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Response to Reviewers: Thanks
We found the comments from the three reviews very helpful in revising and improving the paper for publication.

Please see attached tables with details of our responses to the reviewer comments.
Competing Drivers of Hybridity: Third Sector Housing Organisations in Northern Ireland

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Author Details

Enquiries to:

Professor David Mullins
Third Sector Research Centre,
Housing and Communities Research Group,
School of Social Policy
University of Birmingham
Birmingham B 15 2TT
+44 121 414 3348
d.w.mullins@bham.ac.uk

Dr Nicholas Acheson
Institute for Research in Social Sciences
University of Ulster
Jordanstown campus
Shore Road
Newtownabbey
Co. Antrim
BT37 0QB
+44 28 90368803
n.acheson@ulster.ac.uk

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

Nick Acheson and David Mullins


Abstract

This paper explores the complex process of hybridisation of third sector housing and support organisations (TSOs) in Northern Ireland. The focus of the study is the policy field of housing related support services, known in the UK as Supporting People. This is a hybrid policy field involving several government departments, a number of market mechanisms and two types of third sector actors. The exercise of organisational agency to adapt to competing drivers is illuminated through mental health and homelessness case studies. The paper explores how competing external influences from the Northern Ireland Assembly, horizontal policies for the third sector and vertical service commissioning policies interact with TSOs’ own adaptation strategies involving the deployment of robust third sector identities. Hybridisation is found to involve not only the dominance of state drivers and the promotion of market mechanisms in both fields, but also enactment of third sector identities. Our analysis of hybridization in this case counters Billis’ (2010) representation of third sector identity as weak, in flux, and subject to erosion by focusing on the agency of TSOs to strategically adapt to and negotiate external drivers and thereby achieve competitive advantage. Through the enactment of identity in this adaptation process, resources such as legitimacy, charitable income and volunteers are secured. This provides opportunities for policy makers to add value if they are prepared to emphasise horizontal over vertical policy goals.

Key Words: Hybridity, Supporting People, Mental Health, Homelessness, Housing Associations, 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 complex processes whereby organisational adaptation occurs in an incremental way in specific political contexts. Third sector identities are deployed as a resource in this process, sometimes challenging dominant public and market logics in organisational strategies and partnership dynamics.

This paper explores the process of hybridisation of third sector organisations (TSOs) through case studies of partnerships between housing associations (HAs) and TSO support providers in the mental health and homelessness fields in Northern Ireland. It uses case studies of two recently occupied 'schemes' (the term used throughout this paper to describe the buildings/places where housing and support services are delivered). Through case study schemes it explores and illuminates the changing nature of these partnerships. One 'scheme' comprised self-contained apartments for homeless people in a single large building, the other 'scheme' was a street of bungalows and small apartments for people with mental health problems on the edge of a large hospital site.

Our analysis challenges the view of hybridisation as a simple displacement of third sector identities in face of state and market competition. Instead it focuses attention on the enactment of change through the construction and presentation of third sector
identities to offset imposed state and market drivers at policy field and organisational levels and within ‘scheme’ based partnerships.

Common policy influences on all partner organisations included the devolved Northern Ireland Assembly (Birrell 2009), the 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 (SP) funding for housing related support services (DSDNI 2012). Over and above these common policy influences the two fields included in the case studies experienced different policy influences. Mental health services are influenced by Health and Social Care boards, which provide complementary funding for some community health and care services following the ‘Bamford’ review (DHSSPS, 2005, 2007). Homelessness services are influenced by the Homelessness Strategy (NIHE 2012) providing a framework for funding homelessness response and prevention services.

These State policy influences are just one of three main drivers affecting the organisational behaviour of hybrid organisations such as HAs and TSO support providers (Billis 2010). Other drivers harness third sector identities and market based behaviour in which these organisations are nowadays increasingly involved.

Third sector 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 emphasising accountability to service users and local communities. Many such providers emphasise their civil society roots and cherish their independence from the state, leading to organisational adaptation to rather than simple implementation of state policies. While these may be treated as rhetorical claims, they form an important
adaptation strategy that may unleash material resources such as volunteering and charitable fund raising for projects; leading to trade-offs with statutory funding and state control and regulation and reduce the substitutability of third sector providers.

Market identities are more apparent among HA partners who now have extensive experience of business planning to manage significant streams of private borrowing. Borrowing nowadays exceeds state grants in funding new housing schemes (although supported housing schemes may attract higher subsidy levels than general needs housing). Within their business plans, HAs have to raise sufficient rental income to repay loans and cover ongoing management and maintenance costs and budget for longer term major repairs and re-provisioning of obsolete accommodation. These market based logics influence the relationships that HAs construct with TSO partners through joint management agreements and service level agreements. These agreements set expectations on occupancy levels, rent collection and management and transfer risks to support providers.

The paper begins with a brief account of methodology (1.1) and a review of relevant literature on hybridisation (2.0). It then outlines the essential features of SP as a hybrid policy field (3.0) paying particular attention to the specific context in Northern Ireland (3.1) and to the contrasting homelessness (3.2) and mental health sub-fields (3.3), drawing on stakeholder interviews and recent policy documents. The analysis continues with a review of the two case studies of partnerships between support providers and HAs in the two selected fields (4.0). A discussion and conclusion section (5.0) explores the dynamics of hybridisation in the two cases; including state drivers (5.1) and market drivers (5.2). It assesses the role of third sector agency and identity construction in adaptation (5.3). The paper ends with some policy implications (5.4).
1.1 Methodology

These case studies are part of a larger UK wide project on third sector partnerships (Rees et al 2012), and a larger NI study in which we also consider HA procurement groups formed to build new social housing (see Muir and Mullins 2012). The NI research report is published by Northern Ireland Housing Executive (Mullins, Muir and Acheson 2013).

The housing support case studies were undertaken over a two year period (2011-12). Table 1 shows the 35 interviews with third sector umbrella organisations (NICVA, NIFHA and Council for the Homeless (6); individual organisations providing homelessness (8) and mental health services(9), HA partners (4) and Government bodies including the Housing Executive, the Department for Social Development (DSD) and the Northern Ireland Audit Office (8).

Table 1: Research interviews, SP case study 2011 and 2012

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Phase 1: August 2011</th>
<th>Phase 2A: May 2012</th>
<th>Phase 2B: August 2012</th>
<th>Total contacts</th>
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<tr>
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<tr>
<td>Managers and Staff in Mental Health orgs</td>
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<td>3</td>
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<td>9</td>
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<tr>
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<td>4</td>
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<td>Total contacts</td>
<td>9</td>
<td>11</td>
<td>15</td>
<td>35</td>
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</table>

Note: Some stakeholders were interviewed in more than one phase.

The study was contextualised by a review of housing and support policies in NI and across the UK and relevant academic literature. Two in-depth case studies of housing support partnerships were conducted in the second wave of research in 2012, one from each of the selected fields (homelessness and mental health). Cases were selected in
consultation with NIHE and project advisory group. Case studies involved site visits to projects and interviews were conducted with HA and support CEOs/senior managers and regional and operational management and front line staff on site at two supported housing projects in May 2012, and again in August 2012. Topic guides covered a range of themes of relevance to the concept of hybridity focusing on how state and market drivers were experienced through commissioning and partnership relationships and how third sector identities were enacted in these relationships. Interviews were recorded and transcribed and summary notes were made of each interview. Ethical review procedures were followed and each interviewee completed a consent form and received a statement of aims and topics in advance of the interviews. Summary Findings were provided to all participants for comment (Acheson and Mullins, 2012) and a workshop for all participants was held in November 2012.

2.0 Hybridization as process: organisational agency; identity enactment and adaptation to change

This paper draws on recent work on hybridisation of TSOs providing public services. Such TSOs are now deeply engaged in state commissioning processes and typically have a repertoire of market-based models and funding mechanisms to draw upon. An influential analysis of hybridity is provided by Billis (2010) who depicts hybridisation as eroding pure third sector identities. This contrasts with earlier views such as Brandsen et al (2005) that depict hybridity as a more intrinsic feature of TSOs.

We take identities to be both fluid and relational, social identities are never fixed but take form within systems of relations with rival identities. Just as professional identities must be understood as the outcome of competition among rival groups of workers and specialist tasks forming single identity systems (Abbott, 1987), so third
sector identities take form through competition with market and state governed organizational forms. Furthermore, identities become most apparent at the boundaries between these negotiated and contested fields. Here, what Tilly (2002), refers to as boundary narratives, the claims made for the distinctiveness of one group in contrast to another, serve to construct particular identities (Macmillan, 2013). Thus, Tilly depicts identities as “social arrangements reinforced by socially constructed and continuously renegotiated stories” (Tilly, 2002: xiii).

The relational nature of identity has led some to argue that hybridity and change are intrinsic features of third sector identities (Brandsen et al, 2005). Boundary problems “may in fact be a defining characteristic of the third sector” (p750) and the challenge of research is to identify if there are specifically third sector ways of negotiating these fuzzy and changeable boundaries. Billis (2010) on the other hand suggests that hybridity is better viewed as a process of erosion of identity through a shift in ‘principal ownership’ of formerly voluntary (membership based) organisations as a result of interaction with the public and private sectors in zones of hybridity.

By ‘principal ownership’ Billis refers to ‘the different levels of decision making accountability’(p.50) that on balance exercise control over an organisation’s strategies. By ‘zones of hybridity’ he observes that organisations may simultaneously be subject to up to nine theoretical combinations of public, private and third sector drivers (state/third sector, market/third sector, third sector/market and so on). This approach draws attention to the idea that differences in ‘principal ownership’ logics simultaneously identify the distinctiveness of differing sectors and structure the processes of hybridisation at the boundaries between them. The multiple stakeholder structures of accountability of TSOs leave them particularly vulnerable to hybridisation and this may account for the fuzziness and mutability of third sector identities at the
boundaries (Anheier, 2009). Hybrid accountabilities may also be reflected in organisational structures (Koppell, 2005), but governance responses to multiple accountabilities are somewhat different to the mission and social purpose dimensions of emergent hybridity discussed above.

Here we argue that Billis’s ‘erosion’ metaphor may be quite misleading if it is taken to imply a cutting away of a prior fixed and innate identity. Rather what we find in the zones where hybridisation takes place are fluid negotiations of boundary narratives as TSOs deploy a range of symbolic as well as practical resources to build upon what they perceive and present as their distinctive identities. This process goes beyond the ‘chameleon’ metaphor used by Brandsen et al (2005) in which organisations essentially stay the same while adapting purposefully to changing environments. Rather, Brandsen et al’s second metaphor of metamorphosis seems to capture better the process whereby organisational identities can mutate significantly and hybridisation can be understood as a cumulative change process involving a complex interweaving of structure and agency.

In the supporting literature drivers of hybridity have variously been depicted as reflecting the adoption of trading models by TSOs to manage income flows or as responses to more explicit state policies to marketise. In practice the two drivers are often intertwined. Work on hybridisation in the US focuses on the adoption of trading and market mechanisms by TSOs to substitute for declining state funding (Kerlin 2006). Smith (2010) highlights the emergence of hybrid organisational structures with mixed public, non-profit and for profit characteristics in response to specific funding and legal opportunities. A good example is the 1986 US low income housing tax credit programme which stimulated scheme based partnerships between equity investors and non-profit housing providers.
In the UK context, Harris (2010) has placed a strong emphasis on the public policy environment, especially through the injection of market principles of competition and tendering for contracts to provide public services. To win such contracts, it is argued that TSOs were pressured to collaborate with other TSOs and the private sector and to co-operate with public sector scrutiny and monitoring. This in turn required TSOs to take into account of political and structural aspects of public administration and to engage with national, regional or local governments. This also raised questions of whether the sector had a single identity (Gidron and Bar, 2010).

Responsiveness to public policy drivers can lead to a view of TSOs as mere ‘agents’ of externally imposed agendas and therefore weaker third sector identities. However, research into enactment processes has often highlighted the continued importance of organisational agency through which TSOs respond to the competing logics of hybridity. Minkoff (2002) is drawn on by Smith (2010) to view hybridisation as an adaptive response to environmental uncertainty, enabling organisations to combine market, state and community missions. Similarly, Bratt (2012) uses the device 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. Meanwhile, Sacranie (2012) explicitly analyses the enactment of hybridity in a large English housing organisation whereby corporate business logic developed displaced community based logics. In this process decision-making on priorities for community investment was transformed into an approach similar to that found in many large profit-distributing businesses.
Often hybridisation occurs within public policy fields that are themselves hybrid and therefore contain and transmit competing logics of market, hierarchical accountability and civic engagement/charitable impulse to which TSOs must adapt. Once in a field, actors will seek to shape these structures to suit their own principal ownership base and the outcome of these struggles over meaning (Bevir, 2010) will in turn affect internal hybrid adaptation. Smith (2010) argues that hybridity can reduce transparency and blur accountability by mixing formal contracts and less formalised relationships. These governance challenges are writ large in partnerships such as those between HAs and TSOs support providers explored in this paper (Rees et al 2012).

An earlier paper reviewing progress in conceptualising hybridity in third sector housing concluded that 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). This focuses attention on change dynamics as TSOs negotiate their own pathways through the ‘mixed economy of welfare’. Hybridization may entail various adaptive responses; organisation agency; competing logics, trade-offs and resource transfers (Teasdale, 2012). Such adaptation processes can be understood in relation to the strategic management (Mintzberg and Waters, 1985) literature with forms of emergent strategy being actively constructed to maintain values positions and attract additional resources to support the mission. Porter's (1985) concept of competitive advantage talks of organisations developing attributes that allow them to outperform its competitors; in this context we would see third sector identities as potential sources of competitive advantage.
Thus, this paper explores dynamic exchanges between processes within and between organisations in the policy fields in which they are situated. Organisational agency, influences the hybridisation of policy fields as much as it affects the organisations themselves in a process that is essentially political and reciprocal in nature.

It is widely recognised that hybridisation will often involve trade-offs between commercial and social objectives, or between the desire for independence and the need to conform to public control or regulation in return for public funding. As Blessing (2012, p205) puts it social enterprise is ‘not so much a super-blend as a balancing act’.

What is less well recognised is that hybridisation may provide mechanisms to side step some of these logic conflicts by harnessing resource transfers from sources that are not constrained by the policy fields within which actors are operating. Resource transfers may take place within policy fields or from outside. Teasdale (2012) argues that work integration social enterprises (i.e. those employing homeless people as part of the core business) in the homelessness field face apparently irreconcilable tensions between the need to be profitable and to integrate the most marginalised into the workforce. In practice these conflicting goals may be sidestepped by using hybrid identities to bring in additional resources from outside the field. The main resource transfers Teasdale identified were charitable donations, volunteer labour, ethical consumers (prepared to pay more to homeless social enterprises) state benefits and extra payments for employment and training services.

One outcome of such resource transfers from outside the field can be to increase power and influence of TSOs by rendering their participation less substitutable. In other words the cost to commissioners of TSOs exercising their power of exit from the field becomes higher. The capacity to transfer resources in this way can be important in organisations’ strategic positioning within policy fields (Chew and Osborne, 2009).
In the case studies explored later in this paper the use of third sector identities to attract resources (e.g. Corporate Social Responsibility contributions) and minimise competition (by specialising in working with the most difficult and unpopular client groups) provide tangible examples of resource transfers.

This literature review has challenged the depiction of hybridisation a simple displacement of third sector identities in face of state and market competition. Instead it focuses attention on change through interaction between third sector identities with state and market drivers. Furthermore, it requires the analysis of hybridisation at field and organisational levels and inter-organisational partnerships to enact hybridity.

3.0 Supporting People as a Hybrid policy field

The focus of this study is the policy field of housing related support services, known in the UK as Supporting People (SP). This is itself a hybrid policy field involving several government departments, a number of market mechanisms and two types of third sector actors. It offers an important example of hybridity, encompassing a range of policy objectives delivered through a complex mix of state, third sector and market drivers.

Introduced in 2003 across the UK, SP operates at the intersection of three policy agendas; the role of social housing in addressing homelessness, long-standing policies to rehouse people living in long-stay hospitals in community settings, and the need to discipline and control people whose behaviour is deemed anti-social (Carr 2005; Clarke et al, 2008; Parr 2010). Although managed in Northern Ireland by a government housing agency, it unifies in one programme the interests of three separate government functions: housing and the operation of strategies on homelessness; health and social
care; and criminal justice. The SP arena therefore embodies hybrid dynamics between several policy fields and organisations.

Support for homeless and mentally ill people has been a welfare field long dominated by TSOs in the UK. Billis’ earlier work with Glennester on comparative advantage explains the ability of TSOs to tackle problems with median voter resistance and weak political direction and a lack of market interest and provide services to unpopular groups where profit taking would be difficult (Billis and Glennester, 1998). Thus the SP policy field was constructed around the necessity of engagement with TSOs, as the only support providers available, in partnership with HAs responsible for providing accommodation.

This history helps to account for the importance of the charitable impulse underpinning third sector engagement alongside competing logics of market, state policy and regulation in this field. Each drives a different and competing agenda. State agencies retain control over who is to benefit from the programme, who will be funded through commissioning and regulate the quality of policy outcomes. Their over-riding concern is accountability for public expenditure to meet clearly articulated public policy objectives. HAs borrow part of the capital costs of schemes from private finance sources, opening them to commercial pressures. Support TSOs deliver the services under contract but are also strongly influenced by historic mission and current values.

3.1 The Northern Ireland Context

The devolved administration in Northern Ireland contains practices and structures that reflect the troubled recent past of the region and continue to constrain the position of TSOs. In particular it has combined being unresponsive to organized interests in civil society with little capacity for policy innovation (Birrell, 2009; Acheson, 2013b) in the
context of a rapid expansion in the level of outsourcing of public services. Together these forces have undermined the development of ‘horizontal’ policies promoting equitable involvement of TSOs in public policy, despite a refreshed Compact, known as the ‘Concordat’ (DSDNI 2011a). A recent study suggested that some third sector actors consider that public policies have a chilling effect and leave TSOs more vulnerable to hybridization than might otherwise be the case. Public service outsourcing process appear to pay little attention to the Concordat which is therefore described as a “farce” (Acheson, 2013a: 10). Evidence discussed in this paper reflects this view and suggests that vertical procurement based approaches dominate horizontal approaches. Thus the types of adaptations found in SP resonate widely in other sectors where TSOs are taking responsibility for public service delivery.

Responsibility for SP is divided between the sponsor department, Department of Social Development and the administering agency, the Northern Ireland Housing Executive (NIHE) which commissions schemes. The regional aims of ‘SP’ in NI were stated in the draft Northern Ireland SP strategy 2011-15 (p4), as to “improve the quality and effectiveness of support services...and help vulnerable people live as independently as possible in the community”. The SP budget in NI 2009-2010 of £64m is the single biggest source of funding available to TSOs (apart from the capital programme for new house building by HAs) and has remained ring-fenced, unlike in England. However four years of static budgets has increased pressure on commissioners and providers alike to respond to new needs without terminating existing grants.

The SP programme funds approximately 105 providers, the majority in the third sector through over 800 ‘contracts’ providing services to around 23,000 people. Most schemes are managed and delivered by a specialist TSO with a joint management agreement with one of the 33 registered HAs in Northern Ireland responsible for
building and managing accommodation.

The draft NI SP strategy for 2011-15 shows the continuing dominance of the two fields selected for this study. Mental health and learning disability related expenditure together accounted for 39% of the budget and general homelessness for a further 22%. But the former are more resource intensive accounting for just 16% of units (NIHE, 2012). There are 93 funded schemes for homeless people (comprising homeless families, single homeless, domestic violence, offenders and substance miss-users) (North Harbour Consulting 2012).

3.2 Homelessness

The NI Homelessness Strategy (NIHE 2012) provides state funding of around £35 million a year for prevention and early intervention and support services to vulnerable homeless people. There is a strong emphasis on partnerships between homeless TSOs and housing associations particularly in resettlement and support services.

Interviews with key stakeholders in 2011 highlighted some of the policy drivers and tensions that were impacting on organisations in the homelessness sector. Organisational independence was seen as being compromised by interaction with the state in three main ways. 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 SP is set out in grant funding agreements and the quality standards of schemes are closely monitored through the regulator QAF self-assessment and inspection process and one off exercises. 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 significant threats to the viability of homelessness support projects in the future, and some interviewees reported the existence of a gap between income and expenditure for new homelessness schemes.

Increasing commercialisation of housing support organisations is being promoted by their relationship with HAs, which is regulated by joint management agreements and in some cases service level agreements between the two parties. These agreements have passed on the commercial pressures faced by HAs because of the extent of their private borrowing. This commercial focus has led HAs to maximise rental income and to transfer risks to support providers e.g. in relation to empty properties and rent collection.

Further competitive pressures were said to be emerging from HAs threatening to take low level support services in-house rather than extending agreements with support providers. Thus, 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 was to improve business efficiency and explore collaboration options including mergers.

Homeless TSOs have adapted to these state and market pressures by emphasising their value base and charitable roots in their enacted identities assisted by several field level mechanisms. First, long-term relationships between partner organisations, second entry to the field through invitation rather than through competitive tendering and a third, funding regime based on grants rather than contracts. Furthermore, there has been an
understanding that the kinds of services being delivered are best provided by non-profit value-based organisations. Thus the policy field has itself been hybridised by incorporating rather than displacing third sector values. However, there is now evidence of competing logics in contemporary relations between the NIHE as the delivery agent, its parent Department, the DSD, and the DHSSPS. Pressures for efficiency and transparency through a competitive procurement regime are being presented as an alternative to ‘intelligent commissioning’ that had previously been espoused by NIHE.

The use of intelligent commissioning (Audit Commission, 2007) rather than public procurement built long term relationships between the partners. This approach involved NIHE undertaking needs assessments, understanding supplier skills and expertise, matching SP providers with HA partners, allocating grants and reviewing quality through QAF. Intelligent Commissioning, although less transparent than outcomes based procurement, supported the development of longer term trust-based relationships. This approach was open to new providers, including the case study provider brought in from the Republic of Ireland for its expertise in working with the most vulnerable homeless users.

3.3 Mental Health

The main recent policy influence on mental health and housing related support was the ‘Bamford’ review of mental health and learning disability services established in 2002 and which finally reported in 2007 (DHSSPS, 2005, 2007). It favoured services that support ‘an ordinary life’ and recommended the closure of the remaining long-stay hospital wards. Specialist TSOs operating in HA property would use both social care and SP funds to sustain people with chronic mental health problems for the long term.

1 The review was subsequently named the Bamford Review in recognition of its Chair, Professor David Bamford, who died before the work was completed.
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 by the incoming Northern Ireland administration in 2007. As a result a core part of the strategy on support for people with mental health problems and learning disabilities has moved services to the hybrid policy field of ‘SP’ from state managed hospitals within the NHS, or private sector nursing homes.

In the 2010 spending review, an additional £16.4 million (and £23 million of care costs) was found for both capital and revenue to implement the policy. But the £23m needed to pay for additional care support required by the people moving from hospitals was not ring-fenced with the result that it has proved very difficult to get new schemes established. In the financial year, 2011 – 2012, some unspent SP capital money was transferred to the DHSSPS to provide downstream revenue for social care (stakeholder interview, May 2012).

Many of the drivers identified in the homelessness case are replicated here. Additionally, the overlap with health care policy, means that key drivers are assessment and resource allocation mechanisms of the health authorities. One interviewee noted that the health authorities have effective control over the supply of residents yet often contribute less funding. This can undermine stability, particularly where the HA partner is a potential competitor to the TSO provider and where there is downward pressure on price. But it can also lead TSOs to adapt to medical models.

Difficulties have arisen in deciding the dividing line between social care and housing related support. In practice these two "kinds" of support are provided by the same people, whose salary costs are met from pooled resources from the two funding streams. Mental health providers face regulation from both the RQIA and the SP QAF framework. Problems in aligning budgets, overlap in housing support and social care
functions and duplication of regulation has supported arguments to remove mental health and social care provision from the SP budget (DSD NI 2011b).

4.0 Hybridisation as process: evidence from case studies

This section describes the two case study settings in turn and draws out evidence from the interviews to support an analysis of hybridisation of organisations operating in the two sub-fields. While a number of common trends and themes are apparent, the analysis identifies some differences which relate both to the nature of commissioning arrangements and to the organisational adaptations involving identity construction and enactment.

4.1 Homelessness partnerships

The homeless support provider in the case study exhibited a strong sense of 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 geographical spread and growth, including a recent move into NI.

An important feature of its 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 other homeless providers would struggle to work with at times’ (CEO Interview, May 2012).

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 enacts 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 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 signalling of principal ownership in the third sector through the ‘low threshold approach’ can also be seen as the basis for a commercial positioning strategy for competitive advantage (Porter, 1985). In a context in which some believed that HAs were considering taking support services in house, the orientation of this partner to work with the most challenging client groups protected it from competition. Interviews with the HA partner confirmed that this was the case.

However, the higher costs required for this client group were only partially recognised by SP and related housing benefit funding regimes outside Belfast. The organisation’s ability to bring further resources into play through fund-raising, volunteering and efficient business practices was therefore seen as increasingly important. 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 in unused attic space, 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 and to deal with the emerging gap between scheme costs and eligible expenses from SP and HB funding. More pragmatically it had sought to manage its risk by building the possibility of early exit into contracts.

The relationship with the HA 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.

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; which was explained by the manager of another HA 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.... (HA Partner Interview, August 2012).
Power inequality was further revealed by the greater sense of anxiety about scheme risks from the support partner. Not only were they carrying a greater share of this risk, but it formed a significant proportion of their overall business risk. For the HAs this was just one of many projects and therefore proportionately less significant. However, from experience on other SP schemes they were aware of the problems that can arise when a support partner gets into financial difficulties, requiring substitution at short notice to meet the duty of care to residents.

In practice the main tensions underpinning hybridisation were around relations with the state. There were conflicting expectations and inputs of NIHE regional office and SP contract agreements. The SP 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 FDA referrals to fill vacancies. The project was able to adapt 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 to 30 plus people on any given day'.

(Hostel Manager interview, August 2012)

In this way the tension between contract and intake dependencies on NIHE regional office were 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 HAs for most move-on accommodation. Careful relationship management with the statutory partner was required to demonstrate that residents acquired the skills to live independently. Needless to say these dependencies can be affected by personalities and individual relationships.
‘We start from different worldviews. 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).

4.2 Mental Health

The mental health service provider was a long-established charity 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 enabled rapid growth and professionalization. It operates 19 supported housing schemes, in addition to its day care and advocacy services, a workplace counselling service and a substantial research arm. The organisation has extensive experience of managing projects in partnership with a number of HAs. This history enabled it to construct an identity as a professionalised mental health provider, deploying professional delivery of services and a well-funded research arm to enact this identity.

The scheme we visited was a new development of 22 homes 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, which had been re-provisioned by the case study scheme.

Built on land next to the hospital site, now laid out as a suburban streetscape of single story houses and two maisonettes in a cul-de-sac, it was regarded by the provider organisation as a model project. As part of the hospital decanting process, the Health
and Social Care Trust and the NIHE had recruited both the service provider and the HA partner to develop the scheme very early in the planning process. The absence of competitive procurement had provided the space to build the necessary trust and involvement in the design and delivery of the scheme. This was seen by both partners as the foundation of the scheme’s success.

Interviews at all levels with the mental health service provider suggest that for them, the relationship with the HA partner was unproblematic. As with the homelessness partnership case study, the relationship was longstanding and pre-dated the commissioning of this particular scheme. The relationship was seen as very good, partly as a result of close collaboration from the outset between HA, the provider and the Health and Social Care Trust, the architects and builders. The hospital patients, who had been identified as potential residents, had also been closely consulted on design features from the start.

SP commissioning underpinned this success, notably the ability to build on existing trust based partnerships within the commissioning process. Talking more generally about all its SP schemes, a senior manager of the provider explained how partnerships were created:

‘Obviously if we’re the provider of the service within a scheme that’s being replaced or expanded we’d be the preferred provider for consistency. At other times trusts would identify a preferred provider to work in partnership with and then the Housing Executive would identify the HA to work with. And sometimes they make those decisions on relationships that are already established and are good working relationships.’ (Senior Support Provider Manager, August 2012)
The service provider is in effect embedded in this professional and administrative process as the implementer of care planning decisions that are ultimately the responsibility of a consultant psychiatrist in the hospital.

‘Nobody in this scheme would be here without a care manager; a care manager and a care package, and a hospital discharge plan; all those kind of things. So it’s clearly within that context the scheme is offering support...’ (Scheme manager, interview August, 2012)

Residents’ continuing occupancy is subject to case management review and psychiatric assessment. Crucially, control over who lives in the scheme 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 management process led by the Trust. Only after they are selected are they then placed on the housing waiting list to qualify for housing benefit. People were only referred to the scheme when there was sufficient funding for the care package.

The smooth running of this scheme was underpinned by a waiting list of potential residents within the hospital. This has important implications for relations with the HA 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.

Unlike the homelessness case, there was no mention of any shortfall between the rent charged and the housing benefit received for each resident. This is possibly because payment rates were higher and more closely aligned with rents. In the homelessness case the gap had been affected by lower housing benefit rates outside Belfast. In the
mental health interviews, however, any problems over rent levels and housing benefit payable were less apparent:

‘There are sometimes some tensions around rent and SP and rents going up and things, but usually those difficulties are dealt with within partnership meetings and the relationship is generally good between myself and my senior staff and the senior staff within the HAs.’ (Senior manager, interview, May 2012)

These factors served to reduce the commercial pressures on the provider in the short term, but had the consequence of it becoming embedded in the hospital’s care planning and management processes. This matched the identity constructed by the provider organisation which combined its charitable origins and objects with professional practice based on sound evidence, aligning it closely with the values that inform professional psychiatry. The ability of the organisation to express its charitable objectives in this professional form reduced the potential tension between the organisation’s charitable roots and objectives and the professionalised medically driven context within which this scheme operated.

This form of ‘public health service/charitable impulse hybridity’ was symbolised by the personal journey of the scheme’s manager. Mirroring the journeys of the residents, he had moved from a role within the hospital to managing a group home facility run by the hospital outside its grounds to managing the current scheme nearby. While this journey was only a few hundred yards in length, and the institutional ties were clear to the external observer, this was still perceived as ‘de-institutionalisation’ and ‘community re-provisioning’ by the actors involved.

This particular organisation’s adaptation may not be typical of the field. In a scoping interview conducted earlier in this study with a smaller mental health service provider,
relations with both the partner HA and the health and social care trusts partners were seen as more difficult. In this case the HA was seen as a potential competitor for the service contracts, making commercial confidentiality an important issue in the conduct of relations and trust consequently more difficult to maintain.

‘We’ve recently, for example, renegotiated our service level agreement with the HA and the very first meeting was really quite an angry affair and quite difficult, because we were coming at things from very different positions and we really did feel that the HA, which by the way also had a care provision wing, was potentially trying to nudge us out’ (Senior Manager, Mental Health Charity interviewed August 2011)

Commercial concerns seemed to play a larger role for this organisation compared to our main case study. The Trusts were also perceived to be more concerned with matters such as costs and less appreciative of the particular contribution of the TSO provider:

‘while the health and social care trust sees itself as the kingpin in terms of who goes where, they’re the ones putting nothing on the table in terms of the finance.’

(Senior Manager, Mental Health Charity interviewed August 2011).

5.0 Discussion and Conclusion

These case studies have illuminated the competing drivers of hybridisation of third sector housing in Northern Ireland and asserted the importance of TSO adaptation to these drivers through identity construction. Some important differences in adaptation and forms of hybridity are revealed by the comparison between the homelessness and mental health sub-fields. The implications of these findings for policy are outlined distinguishing between horizontal policies to harness TSO competitive advantage and vertical policies that may undermine such advantage.
5.1 State Drivers

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. In practice general commitments to reduce bureaucracy, move to full economic costs and enable TSOs to compete for public contracts have only been partially delivered and like the earlier Compact were ‘not widely or consistently applied’ (NIAO, 2010 p. 7).

For TSO support providers, public policies relating to housing, care and support (such as the SP and Homelessness Strategies and the Bamford Review) have provided more immediate drivers than the Concordat. In both cases a further public driver was regulation to meet the quality standards required 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. However, interviewees did not consider regulation to be an unnecessary burden and in practice they re-inforced imposed regulation with internal audit systems.

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. Patterns of adaptation have involved different forms of identity construction and enactment (Abbott, 1988) around boundaries (Tilly 2002) and thereby led to different forms of hybridisation.
**Homelessness Drivers**

In the homelessness case dependence on NIHE for intake decisions, for move-on housing provision and for the overall contract specification has constrained the scope for the TSO provider to deliver its own mission of working with the most vulnerable people. This has required ingenuity on the part of the support TSO when NIHE regional office has made insufficient referrals with to meet the contract specification. Further difficulties have arisen in securing move-on housing 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 adapted from the ‘pure mission’ of the TSO in response to public sector dependencies. However, in practice this TSO has ‘worked around’ some of the apparent straightjackets of state dependence. This adaptation has often operated through personal relationships at the local level that can bridge the different worldviews of the civil society organisation and the state.

**Mental Health Drivers**

In the mental health case the support provider is effectively embedded within the health and social care policy field, implementing hospital discharge policies. Its intake is based on professionalised needs assessments within the health sector and it is staffed by professionalised (former) 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 the scheme has allowed long-term support arrangements to be effectively managed.
5.2 Market Drivers and responses

The second significant form of hybridisation found in the case studies is third sector:market hybridity. As the literature review indicates this form has been widespread internationally in response to commercial drivers whereby trading models and market mechanisms are substituted for declining state funding internationally (Kerlin 2006). There were several mechanisms increasing exposure to commercial drivers, and engendering a range of adaptive responses.

HAs are generally seen as more subject to commercial pressures than other TSOs as a result of large scale asset ownership and associated borrowing that has underpinned their growth since 1996. 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. This was most apparent in the homelessness case because of the higher turnover and short-term nature of the tenancies and less reliable supply of eligible tenants from the NIHE regional office. In the mental health case the more certain flow and longer term residency associated with a planned long term programme of hospital closure mitigated these pressures and smoothed relations with the HA partner.

In neither case was the partnership affected by potential competition by the housing provider to internalise support services. This may be because of the high level needs of service users, particularly in the mental health case, making this an area in which HAs are unlikely to have the skill base to exploit this diversification opportunity. This highlights the importance of two aspects of TSO identity construction by this case study– professionalism and focus on the most vulnerable.
However, this experience contrasts with less intensive floating support services that more HAs are believed to be considering taking in-house. The mere threat of such internalisation may affect 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. Such a shift could also result from public policy shifts from an 'intelligent commissioning' to a procurement model in which price based competition might displace the long term trust based relations evident in the case studies.

A further driver for commercialisation lies within the state funding model underpinning the revenue funding of supported housing schemes. This involves a cocktail of SP grant and housing benefit payments and in some cases such as mental health, payments to meet additional personal care services. However, the homelessness case highlights an increasing gap between the contribution of public funding streams and revenue costs of schemes that meet the quality standards expected by the regulator. This gap is subject to changes in eligibility of individual clients for welfare benefits, and geographically based limits to rents eligible for housing benefit.

5.3 Adaptive responses harnessing third sector identities

The homelessness case identified creative adaptive responses that TSOs may take to the resourcing gap, involving risk management and resource transfers. First at scheme development stage the TSO sought amendments to the standard management agreements to enable it exit early should the income gap become unsustainable. Second, it engaged in sector-wide lobbying with HA partners for a more sustainable
regime. Third the TSO harnessed its charitable and social mission identity to secure additional resource transfers for additional services such as gym and leisure facilities for residents, funded from a corporate social responsibility income. 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.

The mental health case exhibits a different adaptive response to manage the organisation’s risk of exposure to commercial pressure. This has involved eliding its value base with that of professional psychiatry delivered through a public health agency in a benign form of ‘public health service/charitable impulse hybridity’. 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. Here the adoption of a professionalised and chartable identity has been effective in developing competitive advantages and expanding market share, rather than in harnessing charitable resources to plug the public funding gap.

Thus the two case studies exhibit quite different types of constructed third sector identities, both of which reflect the distinct origins and mission of each organisation and their strategic positioning over the long period of time. However, far from being a historic principal ownership that has been eroded over time through compromises with state and market, we view these identities as actively constructed and strategically deployed to contest state or market dominance in specific ways resulting in new (and different) forms of hybridity.
5.4 Policy Implications: Horizontal or Vertical Focus?

Several policy implications arise from these case studies particularly in the light of resource transfers that can be harnessed by civil society, charitable and social purpose identities in constructing hybridity in a climate of very restricted public funding.

A key policy question is whether these resources will enable sustainable future public services or simply replace public with charitable funding on a short-term basis. Providers are likely to have greater incentives to cross-subsidise from voluntary inputs and charitable fund raising where a ‘reasonable’ regime exists for public funding. UK transfer of undertakings (TUPE) regulations in relation to staff terms and conditions, pensions provision and tax treatment may reduce competitive advantage that TSO providers enjoy over state providers. These tensions were exacerbated by new SP Guidance (DSDNI 2012) restricting the ability of projects to meet full economic costs by transferring savings on funding agreements into reserves or from year to year.

As policy evolves it will be interesting to see how much the horizontal policy agenda associated with the Concordat impacts on vertical policy fields such as SP. Potential moves from commissioning to procurement and outcome based funding seem less likely to recognise the multiple outcomes delivered by TSOs. Two alternative policy scenarios seem possible.

First, policies could promote of hybrid social enterprise models by treating TSOs as trusted partners with ‘give and take’ on full economic costs, TUPE and trading criteria in return for non-governmental resource transfer contributions (in a third sector: public: market form of hybridity). This would maintain a third sector:market:state
form of hybridity in which TSOs actively deploy their identities to enjoy competitive advantage (Billis 2010).

If, instead TSOs are simply treated as ‘agents’ of public service delivery hybridisation will be exclusively in a public: market direction. The form of hybridisation implied by Billis (2010) as an erosion of third sector identities into state: third sector or market: third sector forms seems more likely in this scenario than in the more creatively negotiated forms of hybridity found in the case studies.
6.0 References


Acheson, N. (2013a) Independence as a Principle of Voluntary Action – Developing a New Story about who we are: the Challenge for Voluntary Action in Northern Ireland, Belfast, Building Change Trust


Date: Feb 26, 2013  
To: “David William Mullins” d.w.mullins@bham.ac.uk  
From: “Bernard Enjolras” bernard.enjolras@samfunnsforskning.no  
Subject: Decision on your Manuscript #VOLU-D-13-00004  

**COMMENTS FOR THE AUTHOR:**

Reviewer #1: This is in general a very good submission, well-written and easy to follow. It also deals with a salient subject and puts forward an interesting argument, namely the strategic application of hybrid strategies to react to external hybridization pressures. It thereby challenges some more tentative lines of argumentation that would rather suspect that the nature of TSOs is being eroded.

However, as it stands, the paper does not fully unfold its potential. Some major points would have to be revised to realize this potential completely:

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<th>REVIEWER COMMENTS</th>
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| 1. Theoretical framing I: Identities | ✓ Fuller Section on Identity construction and enactment added PAGE 6-7.  
   The reasoning on distinct and potentially conflicting "identities" would have to be embedded into the larger theory framework, e.g. drawing from the "systems of professions" (Abbott 1988), nonprofit literature on the traits of TSOs or identity discourse literature that classically stems from the humanities. As it stands the reasoning on identity formation is presented in a very narrative way that lacks grounding reference. Establishing that link would help enhance the main argument of your paper.  
In this regard you should be careful when mixing values and social purpose with accountability and governance issues. While the former might unarguably be ascribed to civil society, accountability in itself may have strong managerial traits (Koppell 2005) and therefore stands somewhat in between the two identity extremes that you draw. |

| 2. Theoretical framing II: Hybridity | ✓ Have flagged up these competing views about whether hybridity is an inherent feature of all TSOs (and indeed other types or organisations) or a process by which TSOs move away from a membership association ideal type – as Billis appears to believe. PAGE 7-8 |

   In the discussion of hybridity it seems worthwhile to compare or contrast Billis’ understanding with the one of other scholars. Brandsen et al. (2005) for instance have interpreted TSOs as inherently hybrid creatures, a view that is potentially being challenged by Billis’ work. Shortly outlining why the latter position is being taken as reference point (which I would favor myself) would more illustratively outline what constitutes hybridity in TSOs and in which cases it is more pronounced as compared to others where it is less pronounced or not at all. |
The identity road that has been chosen seems to bear a lot of potential in making a very strong illustrative case here and not only enhance our empirical understanding of hybridity but also contribute to developing the concept further theoretically. Especially the call for analyzing hybridity from a dynamic process point of view face to identities, usually treated as fundamental anchors of the nature of organizations, opens a very interesting tension field that is not unfolded in the paper yet.

3. Providing a more detailed empirical analysis:

The description of the Supporting People initiative draws a very interesting picture of hybridity in the field, but it should be more precise in describing the situation dominated by an actor constellation of constituents that follow very distinct agendas. In doing so it should be explained, what in the authors' view has changed in comparison to the description of TSOs by Billis and Glennerster in 1998.

4. Streamlining the discussion and conclusion section:

The discussion and conclusion section lacks direction. It contains many interesting points, but their discussion would benefit from the use of sub-headlines and a more clearly structured punch-line in each paragraph. At the moment the argument seems a little muddled, which may be connected to the missing theoretical framing of identities in the first place. Establishing identity types from the beginning would enable the authors to more effectively discuss and illustrate their results.

The same accounts for the application of hybridity intersections between third sector : market : public policy. These are only introduced in the last part. Although they might be familiar to readers of Billis' work, this will be harder to follow for others. In this context it would be important to point out that these are sector-based distinctions of hybridity, while one might also analyze hybridity from a mechanism-based perspective (e.g.: hierarchy in a competitive or in a participatory environment; which is work in progress of a colleague, but may serve to pronounce the relative character of the currently predominant sector-focus).

Also, it would be beneficial to know on which level hybridity occurs when it is being addressed (resourcing; mission level; organizational identity).

✓ We have developed the idea of innate and constructed identities – We assume the reviewer is referring to constructed and presented identities as the tension field (PAGE 6-7)

✓ More detail on the move from intelligent commissioning towards procurement, and the move to a less equal partnership between funders and organisational actors? INCLUDED ON PAGE 20 (also meets comments by reviewer #4)

✓ Have added sub-headings and tightened the structure to emphasise the main points from our argument.

✓ Billis’ 9 overlaps model in the introduction? – have tried to clarify this on PAGE 7

Not sure we can go broader than hybridity as dynamic interaction between state, market and society drivers and identities.

✓ We have made this distinction in abstract and elsewhere– resources is a big part of our argument – mission is implicit and both interact with identities.

✓ While this is relevant, to reframe the argument in relation to strategic
5. Establishing a link to strategic management literature:

In terms of the reactions of TSOs to external hybridization pressures "strategic reactions" are mentioned several times (including the abstract of the paper). In parallel to the issues outlined with regard to identities and hybridity, the paper could make use of strategic management literature in the nonprofit and the for–profit context to categorize and more precisely grasp these strategies along typological traits if possible.

Some minor points that should nonetheless be revised include:

- The explanation of "horizontal and vertical policies" and their interplay. These are mentioned several times throughout the paper but they are never thoroughly explained. The discussion in the paper would benefit from a proper conceptualization of these terms.

- The inclusion of a separate methods section to more clearly mark how case studies have been conducted instead of mixing it with the introductory paragraph. Thereby it would be important to explicitly outline which sorts of questions have been used for the analysis of hybridity and how this is related to the larger research endeavor mentioned.

- The revision of the description of the mental health sector, which does not convey the hybridization trend equally well as the paragraph on homelessness.

The authors might think many of the observations that are being made are obvious and need little explanation, but they are not - especially given the study of hybridity as an emerging field of research. Thus, the arguments that are being made in a narrative style throughout the paper should be developed and related on a conceptual level in order to make this an excellent paper - not only empirically but also theoretically - in particular when taking into account that a strong claim is being made as presented above.

REFERENCES


REVIEWER COMMENTS | AUTHORS’ RESPONSES
--- | ---
Reviewer #3: The paper makes a valuable addition to the empirical evidence base within a growing field of debate over the development of third sector identities in response to multiple and sometimes conflicting external influences. In particular it adds to a narrow sample of studies exploring third sector identity as a dynamic process of change, rather than in terms of static ideal types. Drawing on the notion of hybridization, the discussion counters the representation of third sector identity as weak, in flux, and subject to erosion by focusing on the agency of TSOs to strategically adapt and negotiate competing external drivers.

General comments:
The conceptual approach is clearly stated on page 9, paragraph 3. Some of this phrasing could be repeated in the abstract/introduction/conclusion to make the paper easier to navigate.

The paper’s attention to conceptualizing change is a strength, and could be made more of. In particular the opposition between emphasis on the power of external policy drivers and emphasis on the adaptive potential of organisational agency (pp 6-8) could be made a little more stark, and perhaps could be referred back to a little more during analysis of the cases. This shouldn’t be difficult as some interesting findings that bear on this dichotomy emerge from the discussion. Brandsen, van der Donk and Putters (2005) use the image of a chameleon to distinguish strategic adaptation from the notion of ongoing erosion of identity. They also use the metaphor of metamorphosis, noting that this process may interpreted as either an embodiment of either change, or of permanence (retaining integrity despite adaptation to change).

The notion of a ‘policy field’, discussed on page 7, is useful. However it needs to be woven through the discussion more explicitly, particularly in relation to ‘Supporting People’ as a hybrid policy field, and thus a lens through which to explore the dynamics of hybridization. The paper discusses a range of programs, frameworks and schemes, which can become confusing. The focus on Supporting People needs to be made clear from the start and included in the abstract.

While some discussion of the socio-political and policy

☑ Yes agree – Used on page 2

☑ Yes we have strengthened our view of adaptation rather than erosion by reference to the chameleon metaphor; and used the Metamorphosis metaphor to introduce the stronger idea of a more permanent change into something different - once hybridisation starts there is no going back.PAGE 8

☑ Yes agree make clear the focus of the study is the policy field of housing related support services and that this involves several departments and two types of third sector actors.

☑ SEE ABSTRACT AND PAGE 13.
context in Northern Ireland is included, it functions more as a background to the discussion, and is seldom referred back to during examination of the cases. The significance of these national particularities is not quite clear. A statement as to the extent to which the the cases studied and findings are deemed to be internationally generalizable / context specific would help.

The paper talks about state and market drivers and hybridity. It might be helpful to flesh out these concepts.

The paper could be made more widely accessible by explaining some terms more clearly, and using more specific terms at times. For example page 1, paragraph 2: refers to 'occupied schemes', but it is not made clear exactly what a 'scheme' means in this context. 'Support provider' is an example of an industry term that needs to be explained.

Minor comments
Abstract, final sentence, describes a number of resources TSOs may draw upon. Is it accurate to describe 'social mission' as a resource?

Page 2, paragraph 1 could more specifically define the contribution of the research.

Page 10, last sentence is too long and confusing.

Page 27 (Discussion/conclusion), The first paragraph makes a good point about the value and policy relevance of the paper. This could be added to the introduction or abstract to make the value clear from the onset. Same for p28 Paragraph 2 (By studying partnerships......)

There are some small errors and long sentences in need of commas that a final proof read will pick up.

☐ The context section (PAGE 13) has been rewritten, shortened considerably and given a clearer focus to clarify the relative importance we give to local factors and arguing clearly for the international resonance and relevance of the case.

☐ As in reviewer #1 we have clarified and contrasted the competing concepts of hybridity (Billis, Brandsen etc) in introduction. PAGE 7-9.

☐ Yes have done an edit to clarify the meaning of specific SP terms from NI case study. PAGE 3 EXPLAINS SCHEMES

☐ Yes in the sense of way of attracting resources – charity, volunteers, CSR etc but agree need to clarify means and ends

☐ As reviewer #1 have included expanded methods section

☐ Have edited whole section on SP including this para (NOW ON PAGE 14 and split into several sentences)

☐ Have Aligned abstract, intro and conclusion re claims and contribution of the paper

☐ Have done Final Proof read. Hopefully have eradicated the errors
Reviewer #4: In general terms this was an excellent discussion of hybridity in the housing association sector, taking the neglected example of Northern Ireland as a case study. It is a very good idea to explore the tensions between social care and housing organisations as there is little published material in this area.

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<td>However, I felt the case study material was in places a little descriptive and I would be inclined to emphasise the implications of the material more explicitly, for example explaining what particular forms of hybridisation exist and how they affect these different sectors. Some comparisons with other parts of the UK would be useful as well as references to recent policy developments - e.g. the Big Society agenda. Issues of transparency and accountability could be identified more clearly - they are identified as consequences of hybridity (p.7) but not discussed in very much detail.</td>
<td>✓ Have referred to forms of hybridisation in intro and conclusion – link this to reviewer #1 suggestions on identities and hybridity. PAGE 7-9</td>
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<td>I felt that the article could be improved by developing (and clarification of) a number of key points (at the expense of the more descriptive material). For example, that resource transfers from outside the field can increase power and influence of TSOs by making their participation less substitutable; how long term relationships have developed between partner organisations (p.15); what a 'low threshold approach' means in practice (p.18); how power imbalances are manifested (pp.20-21) and why risks become hard to detect (p.25).</td>
<td>✓ Have done this with lighter touch than current context section- there does appear to be a distinctive third sector policy in NI. ✓ Need to keep case study details but have reduced some of the contextual material ✓ Resource transfers – now emphasised as part of the resource attraction through third sector identity argument in abstract and introduction. This point seems to be quite well elaborated already ✓ Taking on those no one else will work with- evidence that this runs through org culture to front line and recognition by commissioners of this lead to invite into NI. Have clarified on PAGE 35. Think we already give good examples of this.</td>
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I also think that the key differences in values between:
civil society and the state (top of p.29), social care and
housing-related support (p.17); TSO providers and
professional psychiatry and between charitable roots
and a professionalised medically driven context (bottom
of p.25 and top of p.26) should be more explicitly
stated.
Some of the quotes are overlong and their meaning is
not always clear (e.g. pp.20-21 and p.24).

Other points

Why is hybridisation necessarily a 'messy' business?
(p.2) - 'complex' might be a better word
What are the 'nine theoretical combinations of public,
private and third sector drivers' that Billis (2010) refers
to? (p.6) Might be better to refer to 'a number of
theoretical combinations...'
Do the 'competing logics of hybridity? (pp.6-7) refer to
market, hierarchical accountability and civic
engagement/charitable impulses?
The 'adaptive responses' to hybridity of: organisation
agency, competing logics, trade-offs and resource
transfers (p.8) need further explanation

| Yes have weaved this into identities construction in the two case study sections. |
| Have reviewed all quotes and where necessary explained in text and reduced length of some PAGE 22 and PAGE 26 |
| Have amended. |
| Have clarified |
| Yes hope this is now clearer |
| Have attempted to clarify |

What are 'work integration social enterprises'? (p.8)
What is meant by hybridisation at 'field and
organisational levels'? (p.9)

What is meant by 'value-based organisations' (p.15)
and 'intelligent commissioning'?

Need to demonstrate why 'implementation of housing
policy being driven by health priorities' is necessarily
problematic (p.17)
What is the significance of moving the supporting
to people budget 'used by Bamford review related
schemes' to health and social care' (p.17)

What is a 'pure membership model akin to Billis ideal
type' (p.18)
'de-coupling geographical spread and growth' is not
very clear (p.18)

Not sure why an orientation to work with the most
challenging client groups serves to protect against the

| SEs primarily intended to involve excluded/unemployed in the work that generates the return |
| VBOs – include in identities discussion |
| IC – reference Audit Commission as in NIHE report- Have inserted explanatory text on PAGE 20 – where we first mention IC in the paper may need to move to a better place |
| Change in control – and as above ring fencing – not discussed any further |
| Covered in lit review PAGE 8 |
| Deleted decoupling PAGE 20 |

Because they don't have the
threat for HAs to take support services in house (p.19)
This would be the case only if the HA was not prepared to work with such groups.
'bring further resources into play' is not very well phrased (p.19).
More discussion is needed of 'corporate social responsibility' (p.19)
Why should organisations be 'understandably' reluctant to cross-subsidise day-to-day scheme costs (p.20)?

<table>
<thead>
<tr>
<th>Specialist skills to substitute</th>
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<tbody>
<tr>
<td>✓ Explained in introduction re Billis and Brandsen differences PAGE 7-10</td>
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</tbody>
</table>

Who was the 'power imbalance' between (p.20, penultimate para)?
Point about balance between 'contract and intake dependencies' (top of p.20) is not very clear
Why is public health/charitable impulse hybridity benign (p.29)?
Bottom of p.29 states that the literature review shows that hybridity has been widespread internationally - have you shown this?
More needs to be said about shifts from trust-based to contract-based relationships (p.30)
Distinctions between 'intelligent commissioning', a 'procurement model? (penultimate para., p.30) and outcome based funding (p.32) should be clarified.
Mention of 'very restricted public funding' (penultimate para., p.31) - this has not been discussed in any detail.
In what ways do TUPE regulations further impact on TSO identities? (p.32)

<table>
<thead>
<tr>
<th>HAs and TSOs</th>
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<tbody>
<tr>
<td>✓ Hopefully now clear</td>
</tr>
<tr>
<td>✓ Because they do not have the specialist skills</td>
</tr>
</tbody>
</table>

Key argument re charity and welfare – public sector responsibility v extras
Only point being made was about costs

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