

*The independent sector: similarities and differences*

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### **Background and political context**

Sandwell is situated in the heart of the West Midlands. It is a metropolitan borough created in 1974 from six fiercely independent towns. It has a population of just under 300,000 and is a very deprived area: 15 per cent of the population are people with a limiting long-term illness and 15 per cent of population are from minority ethnic communities. It has an increasing number of elderly people and the highest number of lone pensioner households in the West Midlands.

Sandwell has been a Labour controlled authority for many years with a strong tradition of support to the voluntary sector. Over the years the council has been able to provide funding for organisations previously funded by the Urban Programme, Opportunities for Volunteering and other Government initiatives such as Caring for Carers.

Before the *Caring for People who Live at Home* Initiative was announced, the private sector in the borough concentrated mainly on providing residential care. The relationship between the private sector and the social services department developed around issues of registration and inspection. The SSD only became more intimately involved when something went wrong. The few private nursing agencies which existed were used by people buying their own care.

When the Initiative was announced the idea of a mixed economy of care, in its true sense, had not yet been accepted politically. Bearing in mind the timescale and political influences, it was decided that the Initiative would be based on the existing voluntary organisations. This was because most of the voluntary providers had an established track record, they had credibility, and had already identified needs and ways of meeting them. They were also prepared to take some risks and diversify.

It was decided that minority ethnic groups and people with mental health problems within a defined geographical area would be the focus of the Sandwell Initiative project.

### ***Culture changes***

The Initiative started as community care was being implemented and the mixed economy of care has since become a reality. Over 90 organisations, many of them private, expressed an interest when the department advertised its standard list for non-residential providers. These have come from local, regional and national organisations. There was some concern on the part of the social services department about how a national organisation could meet an individual's needs and about the sustainability of some of these organisations. There were also particular concerns about organisations which did not have an established track record and were an unknown quantity.

As the situation has changed and developed, social workers have adapted their behaviour to the culture changes. At the beginning purchasers were reluctant to go outside the tried and tested voluntary organisations. Now, with diminishing resources, private organisations are being used. This has sharpened the debate on the quality of services and how best to achieve value for money.

### ***Relationship changes***

The voluntary sector has always had a close relationship with the Sandwell social services department. Staff in the department have been involved in setting up projects and have been involved in local management committees. This is changing, particularly with the independent sector organisations we are contracting with. Commissioning staff are now involved in monitoring contracts and some people seem to be afraid to talk to voluntary organisations in case they appear to be favouring one provider over another.

In the past Sandwell's relationship with the private sector has been slightly removed. The residential and nursing homes associations are now in regular dialogue with the department, and certainly are as much involved in consultation processes as the voluntary sector.

It has been interesting to see how some voluntary organisations have changed. Some have grown up and achieved a level of independence, no longer coming cap in hand to a benevolent council for handouts. They are operating as businesses and expect to be treated as such. Some, although trying to operate as a business, are experiencing difficulties.

Our experience has shown some of the differences between the voluntary and private sector. Some voluntary organisations are facing severe cash flow problems. They do not have the same access to overdrafts as some private agencies, and in the past grant-aid regimes have worked against voluntary organisations building up balances. In the social services department we are trying not to add to cash flow problems by delays in our own financial systems. We are notoriously bad payers. Voluntary organisations are also suffering from having an inadequate infrastructure, particularly in the areas of administration, financial planning and systems. Frequently they continue to take on work without being able to sustain it from a central point. In the past they have always been expected or prepared to do a bit more for the same money but now contracts have the advantage of stipulating what they can do, for what money.