Public Service Mutuals: Partnerships, Collaboration And Service-User Outcomes.

Hazenberg, Richard, University of Northampton; Hall, Kelly, University of Birmingham

Overview:

The provision of public services in England has received large amounts of policy attention over the last three decades. During this time there have been numerous and far-reaching public-sector reforms, which have resulted in less direct provision of public services by Local Authorities and an increased ‘marketisation’ of the public sector. This marketisation of public services has been led by a desire to create more cost-efficient services that are also responsive to service user’s needs and is being driven by government through funding and legislation. In doing so, the government have encouraged the transfer of Local Authority staff into new provider and employee-owned mutual organisations (also known as ‘spin-outs’). ‘Public service mutuals’ have been defined as ‘...organisations which have left the public sector i.e. spun out, but continue to deliver public services and in which employee control plays a significant role in their operation’ (LeGrand and Mutuals Taskforce, 2012:9). Prior research exploring the spin-out sector has identified that policy initiatives such as ‘Right to Request’, ‘Right to Provide’ and ‘Mutual Pathfinders’ are having an impact by increasing the number of spin-outs from the public sector (Miller et al., 2012; Cabinet Office, 2011). Spin-outs are seen as enabling services to be made more efficient and responsive to user’s needs, whilst at the same time reducing public expenditure (Addicott, 2011; Hall et al., 2012). The spin-out sector in England is diverse and heterogeneous; however much of the prior research on spin-outs is sector specific. Additionally, the growth of spin-outs, their journey to sustainability and the impact of this on service-users has received little academic attention.

This paper builds upon prior research that developed a theoretical overview of ‘Organisational Change in the Spin-out Process’ (Hazenberg and Hall, 2013), which is grounded in both policy-formulation and partnership theory (Kingdon, 1995; Takahashi and Smutny, 2002; Cornforth et al., 2013). This prior research identified that the spin-out process takes place in four phases: the ‘Trigger Phase’ in which social, environmental and political factors provide the contextual environment for spinning-out; the ‘Catalyst Phase’ in which a social entrepreneur(s) within the public service partners with stakeholders to drive the spin-out process; the ‘Spin-out Phase’ in which the spin-out goes through a recurring cycle of adaptation and change; and the ‘Outcome Phase’, in which the spin-out either succeeds or fails. The research reported in this paper refines and develops this model, focusing in particular on the ‘outcome’
phase of the spin-out process. It draws on semi-structured interviews with senior managers, service staff and service users at three spin-out organisations in order to develop a deeper theoretical understanding of what the outcomes are for spin-outs. The research is on-going but early insights suggest that spin-outs can achieve sustainability and growth through direct trade with consumers. In addition, the experience of service-users also appears to be enhanced following the spin-out of public services. The interview results are discussed in relation to our model of ‘organisational change in the spin-out process’ and the prior literature on partnerships, collaborations and policy-formulation. The findings of the paper will be of interest to public and third sector academics, policy-makers and practitioners operating in England, the wider-UK and internationally.

References:


