social ethos and ‘low threshold’ approach did indeed resonate through the organisation, including front line delivery staff that used the term in discussions. The underlying approach was explained by the project manager ‘we take a very gentle approach – if we are going to have successful relationships with people here they cannot live day to day with the feeling that they could be thrown out of here for
something that in the grand scheme of things is quite petty. Hostels that throw people out simply disenfranchise them a bit more’ (local project manager interview August 2012).

This apparent indication of a principal ownership in the V&C sector is interesting because it could also be seen as the basis for a commercial positioning strategy. In a context in which some believed that housing associations were considering taking support services in house, the orientation of this partner to work with the most challenging client groups was also a protection against this. Interviews with the HA partner confirmed that this was the case. However, the potentially higher costs of working with such groups was only partially recognised by the Supporting People and related HB funding regimes. Here the organisation's ability to bring further resources into play through fund raising, volunteering and efficient business practices was seen as increasingly important.

On project visits to a newly built scheme of self-contained accommodation for 22 single people and childless couples in a market town outside of Belfast we learned more about the ways in which the organisation deploys and adapts its social mission in practice. The impact of ethos on delivery relationships was clear with front line staff able to articulate the ‘low threshold’ approach of the organisation in its relations with service users.

We learned of the ability of the organisation to attract additional resources through corporate social responsibility contribution of a private sector developer partner to create a gym for hostel residents, a charity walk to raise funds for additional services and the attraction of young volunteers from across Europe to undertaken additional projects to develop the organisation.

What the organisation was understandably reluctant to do was to cross-subsidise day to day scheme costs by harnessing these additional resources. Indeed it was at the centre of sector lobbying to enforce a full cost recovery regime in the sector and to deal with the emerging problem of the gap between scheme costs and eligible expenses from SP and HB funding. More pragmatically it had sought to manage its risk exposure by building the possibility of early exit into contracts. The relationship with the housing association partner was seen as very good on both sides. This was partly a result of the highly specialised, and therefore non-substitutable, role taken on by the support partners discussed above. It was also partly
a result of the high quality design of the building and the good maintenance arrangements by the contractor in the initial period of occupancy.

However, there had been emerging problems with the somewhat impractical high specification features of the building such as sensors on back door and bathrooms which cut out power and water supply, and call out arrangements were less responsive after year 1 when a new contractor was appointed by the housing association. Moreover, probing interviews with both partners revealed the existence of a power imbalance because the HA owned the housing stock and needed to maximise the rental income and occupancy, enforced through the management agreement. This forced the support provider partner to adapt to the HA's commercial logic.

Interestingly the inequality of power was further revealed by the greater sense of anxiety about the level of risk in the scheme from the support partner. Not only were they carrying a greater share of this risk, but this formed a much larger proportion of their overall business risk. For the housing associations this was just one of many projects and therefore proportionately less significant. From experience on other SP schemes they were however well aware of the problems that can arise when a support partner gets into financial difficulties and needs to be replaced at short notice while meeting a duty of care to the residents.

However, in practice the main tensions were around relations with state drivers in the form of conflicting expectations and inputs of NIHE regional office and contract agreements with SP. While the contract specified that the majority of clients had to be referred by the NIHE regional office and had to have 'FDA' status (meaning full duty to assist under the Homelessness legislation), in practice the regional office was often unable to make sufficient referrals with this status to fill vacancies. The project was able to adapt its response by assembling its own waiting list of referrals of high needs clients (from partner agencies such as Probation Service, 16+ team, mental health team) and to secure homelessness assessments subsequently. 'We would tend to have a waiting list of 20,30 plus people on any given day'. In this way the balance between contract and intake dependencies on NIHE regional office are managed. The scheme is similarly affected by the interaction between the maximum stay of 2 years for residents specified in the contract and dependencies on NIHE and housing associations for most move on accommodation. This again needs careful relationship management with the statutory partner, the use of outcomes star assessments to demonstrate that
residents have acquired the skills necessary to live independently. Needless to say these dependencies can be affected by personalities and individual relationships. ‘We start from different world views. They are concerned with points and numbers and we are concerned with the whole person. But much can be achieved through good relationships. We are very hopeful of the new area manager’ (Local staff member interview August 2012).

6.0 Discussion and Conclusion

By focusing on case studies of partnerships between third sector support providers and housing associations this paper has illuminated the competing drivers of hybridisation of third sector housing in Northern Ireland. It has also provided some indications of how TSOs adapt to these drivers, the extent to which this is resulting in hybridisation in organisational form, purpose and behaviour and the tensions and dilemmas that this entails.

A number of drivers of hybridity among the service provider TSOs can be identified from this overview of recent policy directions. First from the perspective of charitable support providers of services to vulnerable people there is a strong emphasis on civil society drivers as a basis for their legitimacy in the field. Second, where capital costs are involved, the funding of the schemes is based on a mix of private finance and housing association grant and the housing benefit required to service the loans. Joint management agreements are a driver of hybridity by introducing more market based considerations into the decision making and practice of support providers. In some cases housing association partners are also potential rival providers and this creates strong competitive pressures on existing providers to emphasise their expertise and professionalism; further strengthening the market drivers of hybridity. To a lesser or greater degree all providers of supported housing for people with mental health problems have to exhibit a charitable impulse, commercial savvyness and professional standards of practice.

Public policies have continued to form the main drivers to which service delivery TSOs must adapt. In Northern Ireland there has been a distinctive policy environment for what is generally termed the voluntary and community sector with a ‘Concordat’ and a series of action commitments across government accountable to the NI Assembly.
However, this horizontal tier has been relatively weak in comparison to the vertical policy fields in which the majority of public spending such as housing support is structured. This has meant that in practice some of the general commitments to reduce bureaucracy, move to full economic costs and enable TSOs to compete for public contracts have run into difficulties in practice.

For TSO support providers the public policies relating to housing, care and support have provided a more immediate set of drivers. By studying partnerships in two different policy fields we have been able to observe how these drivers differ in impact and result in different adaptive responses. In the homelessness case we have seen how dependence on NIHE for intake decisions, for move-on housing provision and for the overall contract specification has limited the scope for the TSO provider to deliver its own mission based approaches of ‘low threshold’ support. This has required ingenuity on the part of the support TSO when NIHE regional office has had difficulty in making referrals with sufficient homelessness priority to meet the contract specification set by the central SP team. Further difficulties have arisen in securing move-on housing from NIHE to enable the support to be used efficiently and maximum stays of two years specified in the contract to be observed. Organisational behaviour has thus been amended from the ‘pure mission’ of this TSO as an adaptation to public sector drivers, and this adaptation often occurs through personal relationships at the local level that can bridge the different worldviews of the civil society organisation and the state.

In the mental health case we have seen how the support provider is effectively embedded within the health and social care policy field, implementing hospital discharge policies. Its intake is based on highly professionalised needs assessments within the health sector and it is staffed by highly professionalised health sector personnel. This has made transitions of residents from hospital to community easier by preserving significant features of hospital based care (e.g. in administration of medication and safeguarding practices) in a ‘community’ setting. Moreover the relatively permanent nature of this ‘temporary housing’ has allowed long term support arrangements to be effectively managed. The adjacency of the accommodation to the hospital site, the segregation of the site from surrounding private housing and the professionalised culture of the organisation suggest a degree of hybridisation of public service and civil society forms within the organisation.
In both cases a further public driver was regulation to meet the quality standards required by society of schemes working with vulnerable people. In the homelessness case this was confined to the QAF system of self-assessment and inspection operated by NIHE. In the mental health case an additional tier of health and social care regulation was operated by the RQIA. While these systems clearly placed a considerable burden and affected day to day operations, they were generally welcomed by personnel in the case study TSOs and in both cases were reinforced by internal audit procedures requiring ‘more of the same’.

Thus, in both cases the strong civil society ethos of the support TSOs has needed to adapt to public policy, professional and regulatory influences and this adaptation process can be seen to be producing hybrid outcomes. Thus so far it would appear that the principal ownership of these organisations lies somewhere between the public and third sectors.

The other significant aspect of hybridisation found in the case studies (but perhaps surprisingly to a more limited extent than public:third sector hybridity) is market:third sector hybridity. As the literature reviews indicates this form or hybridity has been widespread internationally in response to commercial drivers whereby trading models and market mechanisms are substituted for declining state funding internationally (Kerlin 2006). Commercial drivers were more apparent in the homelessness case than in the mental health case. One key mechanism for this was the in the power relations underlying the joint management agreements with housing association partners. Housing associations are generally seen as more subject to commercial pressures than other TSOs and this derives from their large scale asset ownership and associated borrowing which has underpinned their growth as the main providers of new social housing in Northern Ireland since 1996. These commercial pressures to service loans have a knock on effect on business logics such as maximising rental income, and occupancy levels of properties. These pressures are in turn passed on to TSO partners through management agreements that transfer the risk of non-collection of rent or property vacancies to the support provider. The reason this was more apparent in the homelessness case lay in the higher turnover and short term nature of the tenancies in the former dependencies on NIHE to fill vacancies in the homelessness case. In the mental health case the longer term and more certain flow of residents associated with a planned long term programme of hospital closure removed
much of the pressure in meeting the management agreement expectations of the housing association partner.

In neither case was the partnership affected by potential competition by the housing provider to undertake the support service from within its own staffing resources. This may be associated with the high level needs of service users, particularly in the mental health case, making this an area in which housing associations are unlikely to see an opportunity to diversify. This contrasts with lower support needs including floating support services where stakeholder interviews suggested that there has been wider consideration of housing associations taking in-house. Even the threat of such internalisation may arguably have a profound effect on long-term organic partnerships that characterise the sector. Hybridisation here would entail a shift from trust based to more contract based relationships and an increased emphasis on cost and efficiency in internal practice.

A final driver for commercialisation is the state funding model underpinning the revenue funding of supported housing schemes. This typically involves a mix of supporting people grant and housing benefit payments towards rents and eligible services. In the mental health case a further public income stream from health and social care boards can be drawn on to meet the additional personal care services required for this higher needs group. However, as the homelessness case study highlights there is often an increasing gap between the contribution of these two public funding streams and the total revenue costs of operating a successful scheme that can meet the quality standards expected by the regulator. This gap is particularly to changes in eligibility of individual clients for welfare benefits, and geographically based limits to rents eligible for housing benefit.

The homelessness case identified some of the adaptive responses that TSOs may take to the resourcing gap and future uncertainties associated with welfare reform. First at scheme development stage the TSO sought amendments to the standard management agreements to enable it to make an early exit from them should the income gap become unsustainable. Second, it was involved in sector wide lobbying along with housing association partners to develop a more sustainable regime. The case study also revealed more subtle forms of adaptation in which the TSO harnessed its charity and social mission identity to secure additional funding contributions for additional services such as the conversion of attic rooms into a well equipped gym and leisure
activities area for residents, funded from a corporate social responsibility contribution from a major construction company. Additional projects were sometimes staffed by volunteers recruited from across Europe in response to the social mission of the TSO. Local volunteers were involved in fund raising and local partners were also involved in expanding support services available to residents.

In these ways the homelessness project highlights the contribution potentially made by civil society, charitable and social purposes in hybrid organisations in a climate of very restricted public funding. However, there are clearly associated in creating sustainable future public services rather than simply replacing public with charitable funding. Hence the importance placed by this organisation on limiting risk exposure and lobbying for a sustainable public funding environment while harnessing its third sector identity to build organisational strength and provide additional services. These tensions were exacerbated by new SP Guidance in 2012 which limited the ability and motivation of support TSOs to adopt trading models by restricting the ability of projects to meet full economic costs by transferring savings on funding agreements into reserves or from one year to the next.

In future debates it will be interesting to see the extent to which the horizontal policy agenda associated with the Concordat impacts on vertical policy fields. The move from commissioning to procurement and to outcome based funding often gives little recognition to the multiple outcomes delivered by social purpose TSOs embedded in civil society. A key policy consideration for the promotion of hybrid social enterprise models will therefore be the extent to which TSOs are treated as trusted partners with 'give and take' on full economic costs, trading criteria and non-governmental contributions or simply as agents in public service delivery with hybridisation exclusively in a public direction.

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