

Third Sector Market Mapping

Research Report

prepared for

Department of Health

by

IFF Research Ltd

February 2007



Commissioned by the Department of Health



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Third Sector Mapping Research

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1 Executive Summary

Background

- 1.1 One pillar of the government's current reform of health and social care is greater plurality of provision. The purpose of cultivating a larger and broader range of providers is to increase capacity, encourage innovation and improve user responsiveness. Third sector organisations (TSOs) represent one important set of providers, whose potential the government is seeking to utilise fully.
- 1.2 It is often argued that organisations within the third sector have a better understanding of clients' needs and respond to those needs in a more flexible way than organisations in the public or private sectors. Whether or not this is the case, it is clear that many third sector organisations are delivering high quality, patient focussed and efficient services.
- 1.3 However, a number of barriers exist that prevent the sector from achieving its full potential. A taskforce was set up in 2005 to address these. In its report, *No Excuses, Embrace Partnership Now. Step Towards Change!*, the taskforce set out the actions needed for the sector to become an equal partner in delivering services.
- 1.4 In this context, the Department of Health commissioned surveys of third sector organisations and local authorities to examine the added contribution that third sector organisations could make if the barriers they faced were removed or reduced. The results will inform the implementation of the taskforce's conclusions and the application of its outputs.

TSO Profile

- 1.5 An estimated 35 thousand third sector organisations currently provide health and/or social care in England and a further 1600 plan to do so in the next three to five years. The total funding for these services amounts to £12bn over the last year. This is a sizeable amount compared to the government's £87bn budget for health and social care in England in 2005/06.

- 1.6 The sector is extremely diverse in terms of the size, scope, staffing and funding of organisations. It provides a broad range of services to many different groups of clients. Government policy and commissioners actions need to take account, and make use, of this rich diversity.
- 1.7 The vast majority provide social care: 62% do so exclusively and a further 23% provide both health and social care services.
- 1.8 The majority of third sector service providers (62%) are local in focus, while 26% are regional, 3% England-wide, 10% UK-wide and 2% have an international remit as well as a national one.
- 1.9 Financially, the vast majority (84%) are small or medium in size with annual incomes below £1m and 34% have incomes of under £50,000 pa. However, a few, very large organisations account for the vast bulk of third sector service providers' income and expenditure.
- 1.10 Similarly, the majority (54%) have fewer than 25 people working for them (employees and volunteers). In two thirds of cases, volunteers outnumber employees. Indeed, a quarter of organisations are made up entirely of volunteers. The average number of volunteers per employee is eight. Thus, the actual contribution made by the sector is likely to be far greater than the financial figures suggest. However, it does not follow that the actual contribution is eight times greater, given that TSOs incur costs other than the wages of employees and given differences between volunteers and employees in average hours worked and productivity.
- 1.11 Overall, third sector service providers are well-established – 72% have been operating for over 10 years, while only 6% have been established for less than 5 years.

Sources of funding

- 1.12 There is already a high level of interaction between public sector commissioners and third sector providers. Just over half of the organisations' funding comes from the public sector, although the public sector's share is higher for social care (62%) than health care (36%).
- 1.13 Just over half of funding for third sector-provided health care is generated through fees paid by service users (52%).
- 1.14 Smaller organisations are more reliant than their larger counterparts on donations.

Social care provision

- 1.15 The aggregate cost of social care services provided by the sector is £7.2bn pa, which equates to an average of £240k per organisation.
- 1.16 Two fifths of organisations providing social care services do so for clients of all ages. When combined with the figures for organisations that cared for one or more specific age groups, it was found that nearly three quarters (73%) serve adults aged 18-64, nearly two-thirds (63%) serve those over 65, and over half serve young adults (55%), children (54%) and youths (53%).
- 1.17 In terms of client needs, the most common group helped are those with physical disabilities/sensory impairment (32%), mental health issues (24%) and learning disabilities (23%).
- 1.18 The two most common (by far) services offered by social care providers are advice / counselling (42%) and education (25%). These services account for 45% of the sector's expenditure on social care. Other services offered by around one in ten TSOs include family / day centres (13%), play and leisure facilities (12%) and non medical home care in clients' homes (9%).
- 1.19 Organisations providing transportation services are most likely to be recipients of public sector funding (84%), whereas those providing advice/counselling are least likely to do so (5%).

Health care provision

- 1.20 The aggregate cost of health care services provided by TSOs is £4.7bn pa, which equates to an average of £350k per organisation.
- 1.21 Nearly one half of organisations providing health care do so for clients of all ages (46%). When combined with the figures for organisations that cared for one or more specific age groups, it was found that over three quarters serve adults aged 18-64 (76%) and over two-thirds serve adults aged over 65 (67%).
- 1.22 In terms of client needs, the most common groups are those with mental health issues (31%) and those with a physical disability/sensory impairment (29%).

- 1.23 As with social care services, advice (37%) is by far the most common health care service provided. Fifteen percent provide “alternative” medical care and 10% counselling.
- 1.24 Nearly all day care providers receive public sector funding (98%), compared with only 20% of those providing “alternative” medical care.

Future service providers

- 1.25 Of those not currently delivering health and social care services, an estimated 1600 third sector organisations are planning to do so in the next three to five years. (At the moment, these organisations are either providing finance, undertaking research or acting as advocates.) Among those 1600 organisations, 22% would like to offer both health and social care services, 19% would like to enter social care provision and 17% would like to deliver health care services, whilst the remaining 41% are unsure.
- 1.26 This is more health care orientated than existing third sector provision, which suggests that the health care market is perceived to be of more value for new third sector providers due to greater levels of unmet need and/or the availability of funding for third sector activities. The absence of information from public sector commissioners of health care prevents us from testing this hypothesis.
- 1.27 Over half (54%) of future service providers provided no specific reason for not currently providing services. The most common reason given was not having sufficient money to set the service up, although they would have sufficient means to maintain it once established (15%). Importantly, very few organisations were averse to delivering services (1%). This suggests efforts to increase the number of third sector providers are unlikely to be hampered by resistance from within the organisations themselves to the principle of service delivery.

Tendering

- 1.28 The research showed fairly low levels of tendering activity among third sector organisations. However, when third sector organisations did submit tenders, they were often successful.
- 1.29 Seventy per cent of organisations said they had not tendered for any services in the previous year. Of those that had tendered in the previous year, 29% did so for only one service. At the other extreme 3% of those that had tendered said it was for more than 20 services.

- 1.30 The overall success rate (number of services awarded as a percentage of services tendered for) was high (60%). The figure was even higher among health care providers and organisations that have been established for longer. However, 19% of tendering organisations were not awarded any services.
- 1.31 This suggests third sector organisations may tend to underestimate their abilities to compete for contracts and may benefit from taking greater risks in this regard, although resource issues were found to deter tendering.
- 1.32 Only nine per cent of organisations felt they had missed out on one or more tendering opportunities in the previous year. These tended to be for social care services. Of those that felt they had missed out, only one in ten said this was because they had not been invited to tender. Instead, the most common unprompted reasons were resource focused - a lack of money (23%), a lack of staff/resources (17%) or insecure funding (11%). One in ten also mentioned their lack of experience in the tendering process (10%).
- 1.33 When third sector organisations were asked how the Government could facilitate their ability to tender, the most common response was by providing more funding (36%), and this was more often cited by the longest established organisations. One in five identified having more long term funding rather than short term contracts. A higher percentage of recently established organisations felt this was important. 15% asked for commissioners to provide clearer guidelines and 15% cited the need to foster an environment in which honest and open relationships can be developed.

Local authority commissioning from the third sector

- 1.34 Of the £13.7bn that local authorities spent on adult social services in 2004/05, an estimated 11% was delivered by the third sector (£1.5bn). This represents only 16% of local authority expenditure on services delivered by external organisations.
- 1.35 Three in five (62%) of the responding authorities had transferred some work to external providers in the past three years and many more had not done so only because such transfers had taken place earlier. Of these, nearly two-thirds (64%) had transferred at least some of this work to one or more third sector organisations. The most common barrier reported by authorities to service transfer was complying with TUPE specifications. One in five said they would like to transfer additional services, but were unable to find external providers.

- 1.36 When local authorities were asked about the tendering process they said they treated third sector organisations in the same way they did private sector organisations – commissioning primarily on the basis of value and track record.
- 1.37 Most authorities had issued at least one invitation to tender for adult social services in the previous year, and the average number was eleven. In just less than half of these cases, at least one third sector organisation was invited to tender. Seven per cent of authorities said that third sector organisations featured in none of their tendering exercises for adult social services; while two in five had invited at least one third sector organisation in every case and a further one in ten operated a policy of open competition. The main reason for not inviting third sector organisations was the perceived absence of potential providers from within the sector.
- 1.38 The findings point to significant opportunities for the third sector in the provision of publicly-funded adult social care. However, to seize these opportunities, potential third sector providers need a good understanding of commissioners' plans and processes, need to think strategically about the ways in which they should attempt to develop their activities, need to market their services to the relevant individuals and need to demonstrate the ability to deliver value for money. On the other hand, commissioners need an equally good understanding of existing and potential provision by the third sector. In addition, the importance placed on track record by authorities in the tendering process reduces the ability of third sector organisations to broaden their activities. Commissioners (and service users) might benefit if more calculated risks are taken when selecting providers to enable organisations to develop their existing portfolio of services.

Added Value

- 1.39 In general, local authorities are positive about services provided by third sector organisations, with overall levels of satisfaction high (over 80%). Local authorities felt the organisations provided good value for money, high quality and responsive services compared to other external service providers. On the negative side, a small number of authorities had concerns about a lack of experience among some third sector organisations.

- 1.40 Half of TSOs (51%) felt there were services that they would be better able to deliver than current providers – 28% for social care services, 8% for health care services and 15% for both. The health services most frequently cited by smaller organisations were advice, counselling and alternative medical care, whereas for larger organisations they were nursing home, residential health and hospice care. The social services most frequently cited were advice, counselling and education.
- 1.41 Reasons for such views focused on the organisations' specific knowledge, expertise and experience, their better understanding of the needs of the client group and their established community links.

Potential provision

- 1.42 The potential and scale of ambition among existing third sector providers is significant.
- 1.43 The vast majority (89%) of third sector organisations felt they could provide more service than they currently do if the demand and funding existed – 64% felt they could provide much more, and 25% a bit more.
- 1.44 Among these organisations, a higher percentage said they could increase the volume of existing services in the same geographical area (76%) or provide a wider range of services in the same area (64%), compared to the proportion saying they could provide existing services in new geographical areas (39%) or provide a wider range of services in new areas (31%).
- 1.45 Of the 89% of organisations who felt they could offer more, 57% had an expansion of service delivery outlined in their business plan. In most of these cases, the plan was to expand in the medium term – 58% over a three or five year period. However, nearly a quarter (24%) of expansion plans related to a period of a year or less.
- 1.46 On average, those organisations planning to expand expected this increase to amount to 44% of their current service provision. However, this figure was inflated by a small number of organisations anticipating very large increases: 8% planned increases of 91-100% and 5% planned 200-300% increases. The most common planned level of growth was 11-20%, predicted by 21% of those with expansion plans. Larger organisations tended to have more conservative plans in terms of percentage increase.

- 1.47 If planned growth was achieved on an even trajectory, then the total increase in third sector activity over the next year would amount to just under £1bn. This equates to an increase of 9%.
- 1.48 The majority (69%) of TSOs who planned to expand their services were intending to seek new partners to aid the expansion. This has implications for policy makers and commissioners in fostering an environment that encourages partnership between providers.
- 1.49 As may be anticipated the majority (74%) with expansion plans would be motivated to expand even more if they had more funding, and 26% would be encouraged by having more long term funding contracts or grants.
- 1.50 Given that many third sector organisations cited their freedom from processes inherent in larger organisations as one of the reasons why they are better placed to provide services, there is a risk that such growth may reduce or eliminate any such advantage.

2 Background Methodologies

Background

- 2.1 The government is currently investing in and reforming health and social care. One element of the reform is to increase the plurality of provision, in order to increase capacity, encourage innovation and improve user responsiveness.
- 2.2 Such plurality would be enhanced by ensuring an environment that promotes rather than hinders participation by TSOs. In 'Communities in Control: The New Third Sector Agenda for Public Service Reform', Nick Aldridge describes a range of barriers preventing or restricting TSOs participation in health and social care, including:
- Poor procurement practices
 - Unstable funding environment
 - Bureaucracy inherent in relationships with the public sector
 - TSOs' lack of capacity and expertise
 - Divergence between TSOs' approach to accountability and governance and the expectations of the public sector in this regard
 - The overall risk and costs of developing new services for 'hard to reach groups'
- 2.3 A Third Sector Commissioning Task Force was set up in 2005 to see how the relationship between TSOs and public sector organisations commissioning health and social care could be strengthened, with the aim of:
- Helping to develop the knowledge and expertise of health and social care commissioners in terms of what TSOs can offer (and vice versa)
 - Streamlining accreditation and regulation of TSOs
 - Establishing consistent procurement processes and procedures and standard frameworks for contracting

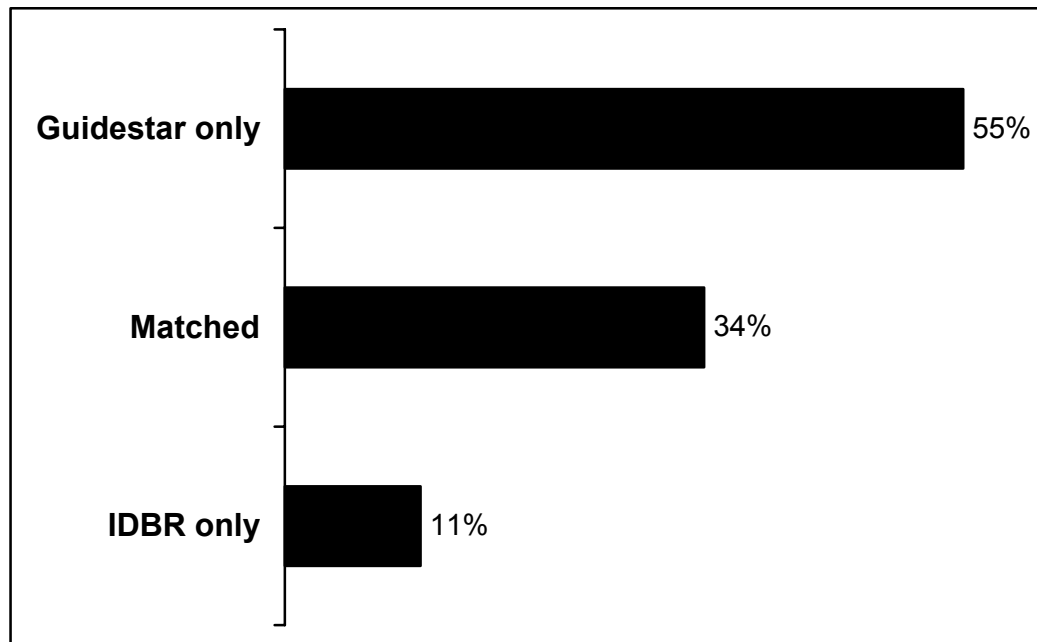
- 2.4 The Taskforce published its report, entitled *No Excuses, Embrace Partnership Now. Step Towards Change!*, on 11 August 2006, setting out the actions needed for the Third Sector to become an equal partner in delivering services. To inform the implementation of the Taskforce's conclusions and the application of its outputs, the DH commissioned surveys of TSOs and public sector commissioners of health and social care to examine the added contribution that Third Sector organisations could make if the barriers they face were removed or reduced.
- 2.5 It was not practicable to survey Primary Care Trusts at the time the fieldwork was undertaken because of the reconfiguration that was taking place in the middle of 2006, so the survey of commissioners was confined to Local Authorities.
- 2.6 IFF would like to thank all the TSOs and Local Authorities that participated in these two surveys, as well as the project team at the Department of Health – Chris Gibbins, Carolyn Heaney and Christina Fitzgerald.

Methodology

Third Sector Organisations

- 2.7 Telephone interviews were conducted with 1,519 TSOs who delivered health and/or social care services in England or planned to in the next three to five years. As the focus was to determine the current and potential capacity for delivering services, organisations whose activities were limited to research and or advocacy were screened out of the study. The targeted respondent was the Chief Executive, Financial Director or another senior decision maker with knowledge of the finances and strategic direction of the organisation.
- 2.8 Details for drawing the sample were obtained from two databases: Guidestar and the Inter-Departmental Business Register (IDBR).

- 2.9 The Guidestar database is constructed from the Charities Register maintained by the Charities Commission. This database excludes exempt charities (those not subject to the supervisory jurisdiction of the Commission) and some excepted charities (those who do not have to register) and those TSOs that are not legally recognised as charities, including community interest companies and some small community based groups. An extract was taken from this database that included only those organisations classified as “general charities”. The general charities definition aims to exclude charitable organisations that are generally not considered part of the voluntary sector, such as non-departmental public bodies or quangos, NHS administered charities and private healthcare providers. There was a total of 24,792 health and social care organisation leads on the Guidestar database.
- 2.10 The IDBR database is administered by the Office for National Statistics and principally derived from the systems for Pay As You Earn and VAT registration. It is therefore likely to exclude organisations that do not employ anyone under PAYE and who fall below the VAT threshold or are exempt from VAT. There was a total of 9,946 leads on the IDBR database within health and social care whose legal status was “non-profit body or mutual association”.
- 2.11 Fuzzy matching was used to identify organisations that appeared in both data sets. A total of 4,007 duplicate organisations were found. This gave us the three sample categories used in the survey: those that appeared in both data sets, those that appeared on Guidestar only and those that appeared on the IBDR only. Figure 2.1 below shows the proportion of respondents from each survey type that completed the survey.

Figure 2.1 Proportion of respondents from each sample group

- 2.12 Broad quotas were set for the above three groups; and also for each region and income band. The larger organisations were over sampled in order to get more accurate estimates of total capacity. The overall response rate was 49%, a breakdown of this can be found in the technical appendix.
- 2.13 The results were grossed up in order to correct for the varying probabilities of selection and for differences in response rate and in order to obtain estimates for the Third Sector as a whole. Details are given in the technical appendix.
- 2.14 Throughout the report, all percentages and figures relating to TSOs are based on weighted figures unless otherwise specified; however, each chart includes details of the number of responses on which the figures are based.

Local Authorities

- 2.15 The plan was that this part of the research would be conducted by telephone interview. However, this was replaced with a paper based self-completion questionnaire following feedback from the pilot stage about the difficulties in collating the information and answering questions over the telephone.

- 2.16 Questionnaires were e-mailed to the person in each of the 150 Local Authorities who completed the existing return relating to expenditure on personal social services (known as the PSS EX1). The questionnaire was subsequently distributed to relevant people in the Local Authority for them to complete.

It should be noted that throughout the entire report, all percentages and figures relating to LAs are based on unweighted figures, and due to the small sample size, analysis was often qualitative and findings are to be seen as indicative only.

- 2.17 In total 70 Local Authorities returned the questionnaire, a response rate of 47%. Data from the PSS EX1 return were used to assess non-response bias. Further details can be found in the technical appendix.

3 Profile of TSOs Providing Care

This chapter provides a profile of the Third Sector Organisations (TSOs) that currently operate in England in terms of their size and client groups, the length of time they have been providing services, and the geographical areas that they serve.

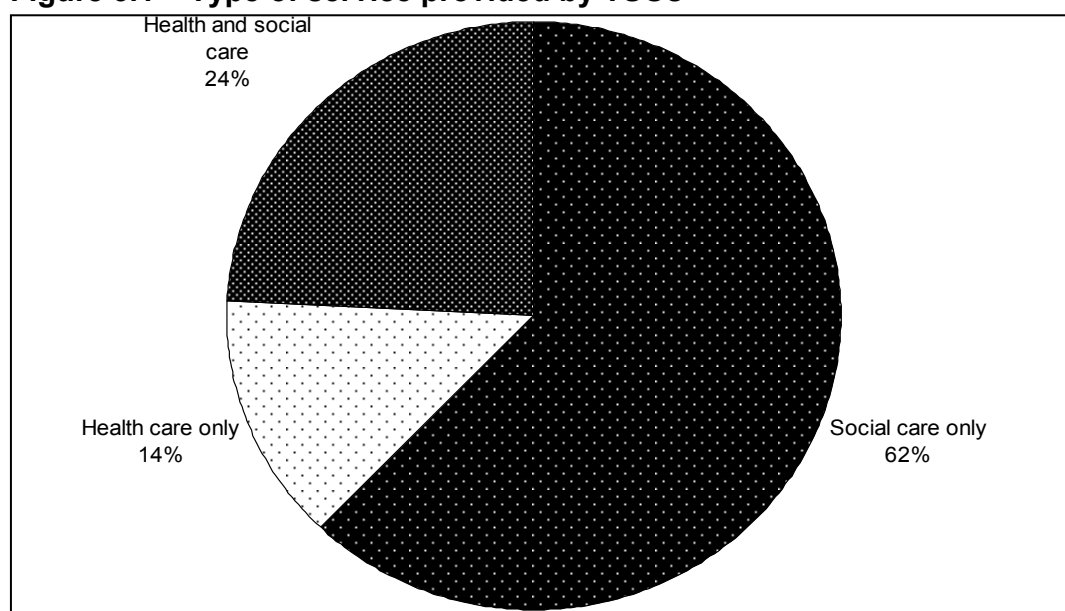
Organisations providing a service or planning to

- 3.1 An estimated 35,000 Third Sector organisations currently provide health and/or social care in England and a further 1,600 plan to do so in the next three to five years.
- 3.2 The analysis of TSOs that are planning to provide care is reported in Chapter 7 (“Future Service Providers”). The remainder of this chapter pertains only to those TSOs that are currently providing care.

Type of care currently provided by TSOs

- 3.3 Of those currently providing care, the vast majority provide social care services: 62% (21,600) provide social care services exclusively, 14% (4,900) provide health care services exclusively, and nearly a quarter (24%; 8,500) provide both health and social care services (see Figure 3.1).

Figure 3.1 – Type of service provided by TSOs



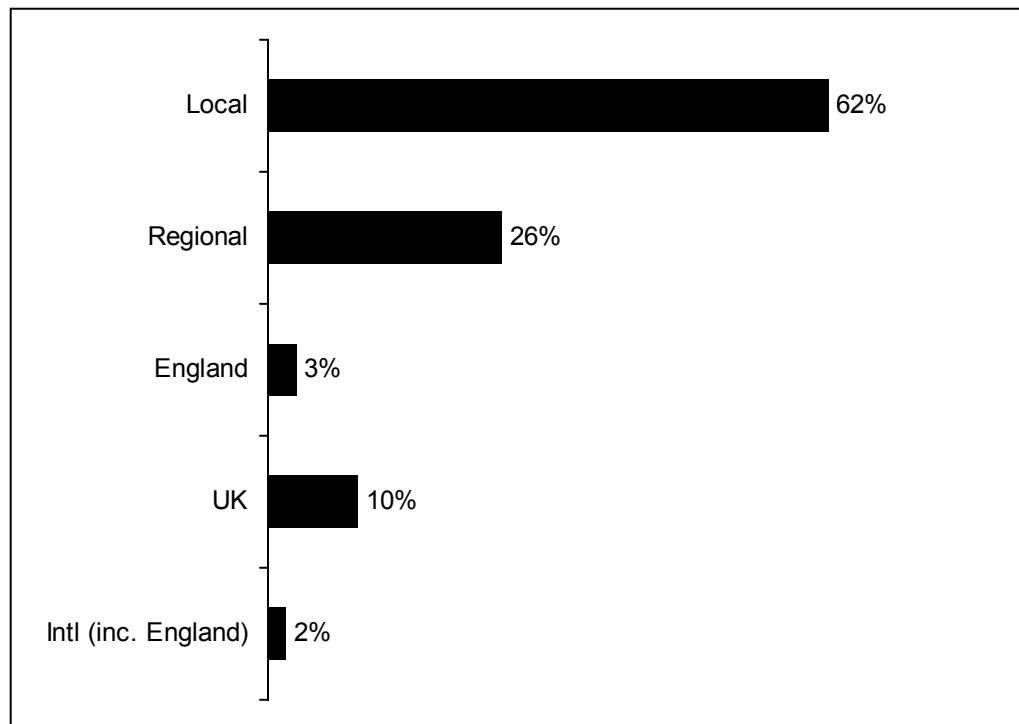
Base: All currently providing service (1464)

- 3.5 In the subsequent analysis, unless otherwise stated, references to providers of health care include both those who provide health care exclusively and those who provide both health and social care. Correspondingly, references to providers of social care include both those who provide social care exclusively and those who provide both health and social care.
- 3.6 It should be noted that each organisation was responsible for deciding whether its activities related to health care, social care or both. An idea of how these terms were interpreted by respondents can be obtained from the responses given to the subsequent, more detailed questions about the types of health and social care services provided (questions 11c and 13c respectively). The fact that most responses to these subsequent questions could be assigned to one of the pre-set health and social care categories suggests that respondents interpreted this in a similar way to those involved in constructing the questionnaire.

Geographical area covered

- 3.7 Nearly two-thirds (62%) of service-providing TSOs have a local focus. A quarter (26%) have regional coverage, 3% work across England, 10% operate UK-wide and 2% are international (See Figure 3.2 below).

Figure 3.2 – Geographical areas covered



Base=All currently providing service (1464)

- 3.8 Twenty-one percent of both UK-wide and international organisations provide health care services exclusively, compared to fewer of the organisations with a narrower geographical scope. (See Table 3.1.)
- 3.9 As one might expect, locally focussed organisations tend to have the smallest incomes: half (50%) have incomes of less than £100k, compared to 42% of organisations with a wider geographical scope. Organisations with a national focus are more likely to have a large workforce: 21% of UK-wide organisations have a workforce (including volunteers) greater than 100, compared to just 10% overall.
- 3.10 England-wide organisations have operated for longer: 85% have provided services for more than ten years, compared to 69% overall.

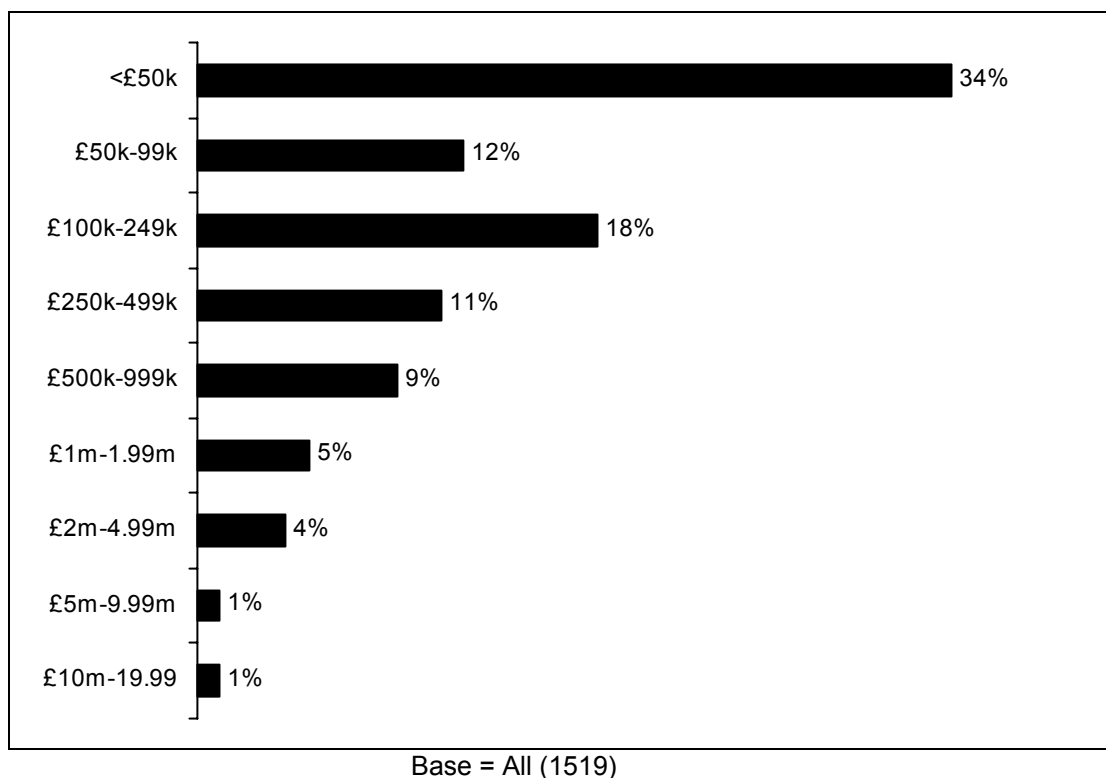
Table 3.1: Type of service provision by geographical scope of organisation

	Total (col %)	Local (col %)	Regional (col %)	England (col %)	UK (col %)	Intl (col %)
Both health and social care	23% (8500)	21% (4900)	30% (2700)	19% (200)	28% (1000)	15% (100)
Health care only	13% (4900)	12% (2800)	12% (1100)	16% (200)	21% (700)	21% (200)
Social care only	59% (21600)	61% (14000)	57% (5200)	64% (600)	51% (1800)	62% (500)

Base=All currently providing service (1464)

Size of TSOs – Financial

- 3.11 Nine in ten (84%) TSOs are small or medium sized organisations with annual incomes of less than £1m, and more than a third (34%) have an income of less than £50,000 per annum (see Figure 3.3 overleaf).

Figure 3.3 – Annual income of TSOs

3.12 TSOs that provide both health and social care tend to have greater incomes than those that provide health care exclusively, which in turn tend to have slightly greater incomes than those that provide social care exclusively. (See Table 3.2.)

Table 3.2: Income by type of service delivery

	Total (col %)	Health and social care (col %)	Health care only (col %)	Social care only (col %)
<£100k	47% (17000)	39% (3600)	49% (2400)	49% (10500)
£100k-999k	38% (13800)	45% (3800)	29% (1400)	37% (8000)
£1m-£5m	9% (3200)	13% (1100)	11% (500)	7% (1500)
£5m+	2% (800)	3% (200)	3% (100)	2% (500)
Mean (£'000)	700	900	800	600

Base=All currently providing service (1464)

- 3.13 Perhaps surprisingly, organisations with higher incomes are more likely to specialise in working with clients of particular ages: more than half (51%) of the smallest organisations said that they work with clients of all ages, compared to just 16% of those with £1m-£5m and 18% of those with more than £5m in income.

Table 3.3: Income by age of client group(s)

	Adults 65+ (col %)	Adults 18-64 (col %)	Young adults (col %)	Youths (col %)	Children (col %)	All ages (col %)
<£100k	41% (3200)	41% (4500)	32% (1500)	24% (1000)	32% (1200)	58% (8300)
£100k-999k	41% (3200)	43% (4700)	47% (2200)	46% (1900)	42% (1600)	37% (5300)
£1m-£5m	15% (1200)	12% (1300)	13% (600)	22% (900)	18% (700)	4% (500)
£5m+	3% (200)	3% (300)	9% (400)	7% (300)	8% (300)	1% (150)
Total	(7800)	(11000)	(4700)	(4100)	(3800)	(14250)

Base=All (1519)

* Total is greater than 100% because multiple responses allowed

- 3.14 As would be expected, a higher proportion of organisations with smaller incomes have a local focus while more of those with higher incomes have national scopes. (See Table 3.4.)

Table 3.4: Geographical scope by income

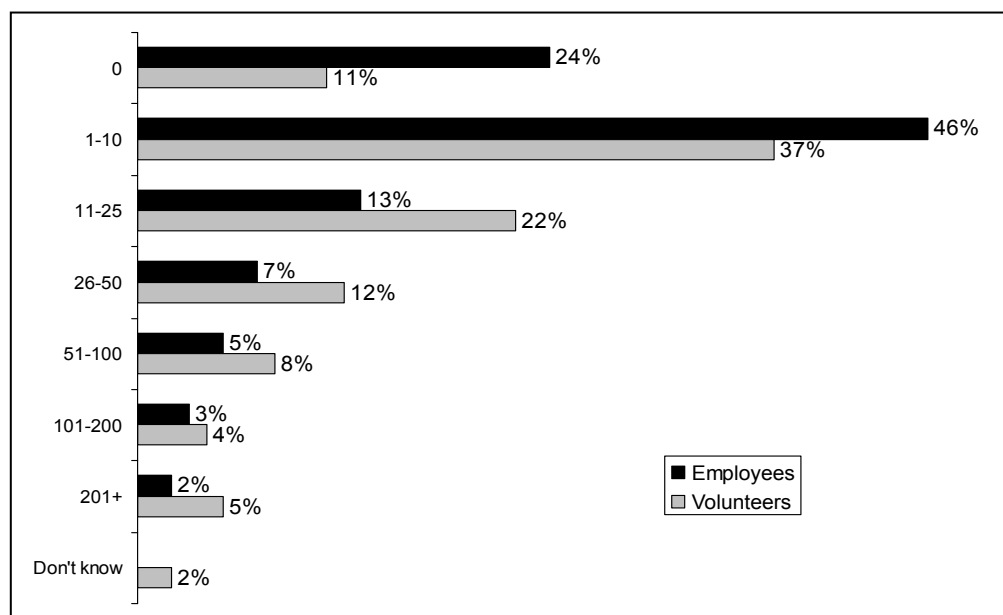
	Total (col %)	Under £100k (col %)	£100k-£999k (col %)	£1m-£5m (col %)	Over £5m (col %)
Local	63% (22000)	68% (11200)	63% (8700)	45% (1400)	49% (400)
Regional	25% (9000)	23% (4000)	24% (3300)	36% (1100)	23% (200)
England	3% (1000)	3% (400)	3% (400)	4% (100)	6% (100)
UK	10% (3600)	8% (1300)	12% (1600)	14% (500)	21% (200)
International	2% (900)	3% (400)	2% (300)	4% (100)	3% (50)

Base=All (1519)

Size of TSOs – employees and volunteers

- 3.15 The majority of organisations (54%) have fewer than 25 people working for them (employees and volunteers), while only 13% have a workforce numbering more than 100.
- 3.16 Among TSOs', organisations where volunteers outnumber employees are the norm. TSOs have an average of 21 employees and 34 volunteers, with two-thirds (66%) having more volunteers than employees. Indeed, a quarter of organisations (24%) are made up entirely of volunteers (a mean of 31, but a median of 10 as there are some large organisations entirely staffed by volunteers). In contrast, only 10% of organisations are made up entirely of employees. Nearly twice as many organisations (9%) have in excess of 100 volunteers compared to those that have more than 100 employees (5%).

Figure 3.4 – Employees and volunteers



Base=All (1519)

- 3.17 The average number of volunteers per employee is 8 (with a very large outlier excluded; this increases to nine when the outlier is included). Thus, the actual contribution made by the sector is likely to be far greater than the financial figures suggest. However, it does not follow that the actual contribution is eight times greater, given that TSOs incur costs other than the wages of employees and given differences between volunteers and employees in average hours worked and productivity.

- 3.18 Among employing organisations, the ratio of volunteers to employees ranges up to in excess of 400:1.

Table 3.5: Size of workforce by volunteer/employee mix

Size of workforce (employees and volunteers)	Ratio of volunteers to employees						
	All employees (No volunteers)	Up to 1:2 (and at least one volunteer)	More than 1:2 and up to 1:1	More than 1:1 and up to 2:1	More than 2:1 and up to 8:1	More than 8:1 (and at least one employee)	All volunteers (No employees)
	(row%)	(row%)	(row%)	(row%)	(row%)	(row%)	(row%)
Fewer than 25	15%	7%	7%	11%	15%	14%	34%
25-100	5%	22%	6%	7%	21%	24%	13%
More than 100	4%	15%	2%	12%	20%	33%	12%
All	10%	13%	6%	10%	18%	15%	23%

Base=All (1519)

- 3.19 Health service providers are more likely to operate without any volunteers: 15% said they have no volunteers, compared with 8% of those providing social services.
- 3.20 Larger organisations are more likely to provide both health and social care services: 30% of organisations with a workforce of more than 100 people provide both types of service, compared to only 18% of the organisations with less than 25 workers.
- 3.21 Providers who offer health care services exclusively are more likely to be both smaller and larger in terms of workforce than providers of social care; that is, there are fewer mid-sized health care providers.

Table 3.6: Workforce (employees and volunteers) by type of service delivery

	Total (col %)	Health and social care (col %)	Health care only (col %)	Social care only (col %)
Fewer than 25	54% (18500)	43% (3700)	61% (3000)	55% (11800)
25-100	33% (11600)	39% (3300)	19% (1000)	34% (7400)
More than 100	14% (4800)	18% (1500)	20% (1000)	11% (2400)
Total	34,900	8,500	5,000	21,600

Base=All providing service (1464)

- 3.22 Service providers with the lowest incomes also have the smallest workforce (employees and volunteers): 69% of those with less than £100k in income have fewer than 25 workers, as do 42% of those with £100k-£999k, compared to just 6% of organisations with £1m or more.
- 3.23 Conversely, nearly nine in ten (88%) of those with more than £5m in income have more than 100 workers, compared to half (52%) of those with £1m-£5m, a tenth (10%) of those with £100k-£999k, and just 6% of those with less than £100k in annual income.

Length of providing service

- 3.24 Overall, TSOs are well-established: 72% have provided their services for more than 10 years, a fifth (21%) have operated for five to ten years, and only 6% have been established for less than five years.
- 3.25 Organisations that offer both health and social services tend to be the longest established. Four in five (79%) of these providers have operated for more than 10 years, compared to 72% of health care providers and 70% of social care providers. (See Table 3.7).
- 3.26 Conversely, providers of social care services exclusively are slightly more likely than exclusively health care providers to be newer, with nearly a tenth (8%) having provided their services for less than five years.

Table 3.7: Length of providing service by type of service delivery

Length of service	Total	Health and social care	Health care only	Social care only
<5 years	6% (2200)	3% (200)	4% (200)	8% (1800)
5-10 years	21% (7400)	18% (1500)	24% (1200)	22% (4700)
>10 years	72% (25200)	79% (6700)	72% (3500)	70% (15000)

Base=All providing service (1464)

4 Sources of Funding

This chapter looks at the range of organisations that fund third sector activities.

4.1 Overall TSOs receive nearly £12bn in funding. This comes from a wide range of sources, including local government, NHS, fees paid by service users and donations (see Table 4.1 below). In total, the public sector is the greatest provider of funding (£6.2bn; 52%).

Table 4.1 – Sources of funding for services (£m)

	All (col %)	Social care services (col %)	Health care services (%)
All public sector	6,200 (52%)	4,500 (62%)	1,700 (36%)
Local Authority only	3,100 (26%)	2,700 (38%)	400 (8%)
NHS / PCT only	1,500 (12%)	500 (6%)	1,000 (21%)
Joint Local Authority / PCT	300 (3%)	200 (3%)	100 (2%)
All Local Authority*	3,300 (27%)	2,800 (40%)	400 (9%)
All NHS/PCT*	1,600 (14%)	600 (8%)	1,100 (22%)
Central Government	1,100 (9%)	900 (13%)	200 (4%)
Government agency	200 (1%)	200 (2%)	# (#%)
All donations	800 (7%)	600 (8%)	200 (5%)
Charitable Trusts	600 (5%)	500 (6%)	200 (4%)
Private donations	200 (2%)	100 (2%)	# (1%)
Lottery grants	500 (5%)	400 (5%)	200 (3%)
Fees for service / renting of space	3,800 (32%)	1,300 (19%)	2,500 (52%)
Other	600 (5%)	400 (5%)	200 (4%)
TOTAL	11,900	7,200	4,700

* Assuming 50:50 split in joint Local Authority / PCT funding

Less than 50 or 0.5%

4.2 Funding for social care provision by the Third Sector exceeds funding for health care provision by a factor of one and a half: £7.2bn compared to £4.7bn.

4.3 The public sector accounts for a considerably greater share of social care funding of TSOs than it does for TSO-provided health care (62% cf. 36%). Local Authorities are the largest source of social care funding (38%), whereas NHS/PCT organisations are the largest public sector funders of Third Sector health care provision (22%).

4.4 Just over half the funding for health care is generate through fees paid by service users (52%.)

Main sources of funding

4.5 An analysis was also undertaken looking at the main source of funding for each organisation (the source from which more than 50% of their funding is derived.) Overall the most common main sources of funding for TSOs are Local Government (19%) and donations (16%). Nearly one third (29%) of TSOs obtain more than half of their funding from public sector sources (all public sector sources of funding combined). See Table 4.2 overleaf.

4.6 Interestingly, PCTs are less likely than Local Authorities to be the main source of funding for Third Sector health care providers. This may reflect the fact that the majority of these providers also offer social care. It is also interest to note that those offering health care services are also more likely than those offering social care services to receive the bulk of their funding through donations (21% cf. 15%).

4.7 TSOs with the lowest level of income are more likely to receive the majority of their funding from donations, at 19% cf. 14% of those with £100k - £999k, 12% of those with £1m-£5m and 10% of those with over £5m.

4.8 Just over half (51%) of the TSOs with incomes of £1m-£5m receive the majority of their funding from a public sector source (compared with 31% of TSOs as a whole). The most common public sector source is Local Government (38% cf. 19% for all TSOs). A similar picture is observed for TSOs with £100k-£999k income.

Table 4.2 – Main source of funding

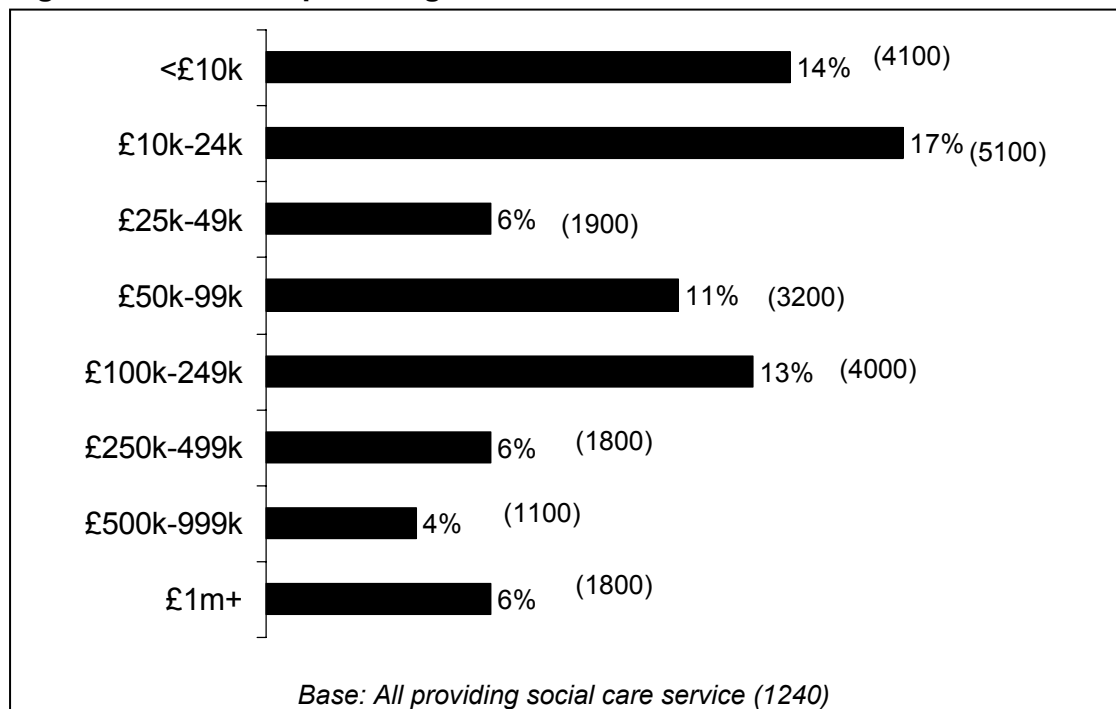
	All receiving more than half of their funding from source	Social care providers receiving more than half their funding from source	Health care service providers receiving more than half their funding from source	Those providing ONLY health care services and receiving more than half their funding from source	Those providing ONLY social care services and receiving more than half their funding from source	Those providing both health and social care services and receiving more than half their funding from source
Public Sector	29%	29%	33%	25%	26%	38%
• Local Govt	19%	20%	20%	12%	18%	25%
• NHS / PCT	2%	2%	4%	6%	1%	3%
• Central Govt. / Govt agency	2%	3%	3%	2%	2%	3%
• Joint LA / PCT	1%	1%	2%	2%	1%	1%
• Mixed Public Sector	4%	5%	4%	3%	3%	5%
Donations	16%	15%	21%	16%	12%	21%
Service Users	7%	6%	9%	11%	5%	8%
Lottery	*	*	*	-	-	*%
Other	10%	11%	7%	5%	12%	8%
Mixed (excluding mixed public sector)	14%	14%	12%	9%	15%	14%
Don't know	25%	25%	18%	29%	30%	11%

5 Social care provision

This section examines social care provided by TSOs in England. The cost of the services, the age groups that social care providers offer services to, the characteristics of their client groups, and a discussion of the specific services provided.

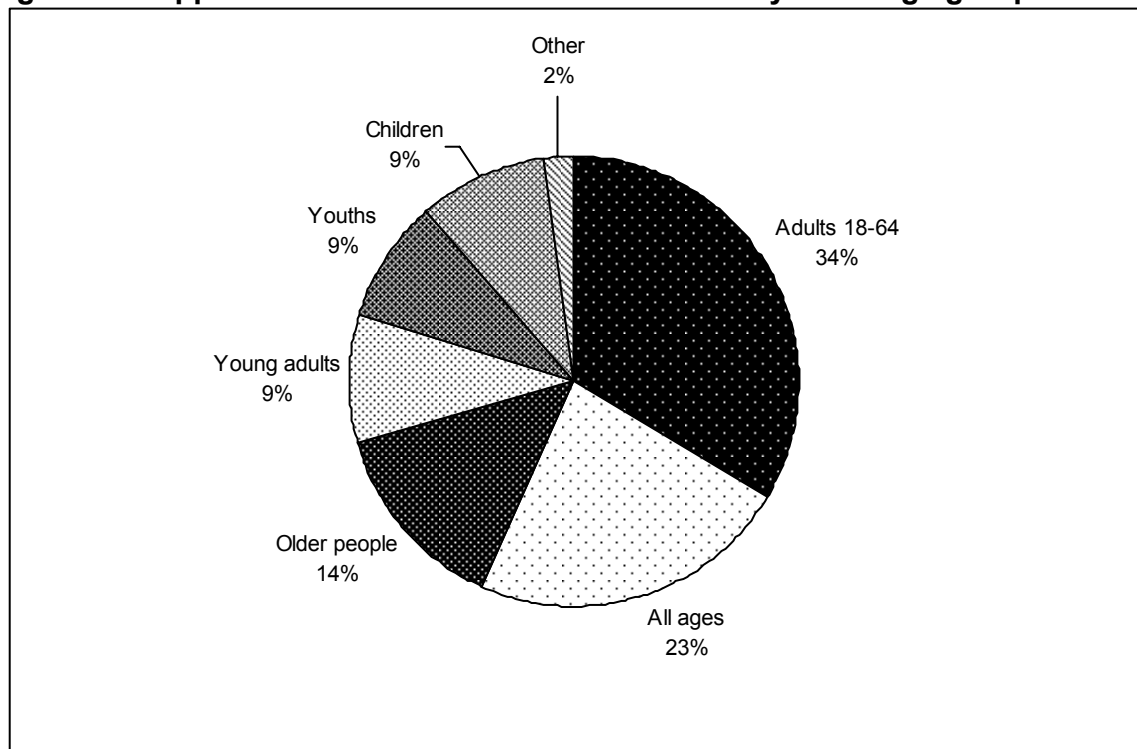
- 5.1 Three in five (62%) service providers are engaged exclusively in social care provision. A further quarter (23%) provide both health and social services.
- 5.2 The aggregate cost of social care services provided by TSOs (or what it cost the organisation to provide the services) is £7.2 billion per year, while the average cost is £240 thousand. However, this varied considerably: 14% valued their services at less than £10 thousand, while 6% said it was more than £1m.

Figure 5.1 – Cost of providing social care



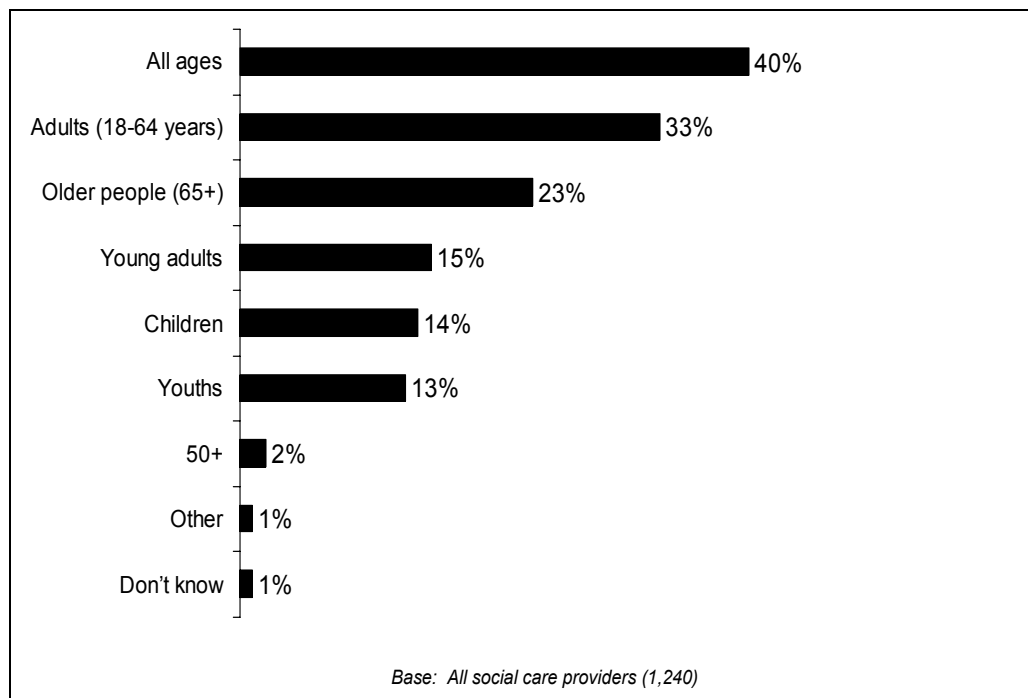
- 5.3 Figure 5.2 shows the proportional cost of social care services offered to different client age groups. In generating these estimates, it is assumed that if a TSO offers services to two client groups that the cost is split evenly between the two groups. Of the estimated £7.2 billion spent on social care services by TSOs a third (34%; £2.4b) of funding is spent on services specifically for adults aged 18-64. Under a quarter of the money (23%; £1.7b) is spent on services that benefit all ages. Services specifically for older people (aged 65 and over) also account for over £1b of the estimated value of social services to each group (14%).

Figure 5.2: Apportioned cost of social care services by client age group



Base=All providing social care services (1240)

- 5.4 Two fifths of organisations providing social care do so for clients of all ages. When combined with the figures for organisations that cared for one or more specific age groups, it was found that nearly three quarters (73%) serve adults aged 18-64, nearly two-thirds (63%) serve those over 65, and over half serve young adults (55%), children (54%) and youths (53%). This is outlined in Figure 5.3.

Figure 5.3 – Age group of social care clients

- 5.5 The geographical coverage of the TSOs tends to be the same regardless of the age groups served.
- 5.6 Social care providers who do not specialise in a specific age of client group tend to have the smallest incomes: over half (54%) have less than £100k in annual income. Meanwhile, those that specialise in youths / young adults tend to have the greatest annual income, with 8% each reporting more than £5m in income and less than a third reporting less than £100k (see Table 5.1).

Table 5.1: Percentage of TSOs in income range by client age group

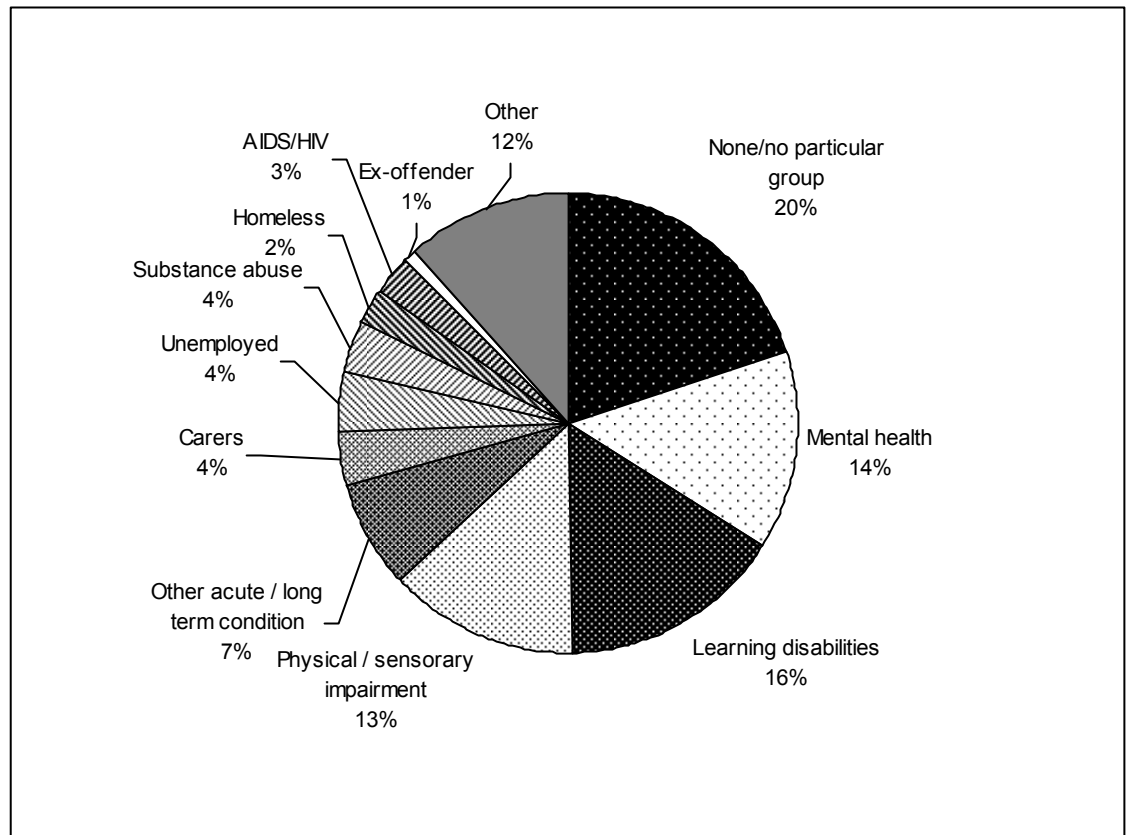
	Total (col %)	Under £100k (row %)	£100k-£999k (row %)	£1m-£5m (row %)	Over £5m (row %)
Adults 65+	23% (6900)	44% (3000)	41% (2800)	11% (800)	2% (200)
Adults 18-64	33% (10000)	41% (4100)	42% (4200)	10% (1000)	2% (200)
Young adults	15% (4400)	30% (1300)	39% (1700)	14% (600)	8% (300)
Youths	13% (4000)	23% (900)	38% (1500)	20% (800)	8% (300)
Children	14% (4100)	27% (1100)	37% (1500)	15% (600)	7% (300)
All ages	40% (11900)	54% (6400)	40% (4800)	3% (400)	1% (100)
All social care providers	100% (30000)	47% (14000)	40% (12000)	8% (2500)	2% (700)

Base=All providing social care services

Note: Multiple responses allowed for age of clients. Those who refused to give their annual income or did not know it have been excluded from this table

- 5.7 Figure 5.4 shows the apportioned cost of services by client groups' defining condition or circumstance. Organisations that do not help one particular group account for an estimated £1.4 billion (20%) of the total cost of social services offered by TSOs. Clients with learning difficulties (£1.1bn), mental health needs (c£1bn) and physical disabilities or sensory impairment (c£1bn) account for the largest estimated spend.

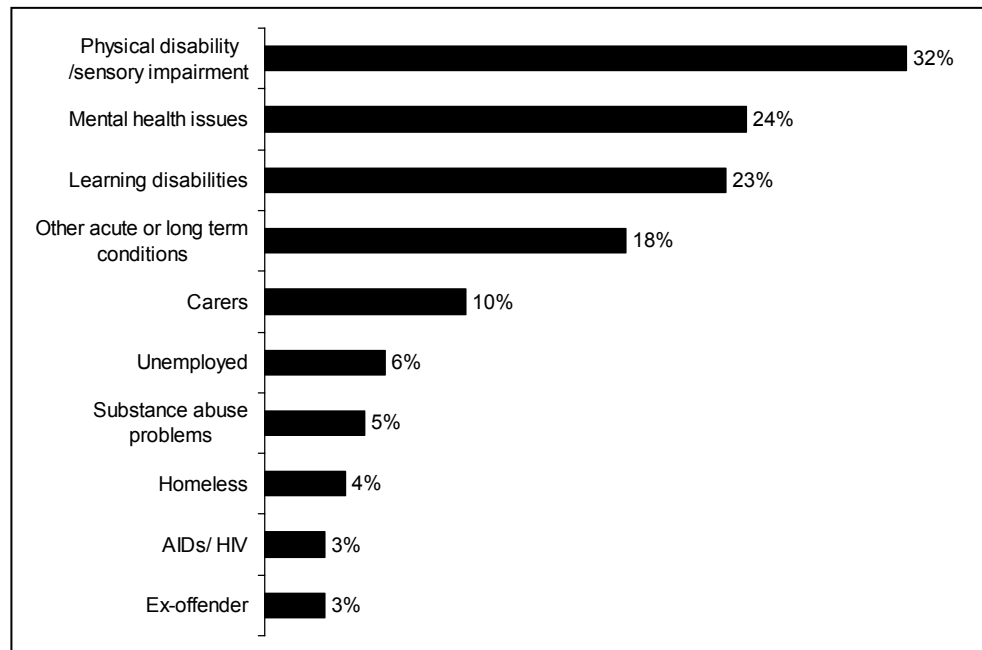
Figure 5.4: Apportioned cost of social care services by client group condition or circumstance



Base=All social care service providers (1240)

- 5.8 Nearly a third (32%) of respondents works with clients who have some form of physical disability or sensory impairment. A quarter each have clients with mental health issues (24%) or learning disabilities (23%). Ten per cent of the organisations helps carers in some way.

Figure 5.5 – Client group condition or circumstance of social care providers (% of organisations)

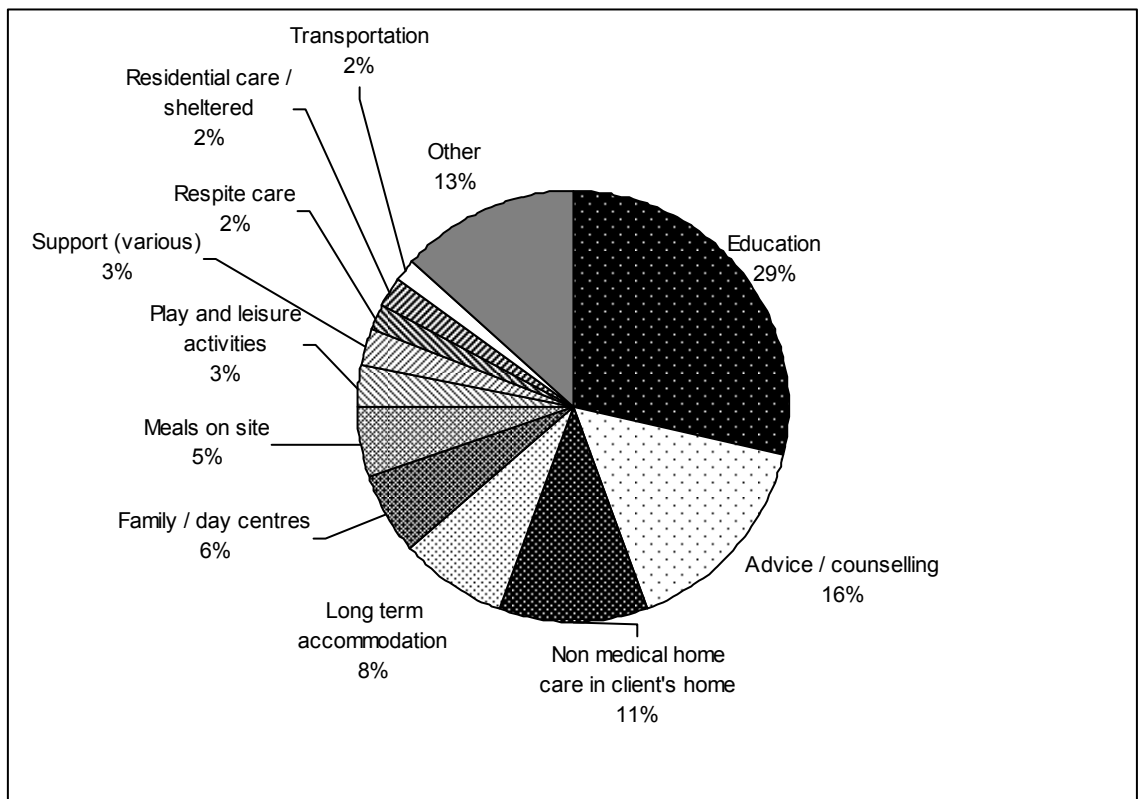


Base=All social care service providers (1240)

- 5.9 TSOs whose clients have learning disabilities or are homeless tend to be narrower in their geographical scope compared to TSOs helping other client groups. Four in five (80%) of TSOs working with clients who have learning disabilities are local in their focus, as are 82% of TSO serving the homeless (compared with 63% of all social care providers).
- 5.10 Nine in ten (91%) of the TSOs that work with clients who have AIDS / HIV have been established for more than ten years, as have 84% of the TSOs that work with the homeless (compared with 69% of all social care providers).

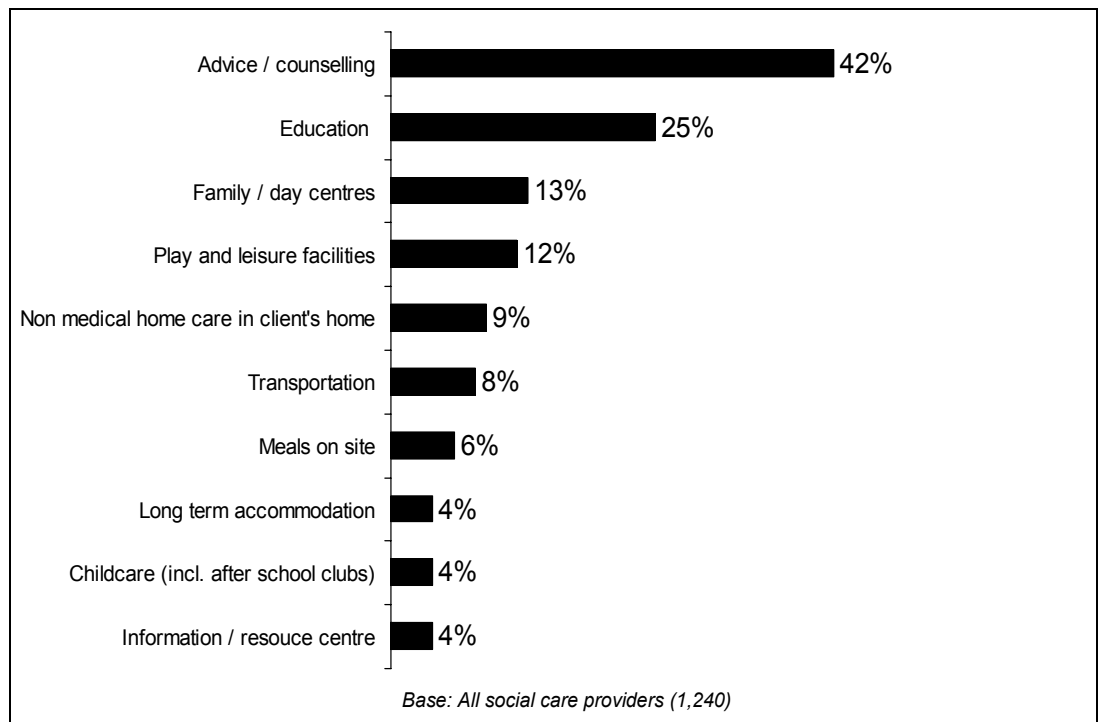
Specific services offered by social care providers

- 5.11 The provision of educational and advice / counselling services account for the largest share of third sector social care costs (45%), as show in Figure 5.6 overleaf. Educational services account for £2.0bn of the estimated £7.2bn spent on social services by Third Sector Organisations, while advice / counselling services account for approximately £1.1bn.

Figure 5.6: Apportioned cost of social care services by service offered

Base=All social care service providers (1240)

- 5.12 Forty-two per cent of social care providers specialise in advice or counselling, while a further quarter (25%) provide education. Thirteen per cent offer family or day centres and a further 12% offer play and leisure facilities. One in ten (9%) provides non-medical home care services, and 8% provide transportation. (See Figure 5.7.)
- 5.13 Smaller organisations are more likely to be providing advice or counselling: 45% of organisations with incomes of less than £1m offer this service, compared to 26% of the larger TSOs. They are also more likely to provide play and leisure activities (17% of those with less than £100k cf. 7% of those with higher incomes).
- 5.14 Twelve per cent of the largest organisations (over £5m income) offer overnight accommodation, compared to just 2% overall.

Figure 5.7 – Specific social care services provided (% of organisations)

Length of providing service – Social care

- 5.15 Over two-thirds (69%) of social care providers have been offering their services for more than 10 years. Twenty-one per cent have operated for five to ten years, and only 8% have been established for less than 5 years.
- 5.16 Social care providers that operate throughout England are more likely to have been established over 10 years ago (93% cf. 69% overall).
- 5.17 Social service providers who provide long-term accommodation and meals on-site are more likely to have operated for more than 10 years, as are those that work with clients who have HIV/AIDS (96%, 93% and 91% respectively compared with 69% overall).
- 5.18 Organisations that serve older people tend to be longer established: three-quarters (74%) have operated for more than 10 years, compared to 69% overall.

Funding of services – Social care

- 5.19 As reported in chapter four, nearly two-thirds of the £4.7bn worth of funding for Third Sector social care services comes from public sector organisations, with Local Authorities accounting for 38% of the total (see Table 4.1). Donations account for 8% and charges levied on service users account for 19%.
- 5.20 The majority of organisations receive some funding from private donations, individual purchasers of services and charitable trusts. Organisations are also likely to receive funding from Local Authorities and PCTs. Organisations are least likely to be in receipt of Central Government funding and Government Agency funding, whether in the form of a contract or a grant. See Table 5.2 for a breakdown of funding sources.
- 5.21 TSOs providing transportation services are more likely to be recipients of public sector funding, at 84%. They are also most likely to receive LA funding (at 70%), followed by those providing non-medical home care (64%), family / day centres (61%), childcare services (47%), or education services (40%).
- 5.22 TSOs providing advice / counselling services and long-term accommodation are least likely to be in receipt of any public sector funding, at just 5% and 12% respectively.
- 5.23 For the most part, TSOs are equally likely to receive Local Authority and/or PCT funding in the form of a grant or a contract, although those providing education services deviate from this pattern somewhat, with 26% receiving LA funding in the form of a contract, compared to just 15% receiving it in a grant.

Table 5.2: Sources of funding for social care services (% of organisations receiving funding from source)

	Advice / counselling	Education	Family / Day Centres	Play and Leisure Facilities	Non medical care	Transportation	Long term accommodation	Support (various)	Child-care
Public sector – total									
LA	4%	40%	61%	15%	64%	70%	4%	44%	47%
NHS/PCT	2%	5%	8%	4%	20%	25%	5%	7%	6%
Central Gov't	*%	13%	2%	5%	15%	13%	2%	2%	4%
Joint LA / PCT	*%	3%	4%	1%	25%	14%	2%	6%	4%
Gov't Agency	1%	3%	-	4%	-	9%	-	3%	7%
Any public sector	5%	54%	66%	16%	69%	84%	12%	47%	47%
Public sector – contracts									
LA	2%	26%	31%	9%	34%	45%	4%	33%	24%
NHS/PCT	1%	4%	5%	2%	9%	18%	5%	1%	4%
Central Gov't	-	3%	-	2%	4%	5%	2%	2%	-
Joint LA / PCT	-	3%	4%	*%	1%	11%	2%	4%	4%
Gov't Agency	1%	1%	-	4%	-	8%	-	*%	2%
Any public sector contracts	3%	33%	37%	11%	36%	57%	12%	37%	26%
Public sector – grants									
LA	3%	15%	32%	10%	30%	48%	-	14%	24%
NHS/PCT	1%	1%	3%	2%	11%	15%	-	5%	3%
Central Gov't	*%	11%	2%	3%	11%	8%	1%	-	4%
Joint LA / PCT	*%	*%	-	1%	24%	3%	1%	3%	-
Gov't Agency	*%	2%	-	1%	-	1%	-	2%	7%
Any public sector grants	4%	26%	36%	12%	43%	56%	1%	20%	24%

Cont'd...	Advice / counselling	Education	Family / Day Centres	Play and Leisure Facilities	Non medical care	Transportation	Long term accommodation	Support (various)	Child-care
Other sources									
Charitable trusts	7%	38%	20%	26%	21%	43%	33%	35%	18%
Individual Private purchasers	3%	50%	45%	33%	45%	32%	24%	24%	25%
Private donations	14%	37%	38%	51%	51%	54%	2%	36%	8%
Lottery grants	2%	13%	5%	7%	34%	16%	-	6%	7%
Fund-raising	8%	3%	2%	23%	4%	19%	4%	27%	9%
Don't know	63%	18%	28%	15%	20%	5%	47%	3%	51%

Please note, this table only includes those with multiple services that could break down service funding on an individual basis or those that offered only one service (approx. 18,900 respondents)

Local Authorities' spending on adult social services

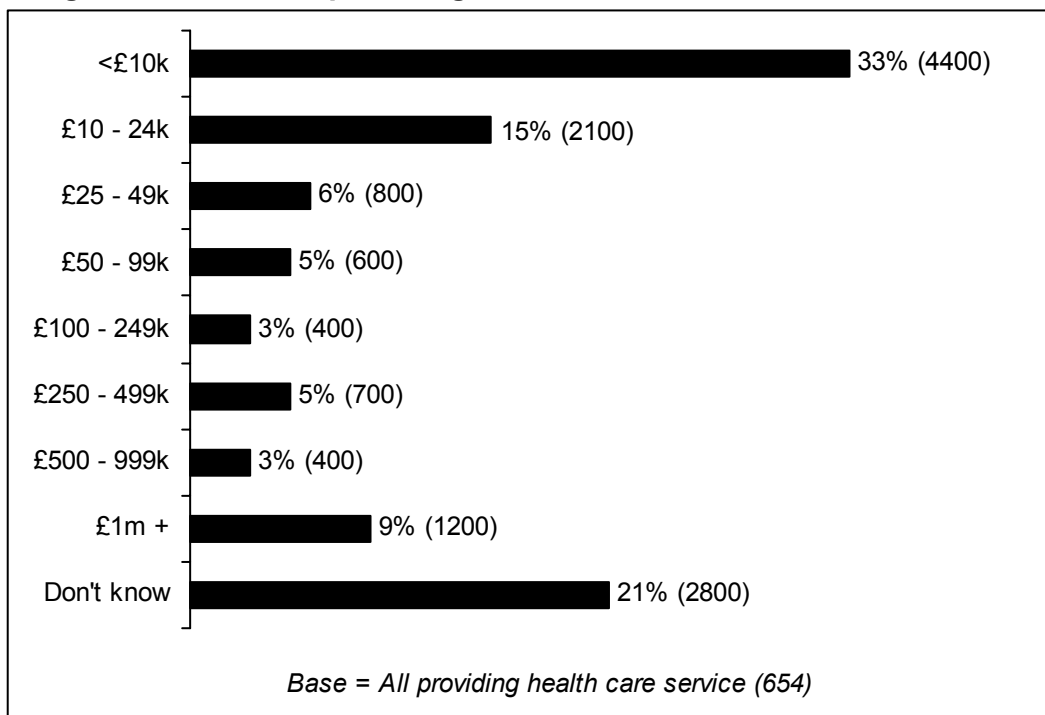
5.24 In order to get an idea of the market for adult social care services, Local Authorities – which comprise a significant group of commissioners of such services – were surveyed to determine the amount they spent and were planning to spend on adult social care services. An analysis of their spending on adult social care services can be found in Chapter 9.

6 Health Care Provision

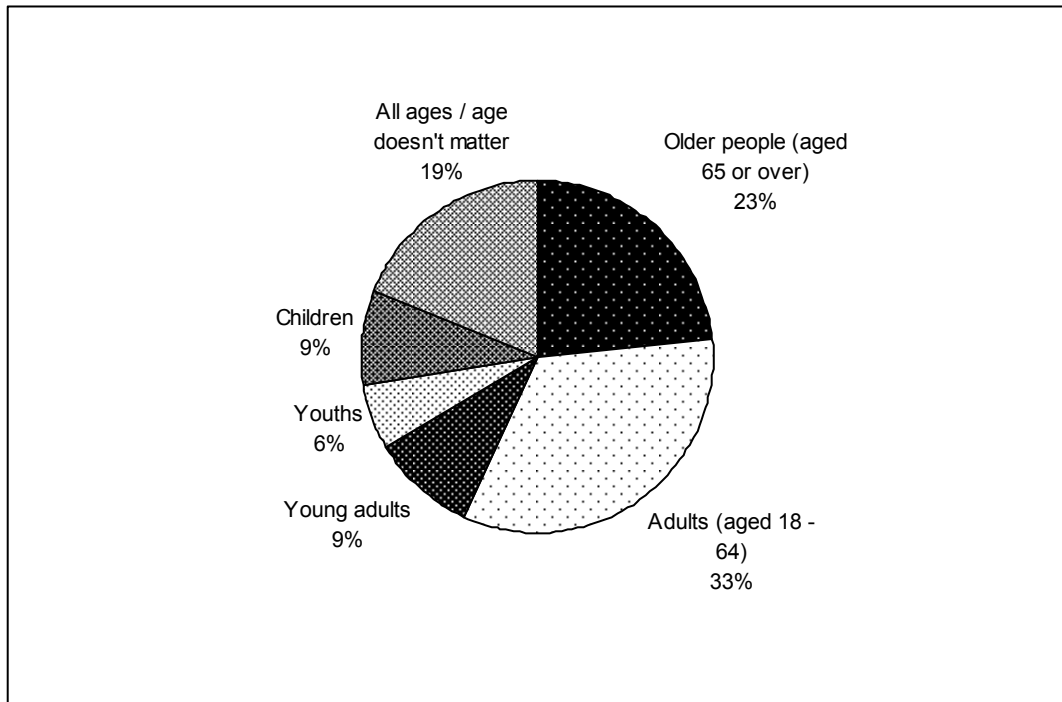
This section examines the health care provided by TSOs in England, including the cost of the services, the age groups TSOs offer services to, the characteristics of the client groups, and a discussion of the specific services provided.

- 6.1 One in eight (13%) of the TSOs providing a service provides health care services exclusively, while a quarter (23%) provides both health and social care services.
- 6.2 The aggregate cost of health care services provided by TSOs is £4.7bn per year. The average cost to organisations of providing these services is £350 thousand.

Figure 6.1 – Cost of providing health care services

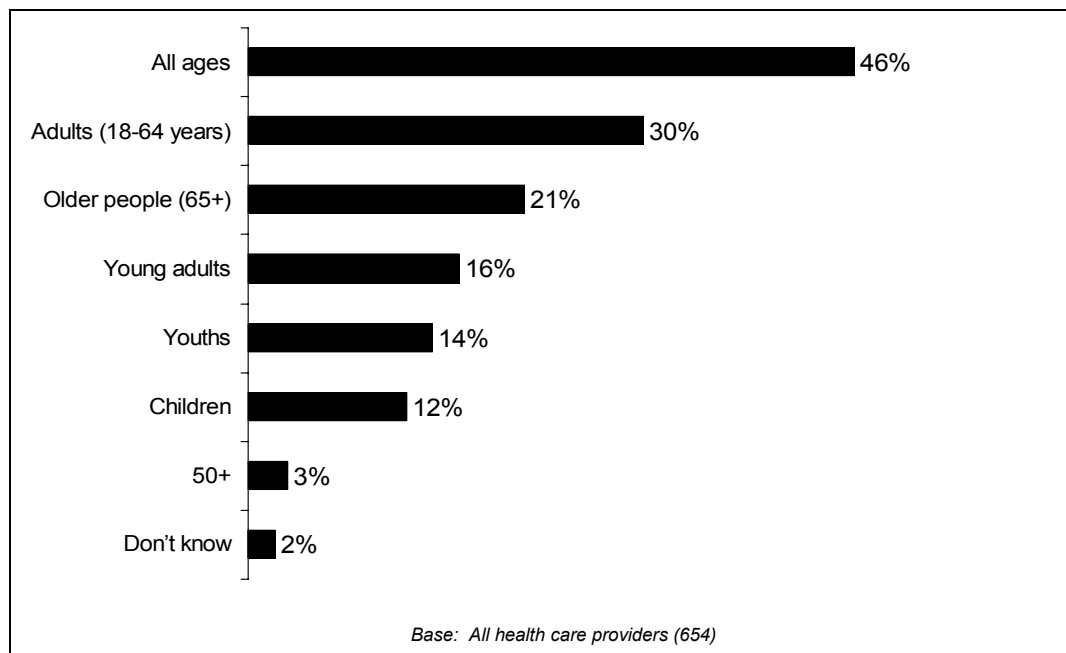


- 6.3 Health care services provided for older people (23%) and those provided for adults aged 18-64 (33%) account for the largest shares, as shown in Figure 6.2.

Figure 6.2: Apportioned cost of health care services by client age group

Base=All health service providers (654)

- 6.4 Organisations were asked which age group(s) they provide services for: nearly half (46%) of the organisations providing health care services said they work with client groups of all ages. Three in ten (30%) focus on adults aged 18-64 years, while 21% serve older people and 26% work with children. A further 16% of respondents said they work with young adults. (Note these figures add up to more than 100% as respondents were able to state more than one age group.) See Figure 6.3.

Figure 6.3 – Age group of health care services clients

- 6.5 Smaller organisations are more likely to work with clients of all ages. Sixty one per cent of those with less than £100k income and 40% of those with an income between £100k and £1m said that they help people of all ages, compared to just a tenth (10%) of those with incomes of £1m-£5m and 23% of the largest organisations.
- 6.6 A quarter (23%) of health providers serving youths said their scope of service delivery is national, compared to 12% of the TSOs serving other age groups. Meanwhile, more of the organisations serving older people have a regional scope (40% cf. 28% of the TSOs serving other age groups) and slightly more of the organisations serving children are local (64% cf. 56% of the TSOs serving other age groups).

Table 6.1: Age of client group by income

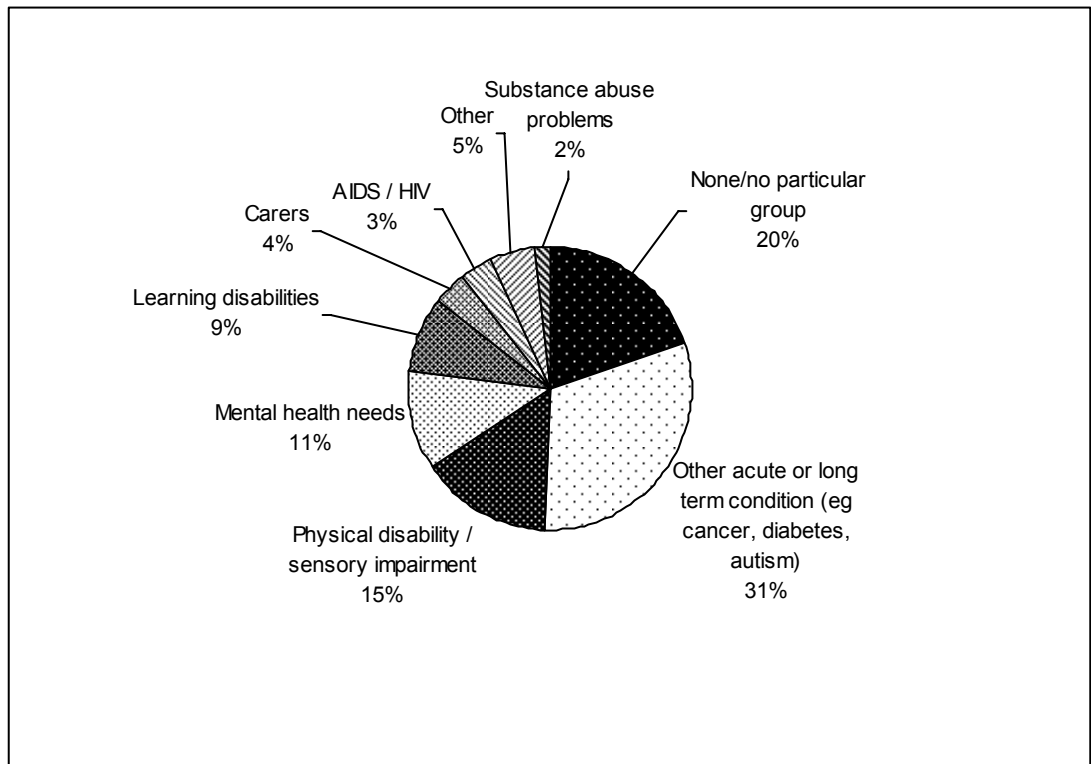
	Total (col %)	Under £100k (col %)	£100k-£999k (col %)	£1m-£5m (col %)	Over £5m (col %)
Adults 65+	21% (2900)	13% (700)	23% (1200)	39% (600)	46% (200)
Adults 18-64	30% (4000)	15% (900)	34% (1800)	59% (900)	62% (200)
Young adults	16% (2200)	10% (600)	19% (1000)	26% (400)	27% (100)
Youths	14% (1900)	8% (500)	16% (800)	36% (600)	8% (50)
Children	12% (1600)	8% (500)	13% (700)	22% (400)	13% (50)
All ages	46% (6100)	61% (3500)	40% (2100)	10% (200)	23% (100)
All health care providers (row %)	100% (13,400)	42% (5700)	39% (5200)	12% (1600)	3% (350)

Base=All providing health care services (654)

Note: Respondent able to provide multiple responses, those who refused to give their annual income or did not know it are excluded from this table

- 6.7 Of the estimated £4.7 billion spent by TSOs on health care services over one billion (£1.4bn) is spent on services provided for 'other' long term illness (such as cancer and diabetes). A further 15% (£700m) is spent on services for people with a physical disability or sensory impairment. The value of these and other services is shown in Figure 6.4.

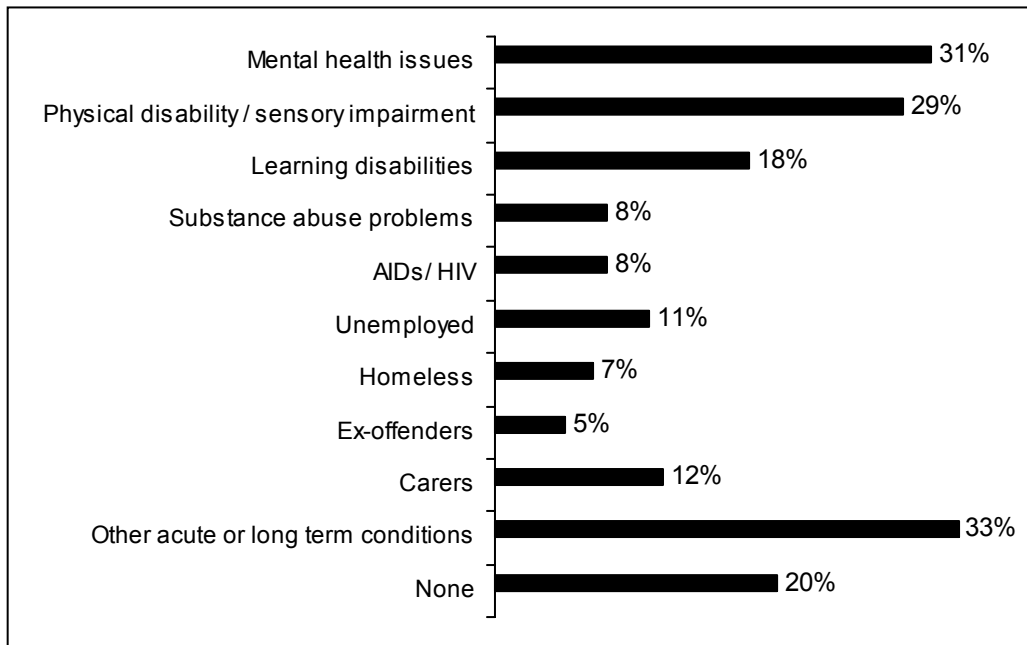
Figure 6.4: Apportioned cost of health care services by client groups' condition or circumstance



Base=All health service providers (654)

- 6.8 Almost a third of health care service providers have clients with mental health issues (31%), physical disabilities or sensory impairment (29%). Eighteen per cent have clients who possess learning disabilities, and 12% support carers. A fifth (20%) of health care service providers said that their clients have no defining condition or circumstance.
- 6.9 Newer organisations are more likely to say that their clients have no defining condition, at 37% compared to only 14% of organisations that have operated for five to ten years and 21% of the longest established organisations.

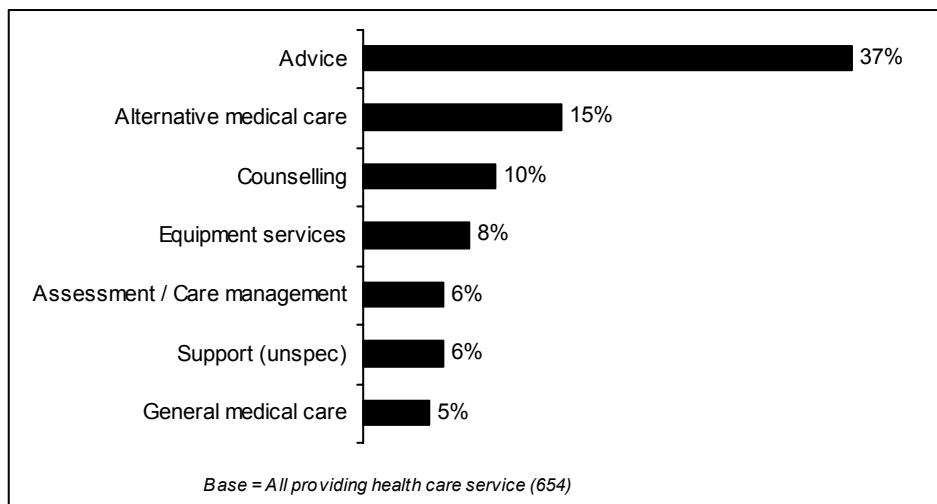
Figure 6.5 – Client group condition or circumstance of health care providers (% of organisations)



Base: All providing health care service (654)

- 6.10 Nearly two in five (37%) health service providers offers advice, while 15% said they offer alternative (e.g. homeopathic) medical care. A tenth (10%) offer counselling services and 8% provide equipment services. Many of the individual services offered by health care providers are highly specialised, each accounting for less than 3% of the total.
- 6.11 Day care and equipment services are more likely to be delivered locally: 85% of day care providers and 75% of equipment service providers have a local focus (compared to 57% of all health service providers). Meanwhile, more TSOs providing nursing home care (49%) or alternative medical care (52%) have regional foci compared to providers delivering other types of health services.

Figure 6.6 – Specific health care services provided



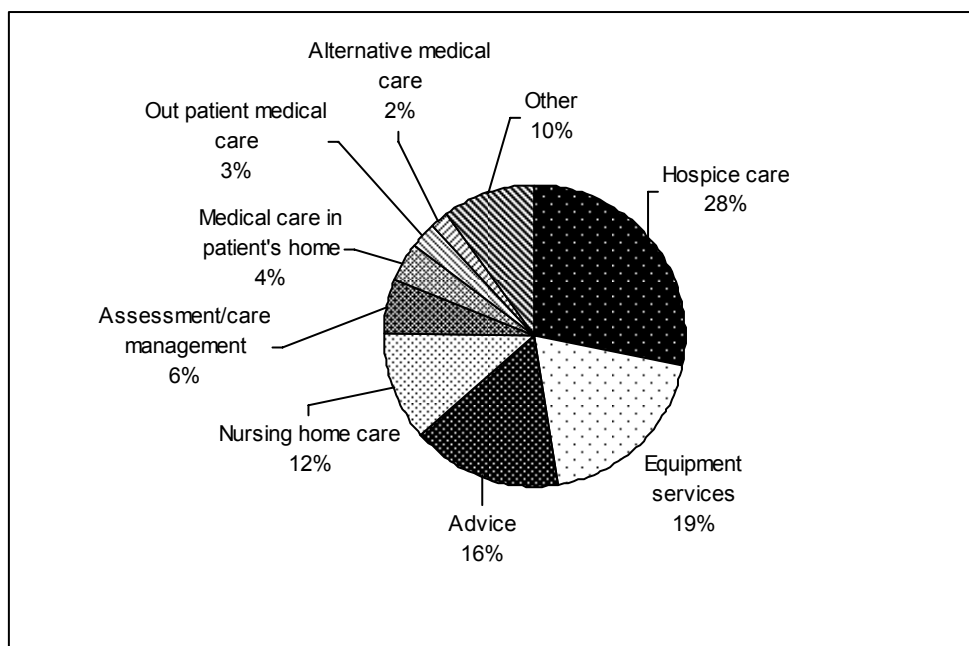
Length of providing service – health care

- 6.12 Seventy per cent of health care providers have offered their services for more than 10 years. A fifth (21%) have operated for five to ten years, while only 6% have been providing health services for less than 5 years.
- 6.13 Of the health service providers that generate more than £5m in income, 91% have operated for more than 10 years.
- 6.14 Organisations offering hospice care and nursing home care are more likely to have done so than for more than 10 years (87% and 93% respectively, compared 70% overall.) Conversely, organisations providing equipment services tend to be less established: a quarter (23%) of the TSOs that have provided health services for less than 5 years are involved with this service, compared with just 8% of health service providers overall.

Cost of services – health care

- 6.15 The cost of the specific health care services offered varies greatly. Although only small numbers provide hospice care, it accounts for the largest proportion of the total value of health services at £1.3bn. The service most commonly offered – advice – accounts for £750m.

Figure 6.7 – Apportioned value of social services by specific service offered



Base=All health service providers (654)

Funding of services – health care

- 6.16 As reported in chapter four, over half (52%) of the £4.7bn worth of funding for third sector health care provision comes from charges levied on service users (see Table 4.1). The public sector accounts for over a third (36%), with NHS organisations supplying 22% of the total. Donations account for just 5%.
- 6.17 A similar picture applies to all of the broad service areas. Funding from sources outside the public sector is important – in particular charges on service users. Organisations that receive public sector funding typically obtain this from Local Authorities or from the NHS, more often in the form of a contract as opposed to a grant. This differs from funding for social care services, where funding was equally likely to be in the form of a grant or contract.
- 6.18 Nearly all day care providers (98%) receive public sector funding compared with just 20% of alternative medical care providers. About half of those providing assessment and care management (58%), equipment services (53%), advice (46%) and counselling (43%) receive some form of public sector funding.
- 6.19 As pointed out in Chapter 5, information on sources of funding was not obtained at detailed service level. If an organisation providing more than one type of service receives public sector funding, it is possible that the public sector funding relates to just one of the services and not all of them.
- 6.20 Private donations and individual purchasers of services are an important source of funding for some health care services: just under nine in ten (88%) of TSOs offering residential care receive funding from private donations and just over eight in ten (83%) receive funding from individual purchasers of services. Eighty four percent of those offering day care services received their funding via private donations.

Table 6.2: Sources of funding for health care services (% of organisations receiving funding from source)

	Advice	Alternative medical care	Counselling	Equipment service	Assessment / care management	Support (uspec.)	General medical care	Day care	Residential care
Public sector – total									
LA	31%	2%	15%	20%	56%	93%	14%	80%	75%
NHS/ PCT	15%	19%	32%	10%	15%	10%	14%	15%	65%
Central Govt.	6%	-	5%	-	13%	5%	-	-	-
Joint LA / PCT	7%	-	9%	-	2%	-	-	2%	-
Govt. Agency	5%	-	1%	22%	-	-	2%	10%	-
Any public sector	46%	20%	43%	53%	58%	96%	26%	98%	75%
Public sector – Contracts									
LA	24%	1%	5%	20%	52%	23%	14%	80%	71%
NHS/PC T	8%	18%	29%	10%	15%	10%	6%	9%	1%
Central Govt.	2%	-	1%	-	13%	5%	-	-	-
Joint LA / PCT	6%	-	9%	-	2%	-	-	2%	-
Govt. Agency	2%	-	-	-	-	-	2%	-	-
Any public sector	34%	20%	34%	30%	54%	26%	18%	88%	71%
Public sector – Grants									
LA	12%	1%	13%	2%	17%	72%	-	-	67%
NHS/PC T	7%	2%	3%	-	-	-	8%	6%	64%
Central Govt	5%	-	4%	-	-	-	-	-	-
Joint LA / PCT	1%	-	1%	-	-	-	-	-	-
Govt. Agency	4%	-	1%	22%	-	-	-	10%	-
Any public sector	21%	2%	17%	25%	17%	72%	8%	14%	67%

Cont'd...	Advice	Alternative medical care	Counselling	Equipment service	Assessment / care management	Support (uspec.)	General medical care	Day care	Residential care
Other sources of finance									
Charitable trusts	31%	19%	35%	16%	41%	15%	16%	13%	14%
Indiv. Private purchasers	27%	35%	49%	38%	33%	7%	12%	8%	83%
Private donations	32%	35%	49%	29%	15%	84%	31%	84%	88%
Lottery grants	9%	-	18%	-	15%	2%	7%	2%	65%
Fund-raising	3%	1%	24%	2%	8%	70%	4%	7%	1%

Please note, this table only includes those with multiple services that could break down service funding on an individual basis or those that offered only one service (approximately 10,000)

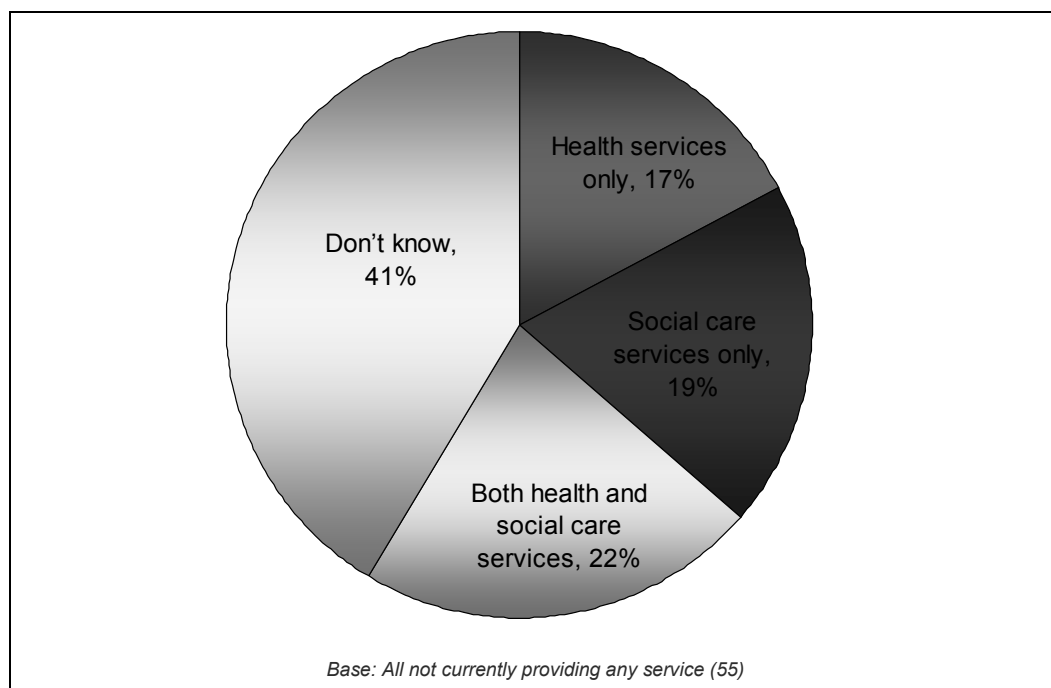
7 Future Service Providers

This section looks at TSOs that do not currently provide a health or social service but were planning to do so in the medium to long term. This group of potential or future service providers is profiled in terms of the client groups that they currently work with, as well as the services they would like to provide. We also examine the reasons why these organisations are not currently providing any service.

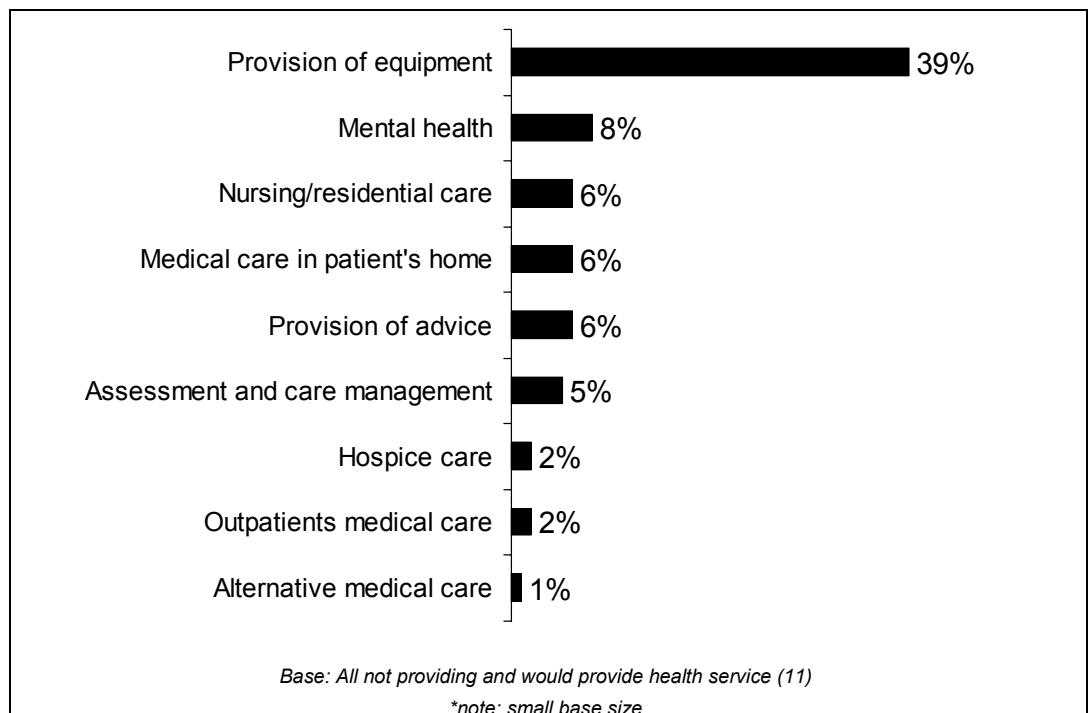
- 7.1 It is important to note that the analysis in this section is based on significantly fewer respondents than the previous sections (an overall base of 55). As such, any findings are to be treated with caution and should be considered indicative only.
- 7.2 Of those TSOs that currently just provide funding, undertake research or act as advocates, an estimated 1,600 are planning to deliver health and/or social care services in the next three to five years. This would represent an additional 4% of TSOs, although it is of course possible that some existing Third Sector service providers might cease delivery.

Services organisations would like to deliver

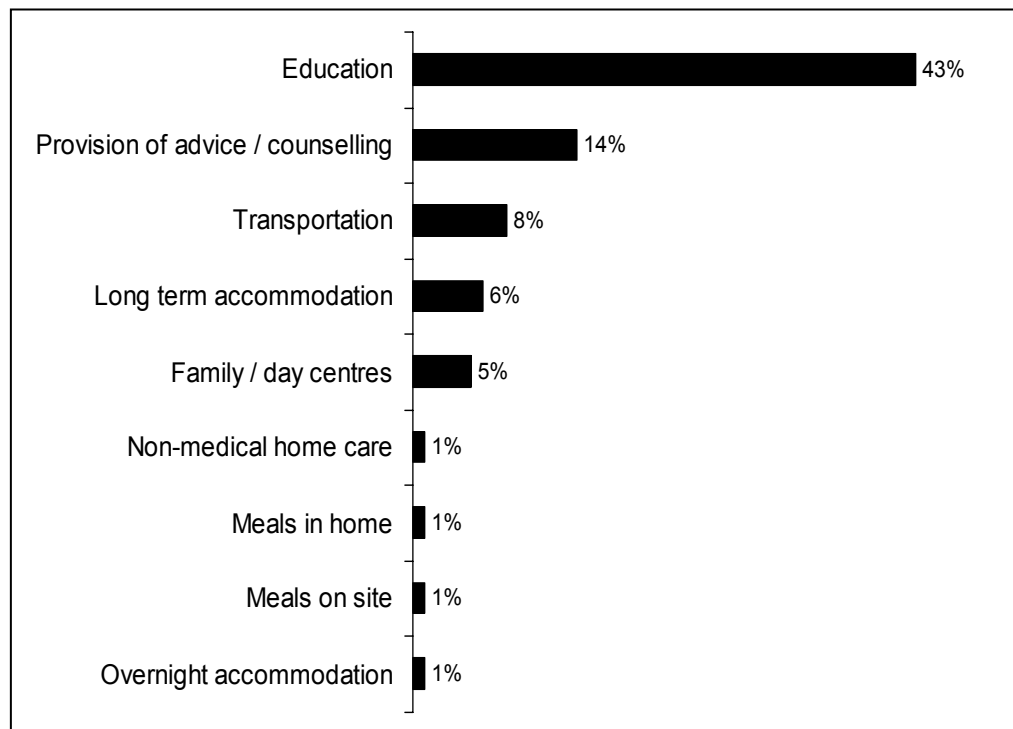
- 7.3 Of those not currently delivering health and social care services, but who plan to in the next 3 to 5 years, 22% would like to offer both health and social care services, 19% would like to enter social care provision and 17% would like to deliver health care services, whilst the remaining 41% are unsure.
- 7.4 This is more health care orientated than existing third sector provision, which suggests that the health care market is perceived to be of more value for new third sector providers due to greater levels of unmet need and/or the availability of funding for third sector activities. The absence of information from public sector commissioners of health care prevents us from testing this hypothesis.
- 7.5 Future service providers' propensity to state they are planning to provide health or social services or both – or indeed the likelihood that they are planning to offer services at all – is not influenced by their size, income or geographical area covered.

Figure 7.1 – Services TSOs would like to deliver

7.6 Among future health service providers, by far the most commonly anticipated service is the provision of equipment (39%). Far fewer would provide mental health care (8%), medical home care (6%), nursing care (6%), residential care (6%), advice (6%) or assessment / care management (5%). This contrasts with current health care provision, where the most common service offered is advice, and equipment services account for only 8%. However, it is worth noting that this analysis is based on only 11 respondents (unweighted).

Figure 7.2 – Specific health services would like to deliver

7.7 Of the organisations planning to deliver social care, 43% intend to provide education, while 14% plan to provide advice or counselling. Nearly a tenth (8%) will provide transportation services, while fewer will provide long-term accommodation (6%) or family / day centres (5%). This contrasts with the current picture, where – as is the case with social care – the most commonly provided service is advice / counselling (42%), followed by a quarter who provide education. Currently transportation services account for a similar proportion of social care provision (8%), while long-term accommodation accounts for 4% and family / day centres account for 13%. However, again it is worth noting that this analysis is based on only 14 respondents (unweighted).

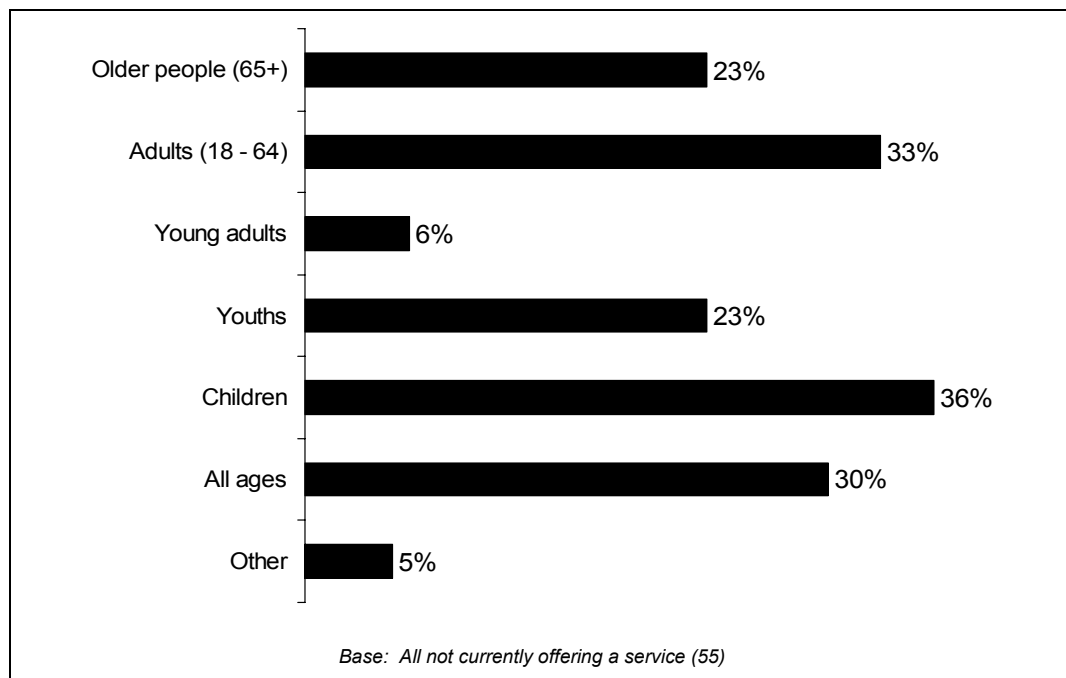
Figure 7.3 – Specific social care services would like to deliver

Base: All not providing and would provide social care service (14)

** Note small base size*

Existing clients of future service providers

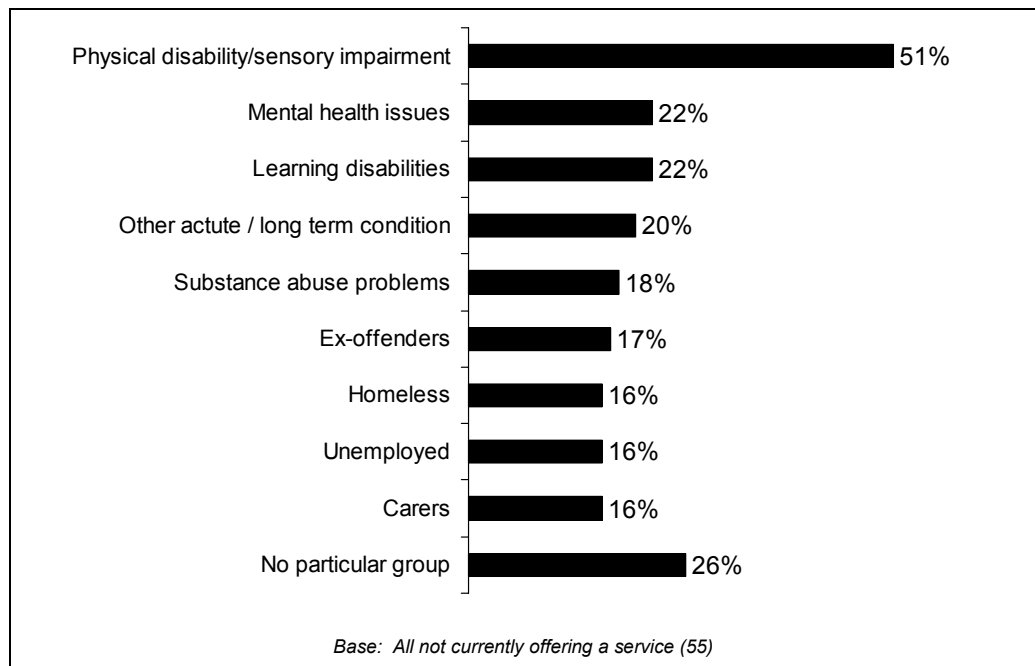
- 7.8 Over a third (36%) of future service providers' current funding, research or advocacy activities relate to children, while nearly as many (33%) operate for the benefit of adults aged 18-64. Meanwhile, more than a quarter (29%) benefit youths or young adults and a further 30% of future service providers benefit clients of all ages. (See Figure 7.4.)

Figure 7.4 – Age groups benefiting

7.9 Organisations that are planning to offer social care are more likely to benefit a younger client base than those planning a health care service: of those planning social services, 58% said their current activities benefit mainly children and 36% said youths, while 27% of those planning a health service work primarily with children and 10% with youths.

7.10 Future service providers were also asked about their existing clients' conditions or circumstances. Half (51%) said they currently work with clients who have physical disabilities / sensory impairment (this is more the case for organisations whose work is all health care linked at 70%), while a fifth each works with clients who have mental health needs (22%) or learning disabilities (22%). Slightly fewer have clients with substance abuse problems (18%), or who are ex-offenders (17%), homeless (16%) or unemployed (16%). A further 16% of the organisations work with carers, while a quarter (26%) of respondents' clients have no defining condition.

Figure 7.5 – Client group condition or circumstance of future service providers



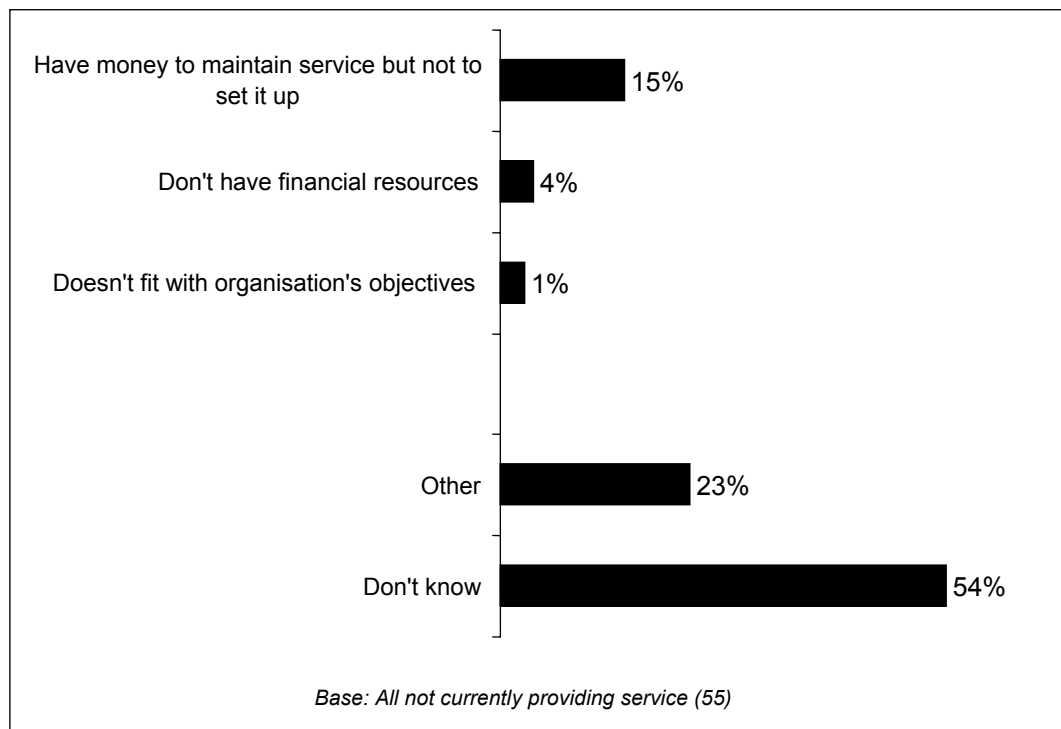
- 7.11 Organisations that are planning to deliver social care are more likely to say that their clients have no defining condition compared to those that are planning to deliver health care services (41% cf. 12%).
- 7.12 Future health service providers are more likely than future social service providers to serve clients with a physical disability or sensory impairment (65% cf. 33%), a substance abuse problem (23% cf. 6%), AIDS / HIV (21% cf. 1%) or a mental health need (29% cf. 10%). They are also more likely to work with those who are unemployed (21% cf. 2%), ex-offenders (21% cf. 3%) or carers (23% cf. 3%).

Reasons for not currently delivering services

- 7.13 Over half (54%) of future service providers were not able to explain why they were not currently delivering services. Furthermore, none of the 34 future service providers who said they had a service expansion outlined in their business plan were able to provide reasons why they currently were not providing services. One might speculate that these organisations were set up to raise funds for a particular purpose and have to date distributed those funds to service providers or directly to clients and that the possibility of delivering services was not considered at the outset.

- 7.14 Fifteen per cent of future service providers said they do not provide services because, while they have the financial resources to maintain a service, they do not have the initial funds to set it up. Over a quarter of organisations (28%) in the lowest income group (<£50k) cited this as the reason for not providing services. Only 4% of respondents said they do not provide services because they do not have the funds generally, while 3% said it was because they lack the human resources.
- 7.15 Only 1% of TSOs said they did not currently deliver services because it did not fit with their organisations' objectives, which implies that the lack of service delivery is not due to a fundamental aversion to the delivery of services.

Figure 7.6 – Reasons not currently providing services



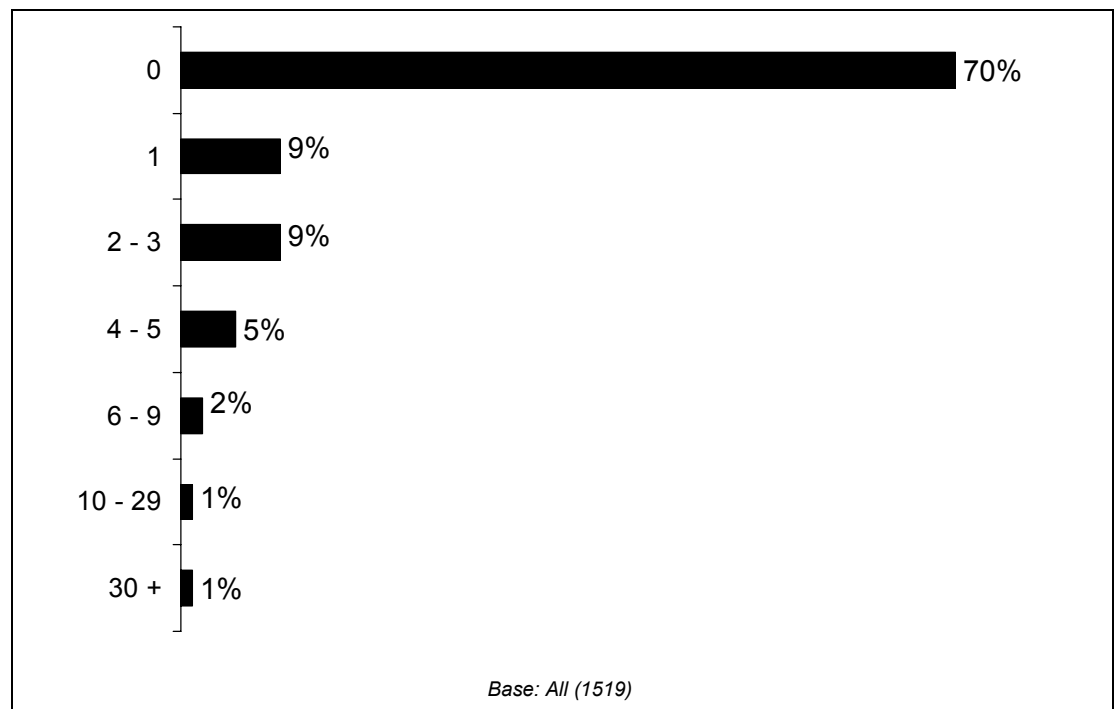
8 Tendering

This section looks at the tendering experiences of TSOs, including actual tendering in the previous year. It examines situations where organisations wanted to tender but did not and explores the reasons why.

Likelihood of tendering

8.1 There is relatively little tendering activity among the TSOs, with only 30% of respondents reporting that they had tendered for work in the previous year.

Figure 8.1 – Number of services tendered for in the previous year



8.2 The figure is even lower for organisations with low levels of income: less than one in five (19%) of organisations with an annual income of less than £100k had submitted a tender in the previous year, as did only one in seven (14%) of those with incomes of less than £50k.

8.3 Smaller and larger organisations (with fewer than 25 workers or with more than 100 workers) are less likely than mid-sized organisations (those with between 25-100 workers) to have submitted a tender (18% cf. 38%).

- 8.4 Of the organisations that said they could not increase their service over their current level, less than one in ten (9%) had submitted a tender in the previous year. However, even among those who said they could provide much more, only one third (34%) had submitted a tender.

Number of tenders submitted

- 8.5 Of those organisations that had tendered in the previous year, 29% had tendered only once and nearly three-quarters (74%) had tendered on fewer than six occasions. At the other end of the scale, seven per cent had submitted 10 or more tenders.
- 8.6 Smaller organisations tend to submit fewer tenders: 39% of organisations with fewer than 25 workers tendered for one service, compared to 25% of mid-sized (25-100 staff) and 13% of large organisations (over 100 staff members). Similarly, 38% of organisations with less than £100k income and 32% of organisations with less than £1m income tendered just for one service.

Table 8.1: Number of tenders submitted in previous year by income

Number of tenders	Total (col %)	Under £100k (col %)	£100k-£999k (col %)	£1m-£5m (col %)	Over £5m (col %)
1	29% (3300)	38% (1250)	32% (1850)	8%(100)	15% (40)
2-3	29% (3200)	25% (800)	32% (1800)	33% (450)	19% (50)
4-5	16% (1750)	15% (500)	18% (1000)	13% (180)	5% (10)
6-9	5% (600)	3% (90)	8% (450)	3% (40)	10% (30)
10-19	4% (350)	2% (50)	4% (200)	5% (70)	11% (30)
20+	3% (350)	6% (170)	-	10% (130)	17% (50)
Mean	9	6	4	7	15

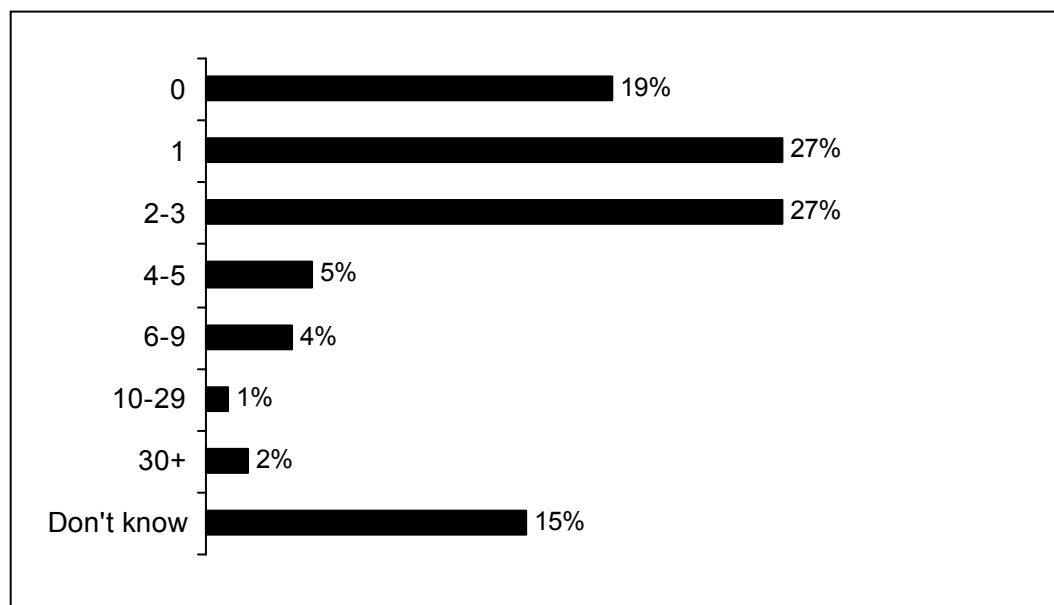
Base=All tendering in previous year (579)

- 8.7 Tendering TSOs submitted an average of nine tenders in the previous year (this figure becomes 7.7 when one organisation that submitted a very large number of tenders is excluded). The largest organisations (those with over £5m in income) submitted fifteen, on average, while the smallest (those with less the £100k in income) submitted only six.

Success in tendering

- 8.8 TSOs are generally fairly successful in tendering, although we are unable to compare TSOs' success rate with their private sector counterparts. However, TSOs' overall success rate, based on the number of services awarded as a percentage of the services tendered for, was 60%. That is, for every two unsuccessful tenders, there were three successful ones.
- 8.9 The success rate is somewhat higher for health care providers (65%) and for organisations that provide both health and social care (68%) than it was for social care providers (54%). It is also higher for organisations that have provided their services for more than ten years (65%) compared to those that have operated for less than five years (29%) or five to ten years (48%)
- 8.10 Mid-sized organisations (with between 25-100 workers) tend to have a higher success rate (64%) than the larger or smaller organisations (at 49% and 58% respectively).
- 8.11 Among organisations that had tendered, 66% were successful at least once (see Figure 8.2).

Figure 8.2 – Number of contracts awarded

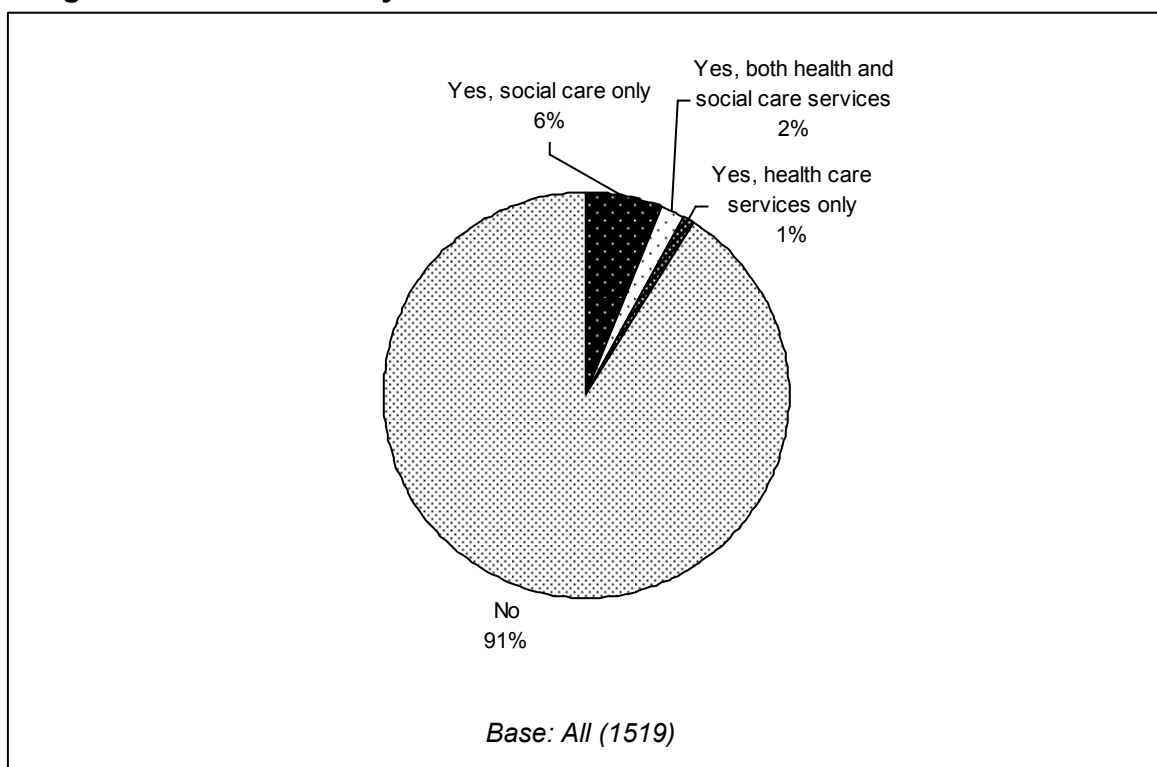


Base: All tendering organisations (579)

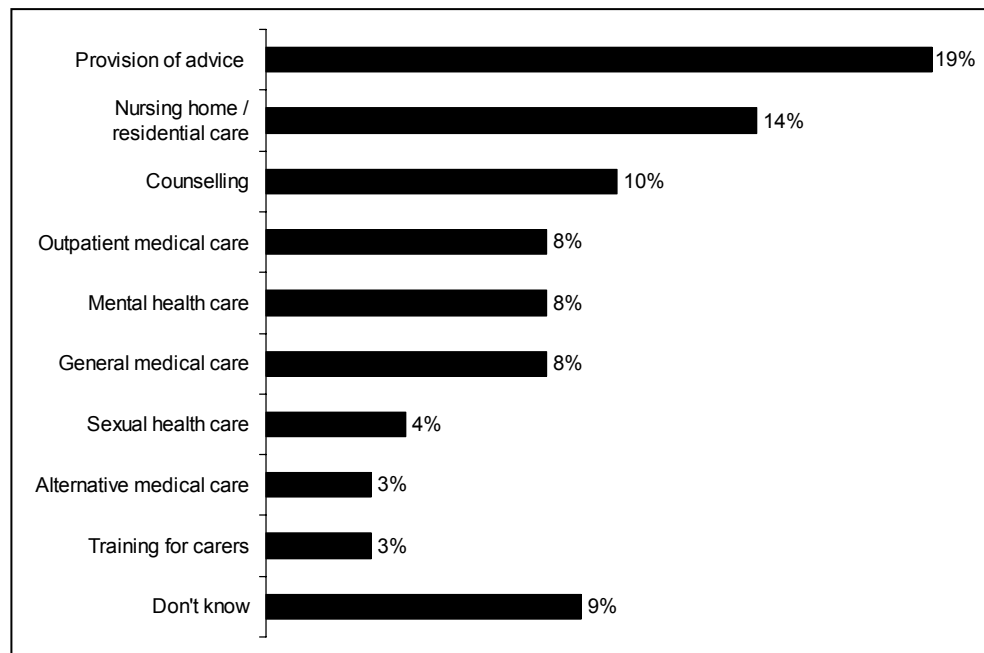
Services for which organisations wanted to tender

- 8.12 The vast majority of respondents (91%) said they did not feel they had missed any tendering opportunities in the previous year.
- 8.13 This figure was even higher for organisations that said they were not planning to expand (96%), for organisations with an international scope (99%), and for those in the smallest income band (94% of those with less than £100k in income). Of the organisations that said they could not provide any more services, none said that there were services they had wanted to tender for but did not.
- 8.14 However, this leaves a small but important minority (9%) of organisations that said there were services that they had wanted to tender for in the previous year but for which they did not. One per cent said there were health services they wanted to tender for, 6% said there were social care services, and 2% said there were both health *and* social care services which they wanted to tender for but did not.

Figure 8.3 – Whether any services wanted to tender for

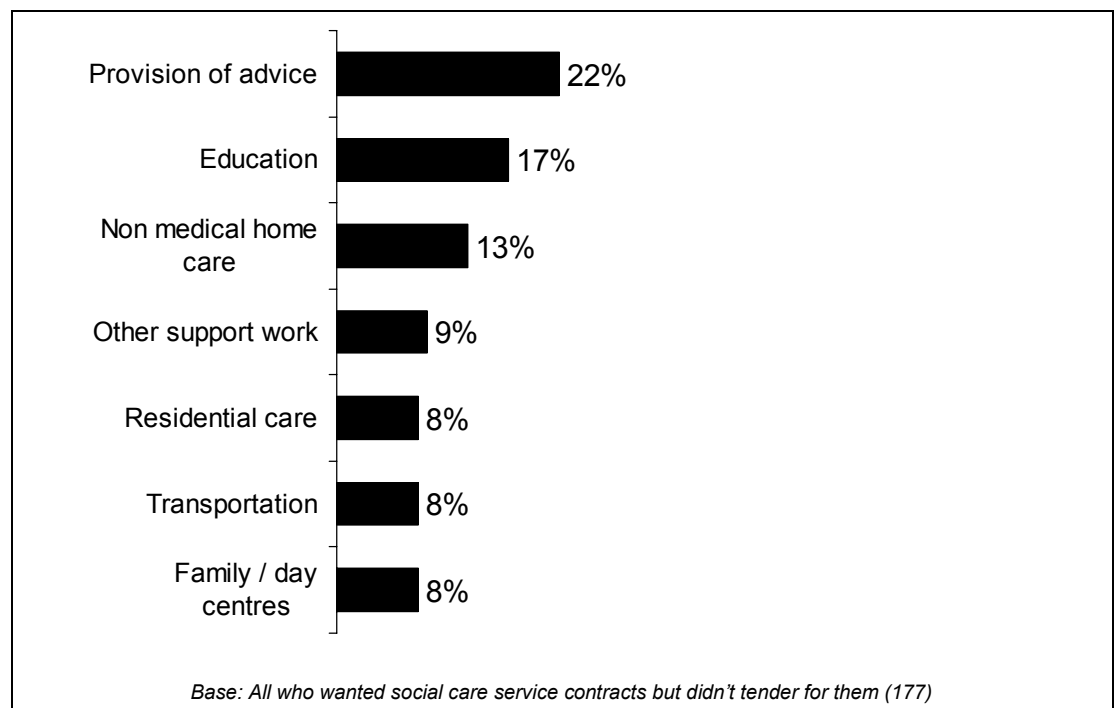


- 8.15 Of the organisations that had wanted to tender for health services but did not, 19% said that one or more of the tenders related to the provision of advice, 14% to nursing home or residential care, 10% to counselling services, and just one in twelve (8%) to mental health services and general medical services.

Figure 8.4 – Health care services wanted to tender for but did not

Base: All who wanted health service contracts but did not tender (79)

8.16 Of the organisations that wanted to tender for social care services but did not, 22% wanted to tender for advice provision and 17% wanted to tender for education services, while 13% wanted to tender for non medical home care services. Around a tenth (9%) wanted to tender for other support work (e.g. community, peer and housing support).

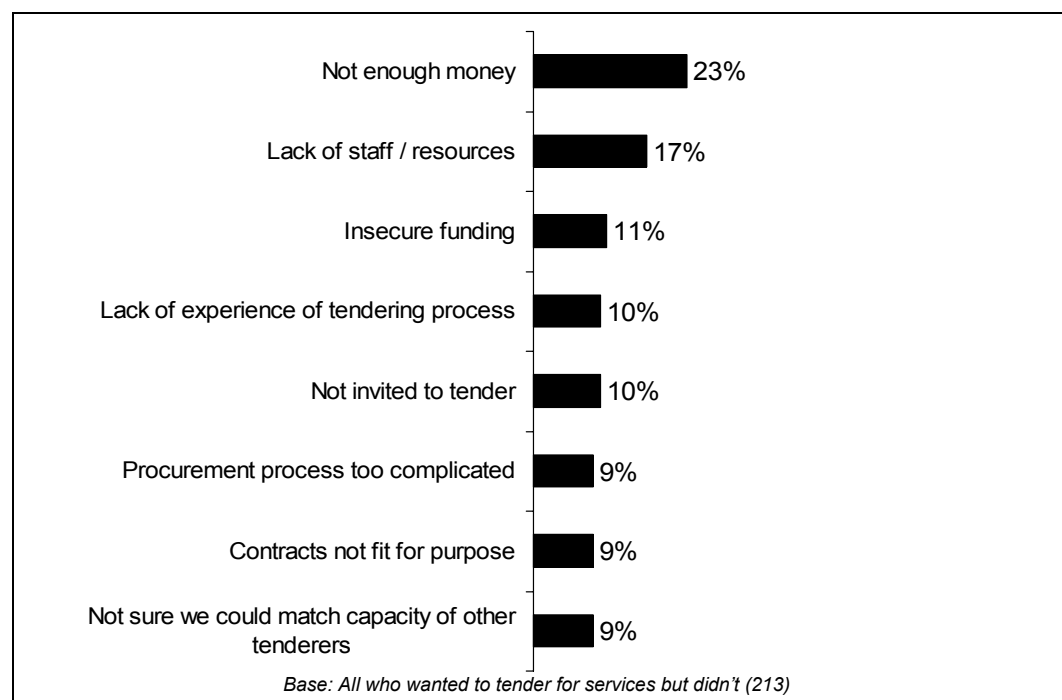
Figure 8.5 – Social care services wanted to tender for but did not

Base: All who wanted social care service contracts but didn't tender for them (177)

Reasons for not tendering

- 8.17 When asked why they had not tendered for these services, respondents gave a range of unprompted answers. Only one in ten said they were not invited to tender (10%).
- 8.18 Instead, the most common reasons related to a lack of resources: 23% said they did not have enough money generally to tender, 17% reported a lack of staff or other resource issue, and a further 11% cited insecure funding.
- 8.19 Other less commonly cited reasons for not tendering related to the process itself: 9% of organisations said the procurement process was too complicated and the same percentage said the contracts were not fit for purpose.
- 8.20 In other cases, the reason related to the capability of the organisation itself: 10% said that they lacked experience in the tendering process (10%) and 9% were unsure that they could match the capacity of other tendering parties.
- 8.21 Organisations with fewer than 25 workers were more likely than larger organisations to say that their general lack of money was an obstacle (29% cf. 16% for mid-sized organisations and 20% for large organisations).

Figure 8.6 – Reasons for not tendering



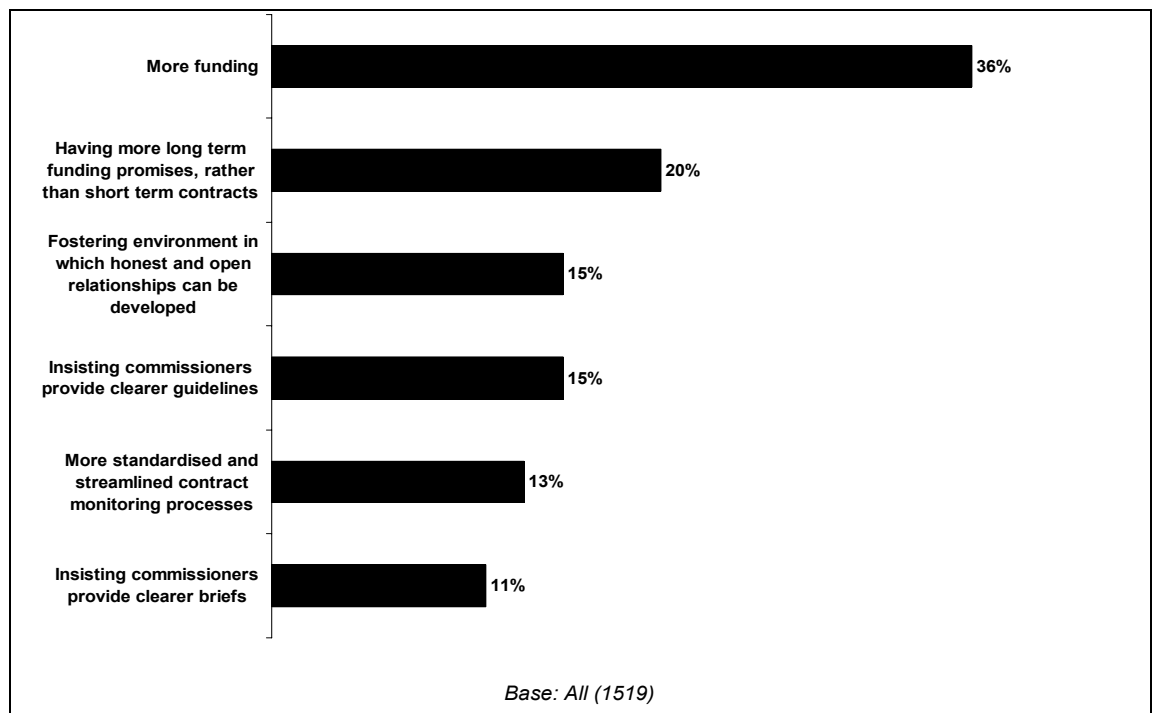
- 8.22 Organisations that had provided their service for between five to ten years were more likely than more established service providers to say that they felt that the tenders were poorly advertised or that there was a lack of information about them (13% cf. 2%). This response was not offered by any of the newest TSOs.

Government initiatives that would facilitate tendering

- 8.23 Third Sector organisations were asked what sorts of things the government could do to facilitate TSOs' ability to tender for services. This was an open-ended question; that is, responses were not prompted. A high proportion of TSOs (84%) offered at least one initiative that they felt the government could do to improve the tendering process.
- 8.24 Over a third (36%) of TSOs felt that more funding from the government would improve their ability to tender for and provide services. Organisations that delivered health care services exclusively and those that delivered both health and social care were more likely to cite this response, at 46% and 43% respectively, compared to those whose focus was solely social service delivery (32%). More established organisations (those that had provided services for more than ten years) were also more likely to say that the government should provide more funding, at 42% (cf. 22% for those providing services for five to ten years, and 18% for the least established service providers).
- 8.25 A further one in five respondents (20%) felt that the government should help to ensure that contracts offered longer-term funding. Those organisations that delivered both health and social services felt this was more important than did social service providers or health service providers (33% cf. 16% and 15%, respectively.) This was also the case for less established organisations: two in five (39%) of those providing the service for less than five years offered this response, compared to half as many of the more established organisations (19%).
- 8.26 Fifteen per cent of organisations suggested that government should help to foster an environment where TSOs are more able to develop open and honest relationships with commissioners, with providers of both health and social care services citing this more often (32%) compared to providers of solely health or social care services at 9% each. Organisations that felt they could provide much more service were also more likely to state this (18% cf. 10% of those that could provide a bit more service and 2% of those that could not provide any more service than their current level).

- 8.27 A further 15% of respondents wanted government to insist commissioners provide clearer briefs / ITTs and guidelines. This was again higher for providers of both health and social care services (26%), compared to social service providers (8%) and health care providers (12%). It was also higher for organisations with UK-wide geographical coverage (24%) compared to those with a narrower geographical scope (11% for local and 8% for regional), and those with an international scope (10%).
- 8.28 Thirteen per cent of respondents said they would like to see more standardised and streamlined contract monitoring processes and procedures. This was higher for organisations offering both health and social service delivery (26% cf. 5% for health care service providers and 11% for social service providers).
- 8.29 While only 1% overall cited 'less red tape' as a response, 29% of the largest (over £5 million income) organisations said this.

Figure 8.7 – Government initiatives to help TSOs



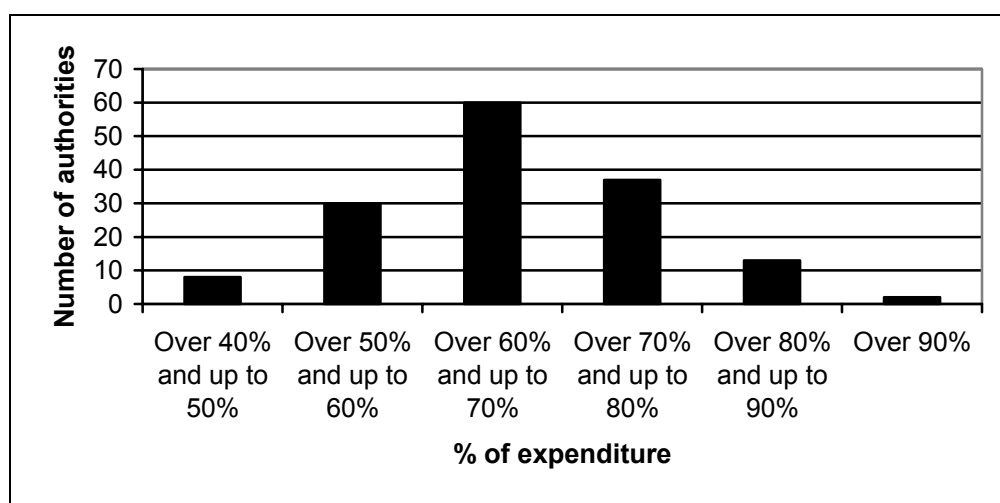
9 Local Authority commissioning of adult social services from the Third Sector

This section looks at Local Authorities' perspective on the commissioning of services from external providers, and more specifically their commissioning of Third Sector providers for delivery of adult social services.

Commissioning of services from external providers

- 9.1 The Information Centre for health and social care collects information on Local Authorities' total expenditure on social services and how much of this is spent on services delivered by external providers. External providers include Third Sector providers, private sector providers, and public sector providers other than the commissioning Local Authority.
- 9.2 Local Authorities' gross expenditure on adult social services in 2004/05 amounted to nearly £14bn. This equated to an average spend per authority of £91 million, although the largest spent over four times this amount.
- 9.3 Over two thirds (68%) of this expenditure was on services provided by others. However, there was considerable variation between authorities in the proportion of externally-delivered expenditure – ranging from 41% in the City of London to 92% in Hertfordshire (see Figure 9.1).

Figure 9.1 – Expenditure on services provided by others



- 9.4 The proportion was similar across the main service areas, with the exception of services to adults aged under 65 with learning difficulties, a higher proportion of which were provided by others (79%).

- 9.5 Our research provided supplementary information on Local Authorities' tendering practices and on the commissioning of services from Third Sector providers specifically.

Commissioning of services from Third Sector providers

- 9.6 Whilst the majority of expenditure on adult social services is on services provided by others, relatively little goes to Third Sector providers, with most Local Authorities spending between one and ten per cent of their overall funding on Third Sector provision. This is outlined in Table 9.1.

Table 9.1 – Expenditure on services provided by TSOs as a percentage of total expenditure in 2004/05

	Services for older people	Services for adults with a physical disability / sensory impairment	Services for adults with learning difficulties	Services for adults with a mental health need	Other adult services
Base (all giving valid answer)	57	57	58	58	50
None	-	2%	3%	2%	8%
1-10%	65%	65%	60%	53%	50%
11-20%	12%	12%	9%	24%	8%
21-30%	5%	2%	2%	5%	4%
31-40%	7%	7%	3%	-	4%
41-50%	2%	-	9%	3%	2%
51-60%	-	2%	-	-	8%
61-70%	-	-	2%	-	2%
71-80%	-	-	2%	-	2%
81-90%	-	2%	-	-	-
91-100%	-	2%	3%	3%	2%

- 9.7 The figures in Table 9.1 were combined with information for 2004/05 from the PSS/EX1 return to determine what these proportions meant in terms of actual funding levels, as well as how much this was as a proportion of (i) the total expenditure by Local Authorities on adult social services and (ii) the funding spent by Local Authorities on adult social services provided by others. (These figures are only estimates and should be treated as such, as Local Authorities were asked to select from the ranges shown in Table 9.1, rather than give point values; and not all authorities responded to the survey.)

- 9.8 The total spent by all Local Authorities in 2004/05 on services provided by TSOs was estimated to be £1.5bn. This equated to 11% of total expenditure and 16% of expenditure on services provided by others.
- 9.9 This is considerably lower than the figure of £2.8bn reported in Chapter 4 for the amount of funding that TSOs said they received from local authorities for social care services. Some of the difference arises from the fact that the local authority reported figure excludes social services for children and families. However, there still appears to be either some under-estimation using the LA-reported information and/or some over-estimation using the TSO-reported information.
- 9.10 Expenditure on TSO services as a percentage of total spend ranged from 10% for services for older people to 19% for 'other adult social services'. As a percentage of expenditure on services provided by others, the figures ranged from 12% for services for older people to 30% for 'other adult social services'.
- 9.11 Whilst TSOs deliver a relatively low proportion of services for older people, this client group accounts for 43% of Local Authority expenditure on services provided by TSOs. Services for older people and adults with learning disabilities together accounted for nearly three quarters (73%) of TSO delivery.

Table 9.2 – Estimated financial spend on services provided by TSOs in 2004/05

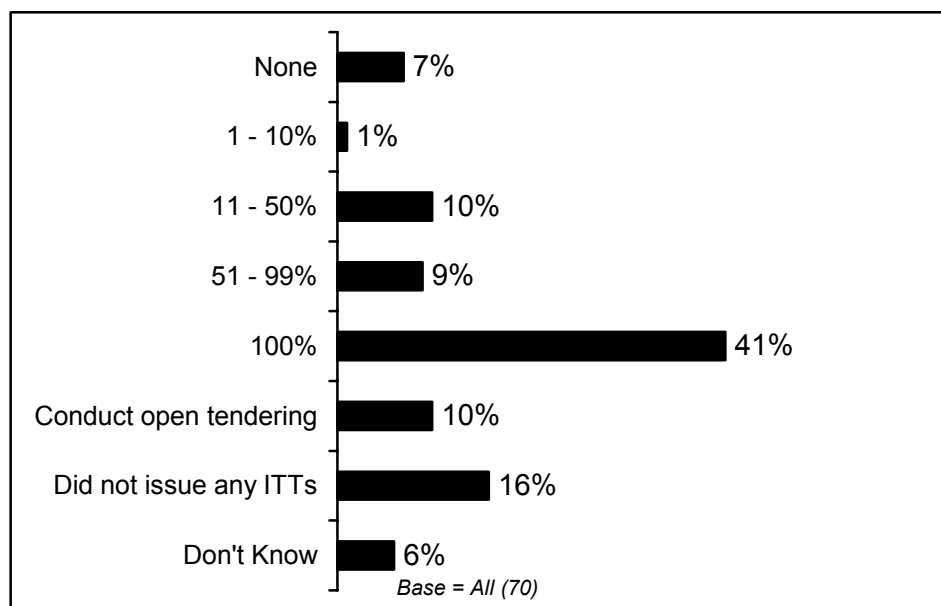
	Services for older people	Services for adults with a physical disability / sensory impairment	Services for adults learning difficulties	Services for adults with a mental health need	Other adult services	All adult social services
Base (all giving valid answer)	60	60	61	61	53	
Total spend by all LAs (£m)	6,473	1,182	2,684	951	629	11,911
Total spend by LAs on services provided by others (£m)	5,473	808	2,323	644	406	9,654
Total spend on TSO services by all LAs (£m)	633	139	433	136	122	1,463
% of expenditure on TSO services across all service areas	43%	10%	30%	9%	8%	100%
% of total expenditure within service area	10%	12%	16%	14%	19%	11%
% of expenditure on services provided by others within service area	12%	18%	19%	21%	30%	16%
Average spend on TSO services per LA (£m)	4	1	3	1	1	10

Tendering activity - Local Authorities

9.12 Nearly nine in ten Local Authorities had issued at least one invitation to tender (ITT) to external organisations for adult social care services in the past year, while half had issued between one and five ITTs. The average was 11.

- 9.13 Local Authorities reported operating in a similar fashion towards tendering TSOs as they do towards tendering private sector companies. They said they give no favours or handouts to TSOs, and they expect them to adhere to the same targets and levels of service provision they expect of a private sector provider.
- 9.14 Less than half of the invitations to tender (ITTs) issued by the Local Authorities included a third sector organisation (five out of every eleven ITTs.) There was considerable variation between authorities in the proportion of tendering exercises that included TSOs. Only 7% of Local Authorities stated that they did not invite any TSOs to tender. Two in five (41%) stated that they had invited one or more TSOs to tender in every case, with a further 10% conducting open tendering (See Figure 9.2).
- 9.15 In the small number of cases where TSOs were not invited to tender for any of the service contracts, a few Local Authorities said it was because according to their knowledge there were no TSOs in their area offering this service.
- 9.16 Where TSOs were successful, it was because they represented the best value, met the tendering requirements or had the right experience. Several LAs spoke of using a quality / price ratio to determine overall value.
- 9.17 Conversely, in cases where TSOs did not win the contract, it was because they were viewed as expensive, they simply did not meet the requirements or they did not offer the best quality / price ratio. Another much less frequently cited reason related to TSOs providing poor submissions, which the LAs thought was due to a lack of tendering experience.

Figure 9.2 – Proportion of tendering exercises in which TSOs were invited to bid (% of local authorities)



Local Authorities transferring services to TSOs

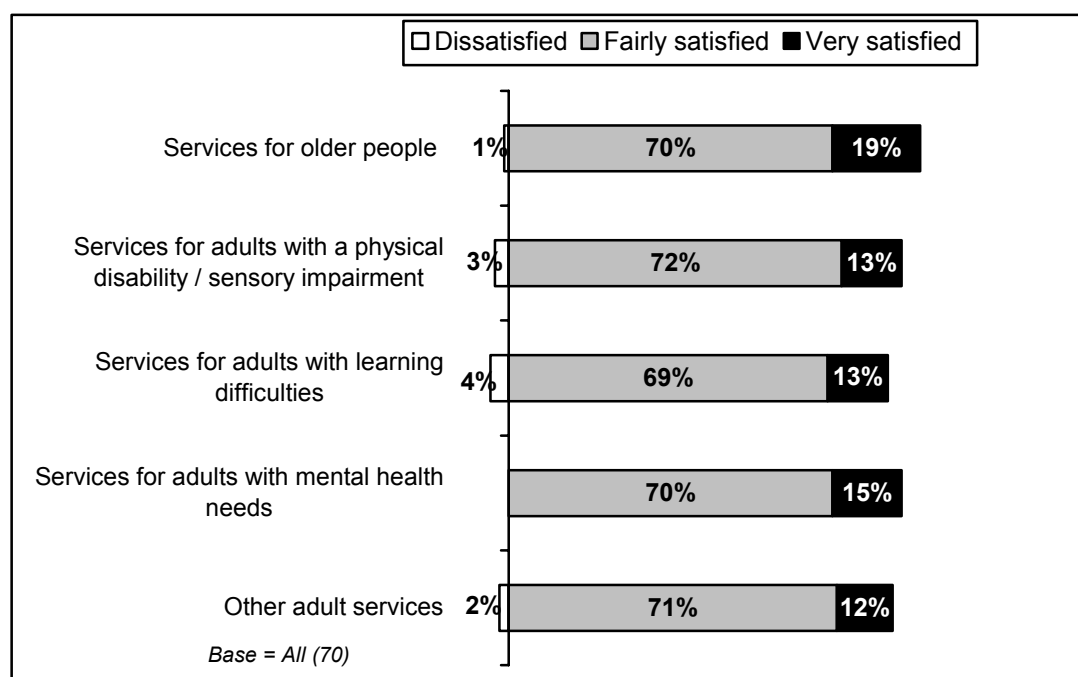
- 9.18 This section looks at the issues that face LAs in transferring adult social services to external (and specifically TSO) providers.
- 9.19 Large proportions of Local Authorities have been transferring work to external providers. Three in five (62%) had transferred some adult social care services to external providers in the past three years. Moreover, of the 34% who had not transferred services to external providers, many noted that this was because the transfer had taken place more than three years ago.
- 9.20 While the majority of authorities had transferred services to the Third Sector, a higher proportion had transferred services to the private sector. Almost all (90%) of the Local Authorities that had transferred work to one or more external providers had done so to at least one private sector organisation, while two-thirds (64%) had transferred services to at least one Third Sector organisation in the past three years.

- 9.21 Many Local Authorities reported that staffing issues – and more specifically, complying with the specifications outlined in TUPE¹ – had proved to be a barrier in the transfer of services to external providers. However, several LAs stated that they had faced no problems in the transferral of adult social services to external providers.
- 9.22 Over two-thirds (70%) of the LAs that had transferred services said they did not underwrite the services.
- 9.23 One in five Local Authorities said that there were adult social care services that they would like to transfer to others, but for which they were unable to find providers. While there was considerable variation among the Local Authorities in terms of which services these would be, a few cited low dependency services that prevent hospitalisation, such as home care and meals on wheels, while others cited residential care for older people.

Local Authorities' views of TSOs' service provision

- 9.24 This section examines Local Authorities' satisfaction with the services that TSOs provide, and looks at how service delivery performance is assessed.
- 9.25 Local Authorities were generally well-disposed towards their existing Third Sector providers. The majority of respondents stated that they were satisfied with the adult social care services provided by TSOs (see Figure 9.3) and saw them as offering some benefits over private providers.

¹ TUPE - TRANSFER OF UNDERTAKINGS (PROTECTION OF EMPLOYMENT) is a piece of legislation outlining regulations that protect the rights of employees in a transfer situation, enabling them to enjoy the same terms and conditions, with continuity of employment, as they had formerly. This was first introduced by the EU in 2003 and then revised in 2006.

Figure 9.3 – Levels of satisfaction with services provided by TSOs

Note: Those stating neither satisfied nor dissatisfied and don't know have been excluded from this base

- 9.26 Overall levels of satisfaction were higher than 80% for all five service areas. Local Authorities were most satisfied with the services that TSOs provided for older people, for which 9 in 10 (89%) rated themselves very or fairly satisfied with the service.
- 9.27 Many respondents felt that the Third Sector was able to provide a high quality service that was both flexible to the authority's changing demands and responsive to the needs of the client group. Third sector providers were also seen as offering good value for money and/or competitive prices when compared to other external service providers. Some Local Authorities had already developed good working relationships with TSOs, which contributed to their level of satisfaction.
- 9.28 A very small number of respondents cited lack of experience and inflexibility among TSOs from whom they had commissioned services as leading to dissatisfaction with their performance. However, for some Local Authorities their dissatisfaction with TSOs was not related to their delivery of services, but rather resulted from a specific problem that had arisen when dealing with one, such as refusal to re-negotiate a contract.

Local Authorities' performance assessment systems

- 9.29 Local Authorities employed a variety of techniques to maintain the quality of services provided by others: 89% stated that they had tools or systems in place to monitor the quality and value added by their adult social services providers.
- 9.30 Almost all LAs had some form of contract monitoring or review processes, which took a variety of forms: service user feedback was a very important means of monitoring services provided by others, usually in the form of satisfaction surveys or tracking complaints. Some Local Authorities also carried out spot checks and inspections. Some LAs mentioned using a variety of performance indicators; however, they did not specify what form these took.
- 9.31 Smaller proportions of Local Authorities monitored the performance of their external service providers by having review meetings with them and a small number of LAs said they used CSCI² reporting as a means for measuring how well external providers were performing. Other internal forms of quality monitoring/assessment were also used by a few Local Authorities.

² CSCI (Commission for Social Care Inspection) - The CSCI is an independent body which, among other things, inspects social care services for councils – see <http://www.csci.org.uk/>.

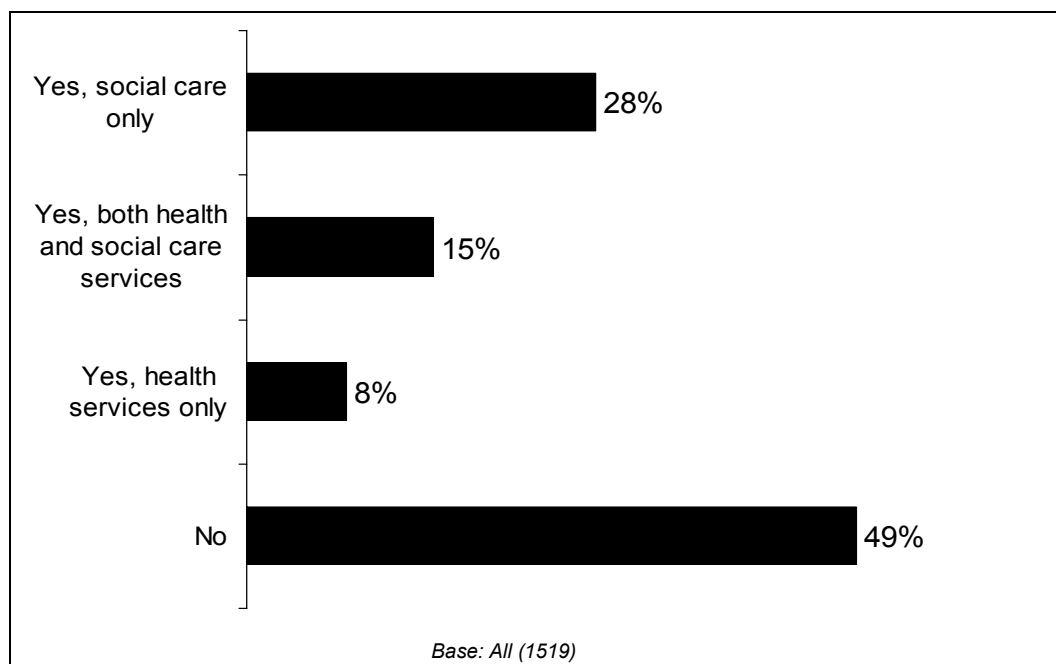
10 Added Value

This section looks at the value that TSOs feel they add to health and social service provision in England as well as examining those services that they feel they would be better able to deliver than existing providers.

Services that organisations felt they were better able to provide

- 1.1 Half of the respondents (51%) feel that there are services that they would be better able to deliver than the current providers: 28% feel that this is the case for some social care services, 8% feel it applies to some health services, and 15% feel they could better provide both some health *and* some social care services.

Figure 10.1 – Whether TSOs feel better able to provide services

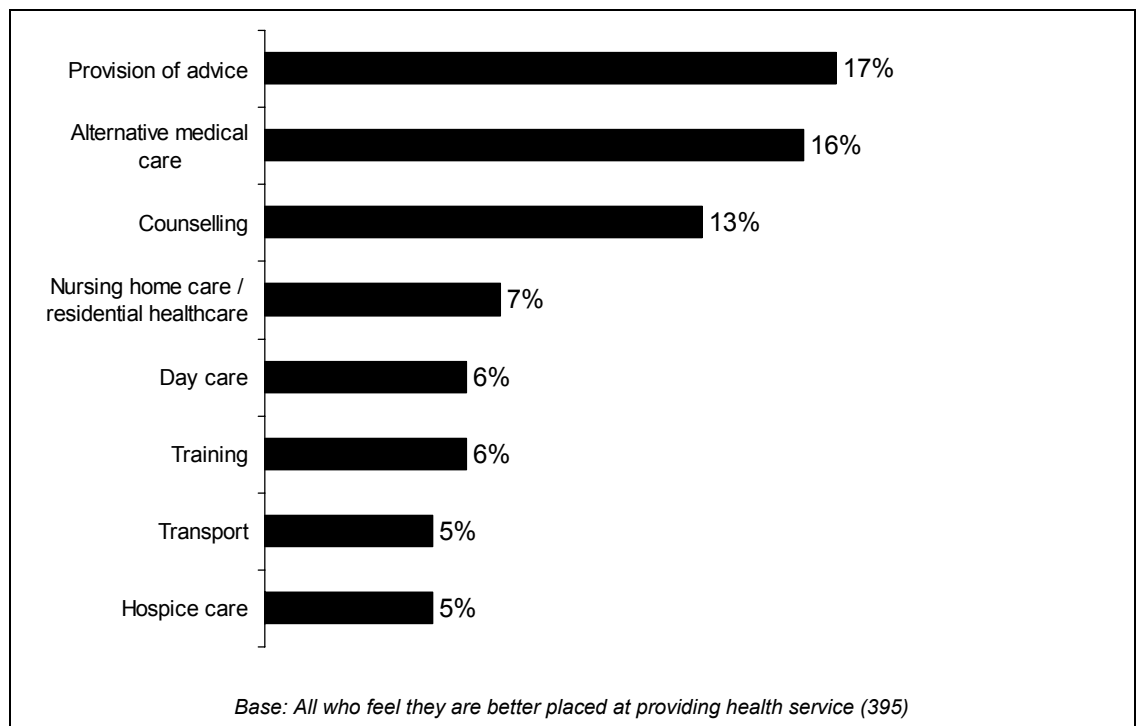


- 10.2 Organisations with an England-wide scope are slightly more likely to feel that there are services they would be better able to provide, at 59%. About half of region-wide (52%), locally-focussed (51%) and international TSOs (46%) also felt that there were services they would be better placed to provide, while only 38% of UK organisations said the same.

Specific health care services TSOs feel better able to provide

- 10.3 The health services referred to by TSOs that they feel better placed to provide were the provision of advice (17%), “alternative” medical care (16%) and counselling (13%). (See Figure 10.2).
- 10.4 National organisations are more likely to say they are better placed to provide residential health care compared to organisations with a narrower geographical focus (10% cf. 2% of local organisations and 1% of regional organisations). This is also the case for day care provision (14% cf. 3% of local organisations and 1% of regional organisations).

Figure 10.2 – Specific health services TSOs feel better able to provide

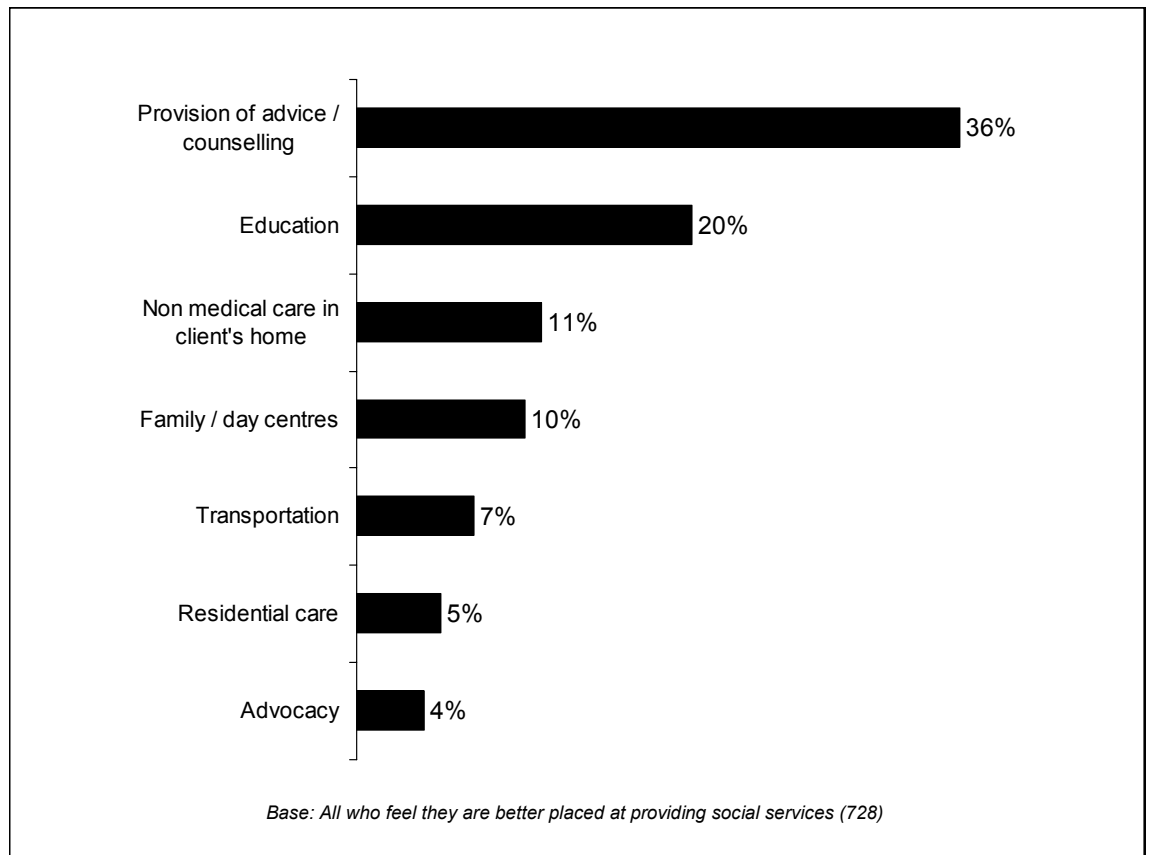


- 10.5 Just under a third (29%) of small organisations (in terms of size of workforce) feel they are better able to provide alternative medical care, compared to only 4% of mid-sized and 2% of large organisations. Small and mid-sized organisations are also more likely to feel better able to provide counselling services compared to the largest organisations (10% and 19% cf. 5%, respectively).
- 10.6 A higher proportion of organisations with smaller incomes feel better able to provide equipment than larger organisations (9% cf. 1% of the larger organisations).

- 10.7 On the other hand, a higher proportion of large organisations (over 100 workers) feel better able to provide hospice care (14% cf. 6% for the smallest organisations and none of the mid-sized organisations) and those with the largest income think they are better able to provide nursing home or residential health care (23% of those with over £5m income and 19% of those with £1m-£5m income cf. 4% of the smaller organisations).

Specific social care services TSOs feel better able to provide

- 10.8 Over a third (36%) of respondents who feel better able to provide social care services say this applies to the provision of advice. Twenty per cent feel they could provide better education services, and a tenth each feel they would be well placed to provide non-medical home care (11%) and family / day centres (10%).
- 10.9 The smallest organisations (with less than £100k income) are more likely to feel they could better provide education services than their larger counterparts (28% cf. 15% of those with £100k-1m, 12% of those with £1m-£5m and 13% of those with more than £5m).
- 10.10 Smaller organisations also feel better able to provide advice or counselling, at 42% and 35% for those with less than £100k income and £100k-1m income respectively, compared with 18% of larger organisations.

Figure 10.3 – Specific social care services better able to provide

Why TSOs feel better able to provide health services

10.11 Among the organisations that feel better able to provide health services, nearly three in five (58%) said it is because of their specific knowledge, expertise and experience. A further 37% believe they understand the needs of the client group better, and 30% cited their established community links as providing an advantage over current providers.

10.12 Other commonly cited reasons for being better able to provide health services relate to the structure and nature of TSOs: a quarter (26%) said that their independence and freedom from processes inherent in larger organisations makes them better able to provide these services, while 22% feel that they are able to provide a more flexible service than current providers.

10.13 Mid-sized organisations with £100k-£1m income are somewhat more likely to cite nearly all of the advantages reported by respondents, compared with other sizes of organisations. They are even more likely than the smallest organisations to feel that they have freedom from the processes inherent in larger organisations (41% cf. 18%). They are also more likely to feel that they have established community links (at 43%, compared to 17% of the smallest organisations and 22% of larger organisations).

Why TSOs feel better able to provide social services

10.14 Overall, the reasons that TSOs feel better able to provide social services are similar to the reasons they feel better able to provide health services.

10.15 Over half (56%) of the respondents who feel better able to provide social services think it is because they have specific knowledge, expertise and experience. A further 40% believe they understand the needs of the client group better, while 30% cited their established community links as providing an advantage over current providers.

10.16 Other commonly cited reasons included their ability to provide a more flexible service (19%) and their independence and freedom from processes inherent in larger organisations (16%).

10.17 In contrast with health care providers, organisations with larger workforces (over 100) are more likely than smaller organisations to say that they are able to provide a more flexible service (31% cf. 17% for the smallest and 20% for mid-sized organisations).

10.18 Those organisations with the highest income (over £5m) are more likely to feel that they could offer a more cost-effective service at 34% compared to 14% of the smallest organisations, 18% of those with £100k-£1m, and 8% of those with £1m-£5m). They are also more likely to feel that they could offer more innovative solutions (29% cf. only 7% of smaller organisations).

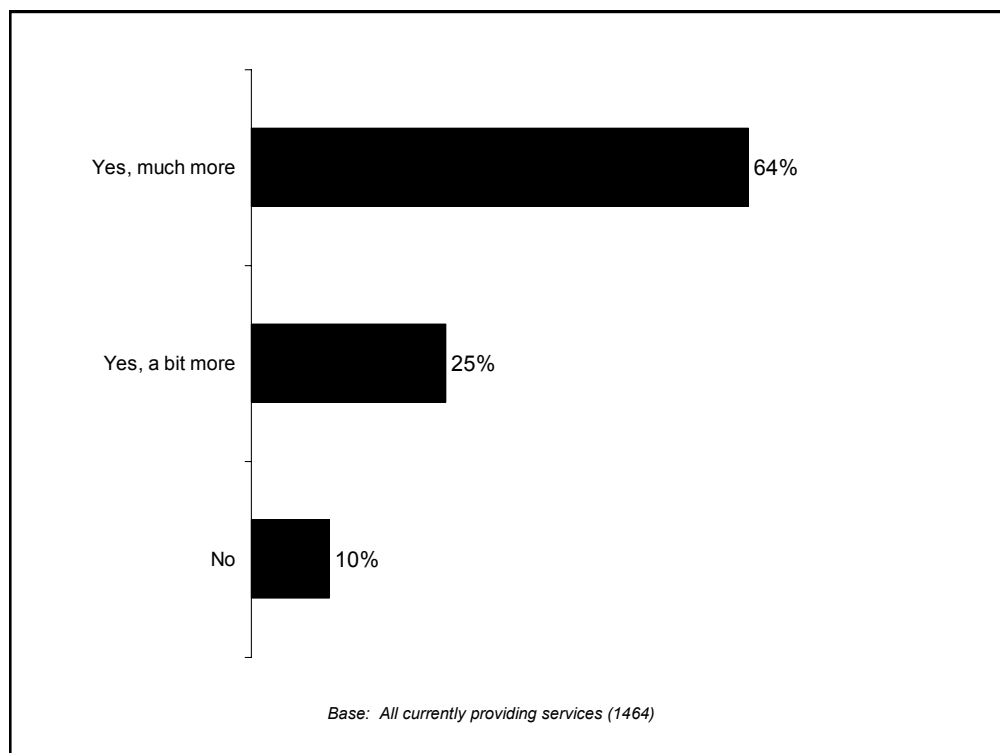
10.19 Organisations with less than £1m income are twice as likely as larger organisations to cite established community links as providing an advantage over current providers (31% cf. 14%).

11 Potential Provision

This section looks at TSOs' potential to take on more service provision. It also examines their actual plans to expand and the factors that would encourage even greater expansion

- 11.1 A high percentage (89%) of organisations feel that they could provide more service than they currently do if the demand from users and funding from commissioners existed. Not only that, but 64% feel they could provide much more service than they currently do.

Figure 11.1 – Whether TSOs could provide more service if demand and funding existed



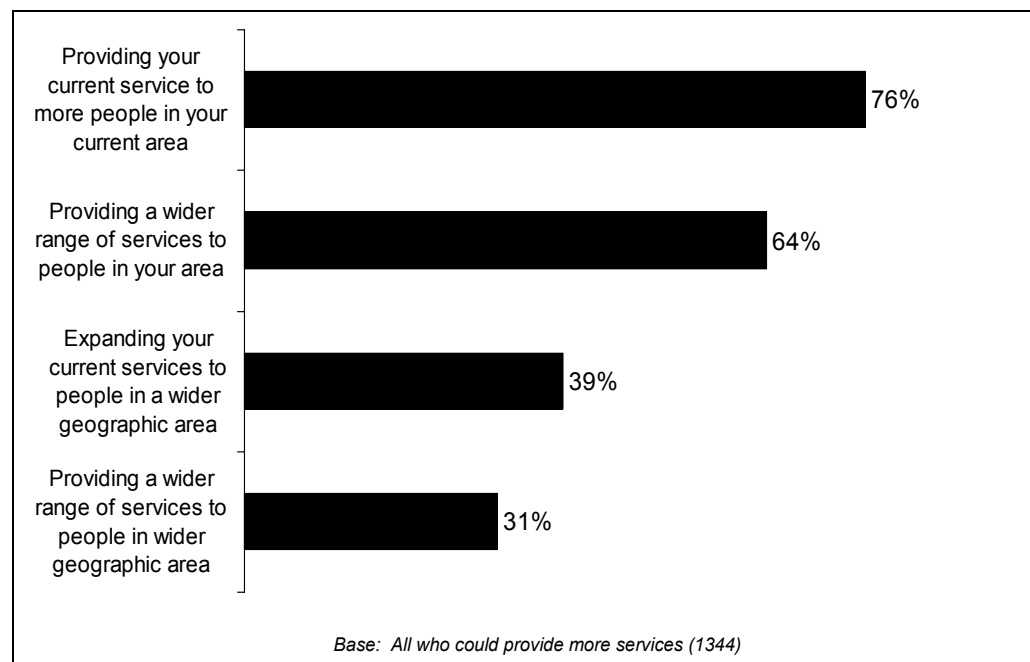
- 11.2 Organisations that provide health care and those that provide both health and social care are more likely to feel that they could provide *much* more service compared to social care providers (72% and 73% cf. 63%).
- 11.3 Organisations with the highest income (more than £5m) are less likely than smaller organisations to say that they could provide more service than they currently do even if the demand and funding existed: only two-thirds (67%) said they could provide more services, compared to 88% of the smallest organisations, 94% of those with £100k-£1m, and 93% of organisations with £1m-£5m.

- 11.4 Organisations with a higher ratio of employees to volunteers were more likely to say they could expand, with 69% of organisations with less than 1:1 volunteers to employees saying this compared with 36% of organisations made up entirely of volunteers.

Type of expansion that could be achieved

- 11.5 Three-quarters (76%) of organisations that say they could provide more service if the demand and funding existed believe they could deliver their current service to more people in their current area. Sixty-four per cent say they could provide a wider range of services to people in their current area, 39% say they could expand their current services to a wider geographical area (this is 74% for those with an England-wide focus); and a further 31% said that they could provide a wider range of services to people in a wider geographic area (twice as many international organisations said this, at 63%).
- 11.6 Larger organisations (with more than 100 workers) are more likely to say they could provide a wider range of services to people in their current area (83% cf. 75% of mid-sized organisations and 74% of organisations with fewer than 25 workers).

Figure 11.2 – Ways in which TSOs could expand if demand and funding existed



Business planning for expansion of service delivery

- 11.7 While respondents were asked whether they felt they *could* provide more services (i.e. potential provision), it was also important to establish whether they have expansion actually outlined in their business plan in order to provide a firmer indicator of likely service delivery growth among TSOs.
- 11.8 Although 89% of organisations feel that they would be able to offer more services than they currently do, only three in five (57%) of those organisations actually have an expansion outlined in their business plan.
- 11.9 Of those organisations that felt they could provide more services, those engaged solely in social service delivery or in health and social service delivery are more likely to be planning an expansion than those engaged solely in health service delivery (58% cf. 44%).
- 11.10 Three-quarters (76%) of the TSOs providing health care assessment and care management are planning to expand, as are 71% of advice providers, compared with just 42% of those providing “alternative” medical care and 48% of those providing general medical care.

Table 11.1: Whether expansion planned, by type of health service provided

	Total (col %)	Advice (col %)	Alternative medical care (col %)	Equipment services (col %)	Assessment/ care management (col %)	General medical care (col %)	Hospice care (col %)
Yes	58% (7700)	71% (300)	42% (800)	56% (600)	76% (700)	48% (300)	68% (350)
No	42% (5500)	29% (100)	58% (1100)	44% (500)	24% (200)	52% (300)	32% (200)

Base=All health care service providers (654)

- 11.11 TSOs providing non-medical home care are most likely to be planning to expand, at 85% compared with just 47% of those providing play and leisure activities (See Table 11.2).

Table 11.2: Whether expansion planned, by type of social service provided

	Total (col %)	Advice / counselling (col %)	Education (col %)	Transport- ation (col %)	Non- medical homecare (col %)	Family / day centres (col %)	Play / leisure activities (col %)	Meals on site (col %)
Yes	60% (18000)	70% (8700)	68% (5200)	54% (1300)	85% (2300)	67% (2700)	47% (1700)	67% (1100)
No	40% (11200)	30% (3900)	32% (2400)	46% (1000)	15% (400)	33% (1300)	53% (1900)	33% (550)

Base=All providing social care service and could expand

11.12 Mid-sized organisations (in terms of both workforce and income) are more likely to have an expansion outlined in their business plan (see Table 10.3). Over three quarters (78%) of those with an income of £1m-£5m plan to expand as do 68% of those with £100k-£1m; this is in contrast to 47% of organisations with less than £100k and 54% of organisations with in excess of £5m.

11.13 Less established organisations (those which have been providing their services for less than 5 years) are also more likely to be planning an expansion: 82% of the newer organisations said they had firm plans to expand compared to 55% of organisations that have operated for five to ten years, and 57% of those that have operated for more than ten years.

Table 11.3: Whether expansion planned, by number of workers and income

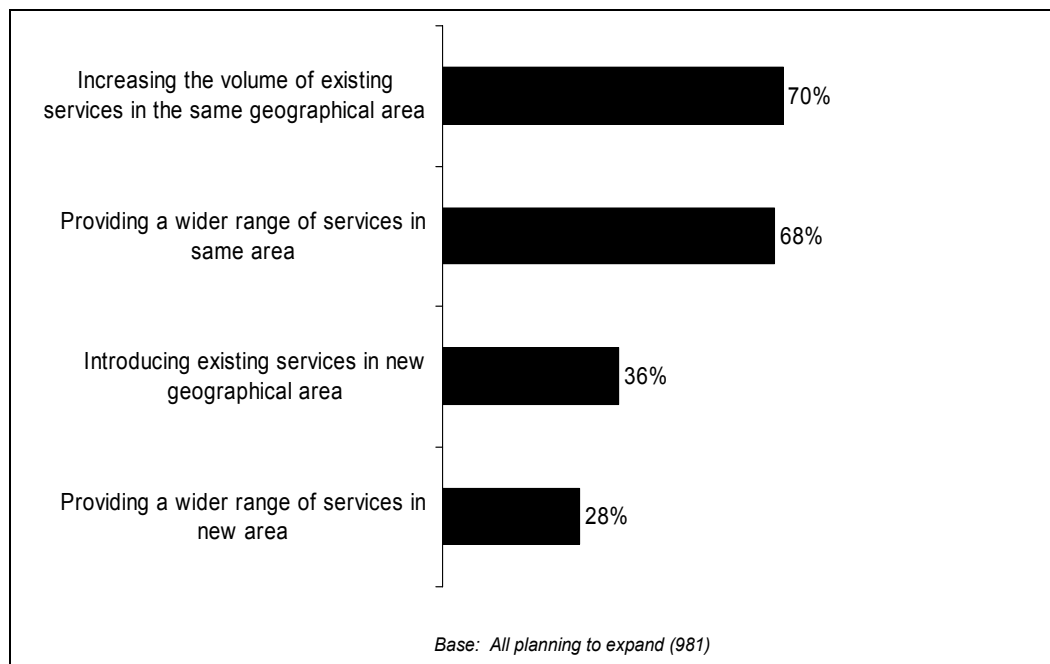
	Total	<25 workers (col %)	25-100 workers (col %)	>100 workers (col %)	<£100k income (col %)	£100- £999k income (col %)	£1m- £5m income (col %)	>£5m income (col %)
Yes	57% (20800)	48% (9100)	67% (8500)	64% (3200)	47% (8000)	68% (9400)	78% (2500)	54% (400)
No	43% (15600)	52% (9700)	32% (4100)	36% (1800)	52% (8900)	32% (4400)	21% (700)	46% (400)
Don't know	-	-	1% (100)	-	1% (100)	-	-	-

Base=All (1519)

- 11.14 Among the organisations that say they could provide much more service than they currently do, 71% have actually made plans to increase their service provision, whereas only 43% of those who feel they could provide a bit more service say the same.
- 11.15 Those who could provide much more service and have plans to increase their service provision in their business plan are more likely to provide social care than health care services (75% cf. 68%). They are also more likely to be larger organisations with incomes of above £1m (£1m - £5m income 85%; over £5m 82%).
- 11.16 Organisations planning to expand are more likely to cite public sector finance as their main source of funding, at 36% cf. 24% of TSOs not planning to expand. This is particularly true of those whose main source is Local Government (24% cf. 18% not planning to expand).

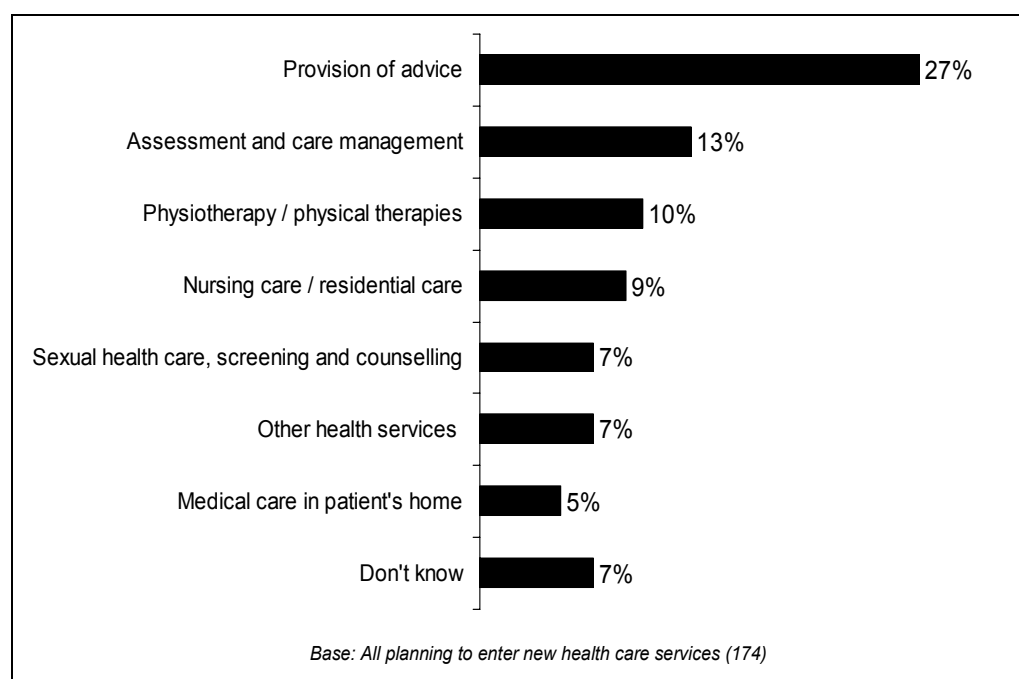
Type of expansion planned

- 11.17 Over two-thirds (70%) of respondents who plan to increase their service provision (as opposed to those that said they *could*) say that this will take the form of increasing the volume of existing services they provide in the geographical area that they currently work in, while a similar proportion (68%) plan to provide a wider range of services in their current area. One third (36%) said they are planning to introduce their current services in new geographical areas, and 28% said they would provide a wider range of services in new geographical areas.
- 11.18 Of the organisations that plan to provide a wider range of services in a new area, nearly half (47%) are planning to provide new social care services, 37% are planning to provide both health and social care services, and 16% are going to introduce new health services.
- 11.19 Among TSOs planning to provide a wider range of services in a new area, those with a UK-wide focus are more likely than local or regionally-based organisations to be planning new health services (37% cf. 14% and 4%), as are organisations with less than £100k in income (26% cf. 11% for organisations with higher incomes).
- 11.20 Organisations with fewer than 25 workers are more likely to be planning new social services than those with a workforce numbering between 25-100 or more than a 100 (56% cf. 42% and 40%).

Figure 11.3 – Type of expansion outlined in business plan

New health services outlined in business plan

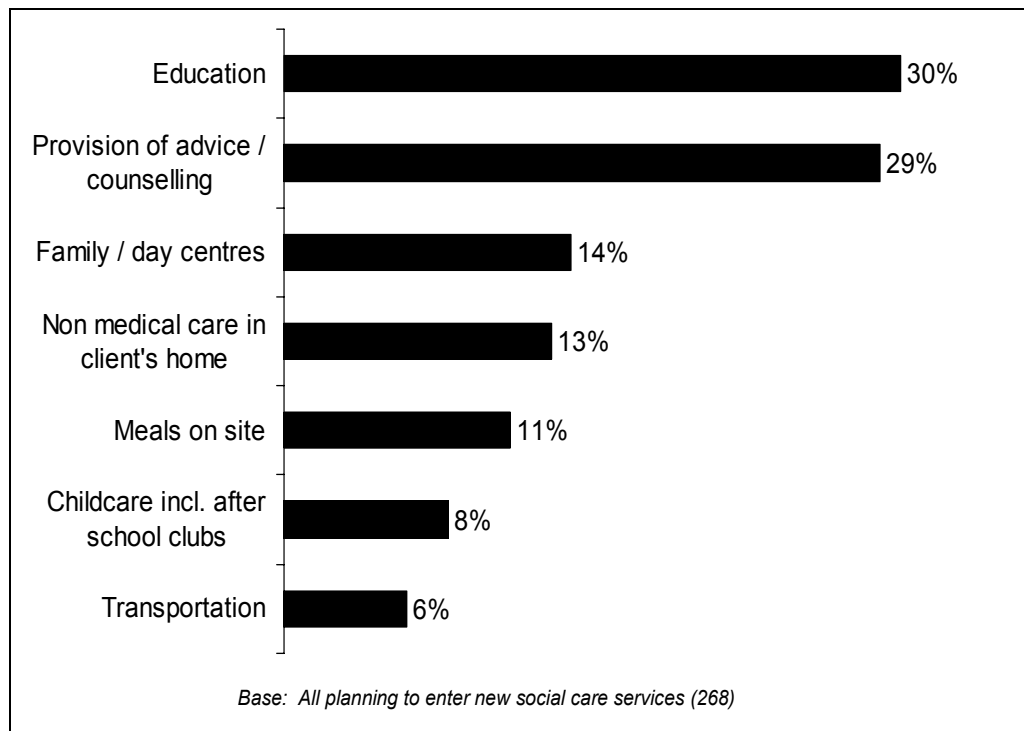
- 11.21 Of the organisations that are planning to provide new health services, a quarter (27%) said they would be providing advice (cf. 37% of health service providers that currently do), 13% said they would be developing assessment and care management services (cf. 6% that currently do), a further tenth (10%) said they would provide physiotherapy / physical therapies (cf. 3% that currently do), and 9% are planning to provide nursing or residential care (cf. 6% that currently do).
- 11.22 Organisations with more than 100 workers are more likely to be planning to provide physiotherapy / physical therapies (34% cf. 2% of the smaller organisations).
- 11.23 Conversely, organisations with fewer than 25 workers are more likely to be planning to provide health advice. Fifty-four per cent of the smallest organisations plan to introduce new advisory services (cf. 19% of organisations with 25-100 workers and 11% of those with over 100 workers). This contrasts somewhat to the current profile of organisations providing advice: 48% of the smallest health care providers offer advice services, as do 24% of those with 25-100 workers and 30% of the largest providers.

Figure 11.4 – New health services outlined in business plan**New social services outlined in business plan**

- 11.24 Of the organisations that are planning to enter new social care services, a third (30%) are planning to provide education, 29% are planning to provide advice, 14% are planning to introduce new family or day centres, 13% are going to provide non-medical home care, and a tenth (11%) plan to provide meals on-site.
- 11.25 This broadly corresponds with the existing picture of social care provision by TSOs, as 25% currently provide education, 13% offer family / day centres, 9% deliver non medical home care and 6% offer meals on site. However 42% of social care organisations currently provide advice (cf. 29% that plan to), which indicates a reduced focus by TSOs on advisory services.
- 11.26 While only 1% of social care providers currently offer a meals-at-home service, 5% of TSOs planning to introduce new social care services are focusing on this: a fifth (20%) of organisations with over 100 employees who plan to introduce new social services are going to provide meals in the home (compared to only 1% that currently do), while only 1% of the smaller organisations said the same.

11.27 Similarly, the proportion of large organisations (over 100 workers) that are planning to provide meals on site, non-medical home care and family / day centres is higher than the proportion of smaller organisations planning to do so, and is also higher than the proportion of large organisations currently doing so.

Figure 11.5 – New social care services outlined in business plan



Timescale for expansion

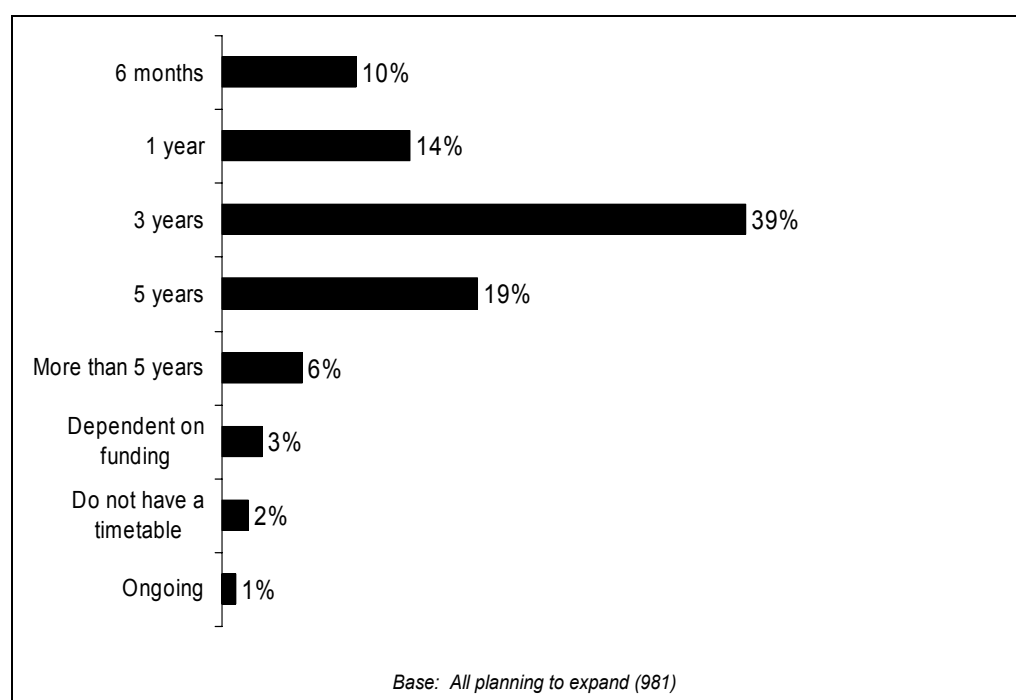
11.28 As shown in Figure 11.6 nearly three in five (58%) TSOs are intending to achieve their planned expansion in the medium term: 39% of respondents said they are going to expand over a three year period while 19% are looking to expand over five years.

11.29 Some organisations are looking to achieve growth over a very short timeframe: a tenth (10%) are planning to expand within six months, while a further 14% are looking to expand over the course of the next year. Only 6% of respondents are planning to expand in the long term (more than five years).

11.30 This means that 63% of the TSOs who have plans to expand are planning to do this within 3 years, and four in five (82%) within 5 years.

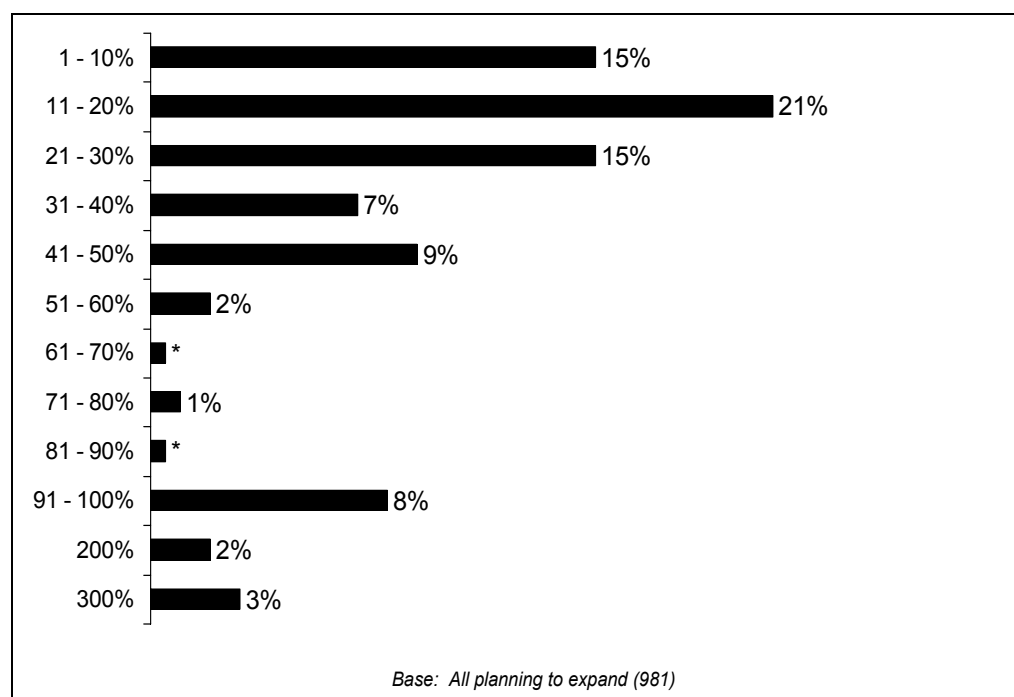
- 11.31 The newest organisations (those having provided services for less than five years) are more likely to be planning to expand within three years, at 84% compared with only 53% of organisations that have provided services for five to ten years, and 62% of the longest established organisations.
- 11.32 Organisations with an England-wide focus are most likely to say that the schedule for their expansion is dependent on funding, at 37% (cf. 1% of local, 2% of regional, 6% of UK-wide organisations).

Figure 11.6 – Timescale for expansion of service delivery



Overall increase in service delivery

- 11.33 On average, those organisations that plan to expand expect this to result in a 44% increase in their overall service provision. However, this figure is pushed up by a minority of organisations anticipating very large increases: 8% plan increases of between 91-100%, and 5% plan increases of more than 100%. The most common level of growth is between 11-20%, which was quoted by a fifth (21%) of organisations with expansion plans.
- 11.34 Organisations with less than £50k income were three times as likely to say they would double or triple their service delivery (as might be expected given they are starting from a lower base). Larger organisations (in terms of both workforce and income) are more likely to be planning conservative (i.e. 1-10%) growth. One in five (21%) organisations with more than 25 workers said they would grow by 10% or less, compared to 9% of the smallest organisations.

Figure 11.7 – Planned increase in service delivery (%)

- 11.35 Information on the scale and timeframe for expansion was used to estimate the growth rate over the next year for each organisation. In turn, this was used in conjunction with information on the current cost of services to estimate the increase in expenditure (in £) over the next year on health and social care services provided by Third Sector organisations (see the Technical Appendix for a fuller explanation.)
- 11.36 Across the Third Sector as a whole, the estimated increase in expenditure amounts to just under **£1bn**.
- 11.37 Organisations that have been offering services for more than ten years account for nearly all (96%) of this increase (£940m), with an average increase of £75k per organisation.
- 11.38 Organisations with £1m-5m in income account for nearly three quarters (73%) of the total increase: £700m. On average, these organisations are planning to increase expenditure on their service provision by £300k (21%). See Table 11.4.
- 11.39 Organisations delivering both social and health care services account for a far greater increase than those only delivering one kind of service (£750m cf. £200m for social care and £24m for health care). However, health care organisations account for a higher average increase per organisation of £112k compared to £62k for organisations delivering social care services.

Table 11.4 Plan increase in expenditure on services over the next year (by income of organisation - £m)

	Total	Under £100k	£100k - £999k	£1m - £5m	Over £5m
Aggregate increase (£m)	1000	40	180	700	60
Average increase per organisation (£'000s)	60	5	20	300	150

11.40 Tables 11.5 and 11.6 show the average anticipated increase by service area for health care and social care provision. In terms of health care, assessment and care management accounts for the largest increase, followed by the provision of advice.

Table 11.5: Average planned increase in expenditure over the next year by health care service (£m)

	Nursing care home	Hospice care	Out patient medical care	Medical care in patients home	Equipment services	Advice	Alternative medical care	Assessment / care management	Health service other
Planned increase (£m)	4	3	5	3	2	28	3	33	100

11.41 The greatest average anticipated increases in social care are accounted for by education, followed by advice / counselling, meals on site and non-medical home care services.

Table 11.6: Average planned increase in expenditure over the next year by social care service (£m)

	Advice / counselling	Edu-cation	Trans portati on	Non medical care in client's home	Meals in home	Meals on site	Family / day centres	Over-night accom-odation	Long term accom-odation	Social service other
Planned increase (£m)	100	150	3	100	6	100	10	3	10	70

Expanding through new partnerships

11.42 Over two-thirds (69%) of organisations who plan to expand their services are intending to seek new partners in order to facilitate this. Whilst the intention was that this question should relate to delivery partners, it is possible that some organisations might have interpreted this as meaning funding partners as well.

11.43 Organisations with a narrow geographical scope are more likely to be planning to develop partnerships (73% of local and 74% of regional organisations cf. 57% of England-wide, 53% of UK-wide and only 28% of international organisations).

Table 11.7: Whether planning to expand through forming partnerships

	Total (col %)	<25 workers (col %)	25-100 workers (col %)	>100 workers (col %)	<£100k income (col %)	£100- £999k income (col %)	£1m- £5m income (col %)	>£5m income (col %)
Yes	69% (14400)	72% (6600)	71% (6100)	56% (1700)	58% (4700)	80% (7500)	62% (1500)	81% (400)
No	26% (5400)	22% (2000)	28% (2400)	33% (1000)	33% (2600)	18% (1700)	37% (900)	19% (100)
Don't know	5% (900)	6% (600)	- (50)	10% (300)	9% (700)	2% (200)	1% (25)	1% (10)

Base=All planning to expand

Motivators for additional expansion

11.44 Three-quarters (74%) of the organisations that are planning to expand feel that they would be motivated to expand even more if they had more funding, while a further 26% would be encouraged by having more long-term funding contracts or grants.

11.45 A tenth (10%) of respondents each feel that having a simpler tendering process or having more open and honest relationships with commissioners would motivate them to expand even more than planned.

11.46 A further 8% said clearer briefs, ITTs and tendering guidelines from commissioners would encourage expansion, and 7% cited less red tape and better communication of tendering opportunities.

11.47 More of the organisations with between £1m-£5m income would be encouraged to expand by having more funding (86% cf. 74% overall) and by having the ability to be a member of a consortium led by a larger organisation (19% cf. 5% overall).

12 Future LA spending on services delivered by TSOs

- 12.1 More than two in five (43%) of the Local Authorities surveyed had set an objective relating to the provision of adult social services by TSOs.
- 12.2 Of these, only 21 were able to provide forecasts for total expenditure on services delivered by TSOs for 2006/07. The number is too low to draw any firm conclusions; as such, the following analysis is to be viewed as indicative only.
- 12.3 Further reservations about the quality of the data stem from the fact that the changes calculated by comparing these forecasts with the estimates of expenditure on TSO services in 2004/05 vary greatly between the 21 Authorities – indeed, in a few cases the forecasts differ markedly from the estimates for 2004/05.
- 12.4 Of these 21 LAs, only 17 were able to provide both projections for 2006/07 and outturn figures for 2004/05, which were necessary for their change in spending to be calculated. Across these 17 authorities, the forecasted expenditure on TSO services in 2006/07 was 6% higher than the estimated expenditure in 2004/05. This equates to annual growth of 3%. This is lower than the planned annual increase in service provision by TSOs of 9%.
- 12.5 Moreover, as reported in chapter 3, Local Authorities currently provide 32% of Third Sector funding for health and social care. Therefore, even given the major uncertainties about the quality of the forecast of LA expenditure, we can be confident that TSOs will not be able to achieve this planned growth through Local Authority funding alone. If this picture is representative of Local Authorities as a whole, then TSOs will need to achieve about 12% growth in funding from other sources.
- 12.6 Even fewer Local Authorities were able to supply forecasts of expenditure on services delivered by TSOs at broad client group level.
- 12.7 The majority of Local Authorities reported a drop in spending on TSO-provided social services for older people: six LAs reported a drop in spending of between 21% and 40%, while an equal number reported decreases in spending of greater than 40%. Only two Local Authorities reported an increase in spending on TSO-provided services for older people: one of 1-10% and the other for 41-50%.

- 12.8 Twelve LAs provided funding figures for services for those with a physical or disability / sensory impairment provided by TSOs. Five reported decreasing the amount they spend by over 51%. Of those reporting an increase, three will be increasing funding by 1-50%, with four increasing by 51%-99%.
- 12.9 Spending change on services for adults with learning difficulties provided by TSOs showed two LAs reporting an increase in spending on services for adults with learning difficulties; these increases were between 11-20% and 31-40% respectively. The other six LAs offering projected spend figures reported a decrease in spending of over 50% between 2004/05 and 2006/07 on such services provided by TSOs.
- 12.10 For services for those with mental health needs provided by TSOs, only one Local Authority was increasing spend on those with mental health needs: this was to be a 31-40% increase. Two were reducing spend in this area by 21%-40%, and a further two were reducing their spending by 61-70% and 81-90% respectively.
- 12.11 With regards to spending on other adult social services, two Local Authorities were halving their spending (reducing by 50%) on services provided by TSOs.
- 12.12 Given the limited number of Local Authorities who were able to supply this information, it is not appropriate to produce forecasts of the overall change in spend for each client group.

13 Technical appendix

Response rates

TSOs

- 13.1 In total 1519 interviews were conducted from the 4,157 bits of useable sample, giving a valid response rate of 49%. The table below shows the overall response rate as well as the valid response rate.

Total in scope of fieldwork	n=3086	%
Interviews achieved	1519	51
Interviews where the respondent refused to complete after starting	86	3
Appointment made for interview with target respondent, but not achieved during fieldwork period	413	14
Refusals	1068	36
Response rate (total achieved/achieved and refused)		49%

Local Authorities

- 13.2 The Local Authority stage of the study was conducted in the same format as a census. All 150 Local Authorities in England that submit a PSS EX1 return were contacted. A total of 70 were completed giving response rate of 47%.
- 13.3 Responding Local Authorities were slightly more likely to spend more on Adult Social Services than non-responding Local Authorities. Based on the data supplied in the PSS/EX1 return, the mean spend on all adult social services by responding Local Authorities was £84.5 million compared to £75 million for non-responding Local Authorities. Similarly responding Local Authorities were more likely to spend higher amounts on adult social services provided by others, as responders' average spend was £67 million compared to £61 million for non-responders.

Calculating estimated value of anticipated increase in services

- 13.4 It was important to try and determine the estimated value of the anticipated absolute increase for each service area. Data from various related questions were used to determine this figure.

- 13.5 Organisations that did not have any expansion in their service delivery outlined in their business plan were given a figure of 0, while for those that had expansion outlined in their business plan were then, the value of this expansion was calculated. An absolute annual increase (AAI) was created for each organisation that was planning to increase its service delivery activities. This was multiplied by the percentage of organisations that had an increase in services outlined in their business plan. This percentage was then multiplied by an annualised total spend figure for the health and social care services they delivered.
- 13.6 This AAI was then spread evenly over the four possible types of increase proposed: increasing the volume of existing services in the same geographical area (expansion A), introducing existing services in new geographic areas (expansion B), providing a wider range of services in the same area (expansion C) and / or providing a wider range of services in a new area (expansion).
- 13.7 Depending upon the type of expansion planned, various calculations were performed to determine the ultimate estimated absolute increase by service area. For individual organisations whose combined value of expansion A and expansion B was greater than 0, this value was proportioned out across their health and social care services according to the total cost of the services they provided. Organisations conducting this kind of expansion were not entering new service areas so their annual increase could be accurately calculated using information about their current service delivery. Organisations' health and social care services were separated so that the service area figures could be calculated.
- 13.8 Those organisations for whom the value of expansion C was greater than zero were split evenly among the social care and/or health care services had chosen to expand into. This process was the same for those organisations who were undertaking expansion D.
- 13.9 These organisational totals were then summed to create AAI on a service level. There were omissions from this calculation. Organisations that were not able to meet each criterion were excluded from these estimations. For example if an organisation did not know the cost of providing services but had planned expansions they would have been excluded from calculations.

**Questionnaire used in interviews with
third sector organisations**

PRIVATE & CONFIDENTIAL

Third Sector Market Mapping
Final

J4188

9 May 2006

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Serial			Card
(101)		(104)	(105)

Ref No			
(106)			(110)

Region	Country	
(111)	(112)	(113)

Office Use only:

Address Label or Written Details	FINAL OUTCOME (CODE ONE(114-115))	
	Respondent interviewed / recruited	
Breakdown during interview		02
Out of quota ()		03
Non qualifier ()		04
Refusal: (SPECIFY)		
Not available in deadline		10
Refto other address / telephone number		11
No contact with resp after 6 tries		12
Unobtainable / dead line / fax number		13
Company closed down		14
Wrong number		15
Other (DESCRIBE)		17
		00

No	Date	Time	Spoke to	Outcome
1				
2				
3				
4				
5				
6				
7				

Please use:

NDC = No Direct Contact DC = Direct Contact NR = No Reply C/B = Call Back
Eng = Engaged

- 1) Good morning / afternoon. My name is _____ and I am calling from IFF Research, an independent research agency, on behalf of the Department of Health. We are conducting a study into how voluntary, community or social enterprise organisations such as yours can play a greater part in providing health or social care services.

We are seeking your organisation's opinions on this issue in order to feed into the work of a Government taskforce, led by the Care Services Minister.

I am looking to talk to a senior member of staff involved in the running of your organisation, such as the Chief Executive, Financial Director or other senior decision maker.

Yes put through	1	GO TO Q2
Hard appointment	2	MAKE APPOINTMENT
Soft Appointment	3	
Refusal	4	CLOSE
No one Available	5	CLOSE

ASK ALL (WHEN SPEAKING TO CORRECT CONTACT)

- 2) Good morning / afternoon. My name is _____ and I am calling from IFF Research, an independent research agency, on behalf of the Department of Health. We are conducting a study into how voluntary, community or social enterprise organisations such as yours can play a greater part in providing health or social care services. (Note: If queried about whether they are providing an actual service) The type of service can vary widely, from providing a newsletter or transportation, to counselling people or providing shelter.

We are seeking your opinions on this issue in order to feed into the work of a Government Task Force, which is being led by the Care Services Minister.

I am looking to talk to a senior member of staff responsible for strategic decisions within the organisation. Can I just check you would be the best person to talk to?

Yes, continue	1	GO TO Q2a
No, transfer and re introduce	2	TRANSFER AND REINTRODUCE – (RE ASK Q2)
Hard appointment	3	MAKE APPOINTMENT
Soft Appointment	4	
Refusal	5	CLOSE

ASK ALL

- 2a) Before we start, can I just check what your job title is?

Chief Executive	1
Financial Director / Director of Finance	2
Chairman	3
Other (Specify)	4

REASSURANCES TO BE USED AS NECESSARY

The research is being carried out on behalf of the Department of Health working with the Third Sector Commissioning Task Force, led by the Care Services Minister.

This work will be strictly conducted according to the Market Research Society's Code of Conduct. The answers you provide will not be attributed to you without your permission.

If you would like to confirm that IFF Research is a bona fide research company, you can call the Market Research Society, free of charge, on 0500 39 69 99.

We can also fax or email a reassurance letter to you if you wish. (Please note they will have also already received a letter by post or email).

If you have any queries about the research, you can contact Robert Alleyne (Research Executive) or Sandy Gamble (Project Manager) at IFF Research on 020 7250 3035.

If you want to speak to someone at the Department of Health, you can contact Chris Gibbins on 0113 2545933.

SCREENING

- 3) Can I just ask, is some or all of the work your organisation does related to health or social care?

Yes, all health care	1	
Yes, all social care	2	
Yes, some health care	3	
Yes, some social care	4	
Yes, both health and social care	5	
No, neither	6	GO TO Q5
Don't know	7	

- 4) Do you actually deliver health or social care services, or do you just provide funding or undertake research or advocacy?

Yes – Health Services only	1	GO TO Q6
Yes – Social Care services only	2	
Yes – Both health and social care services	3	
No, just provide funding or undertake research or advocacy	4	GO TO Q5
Don't know	5	

- 5) And does your organisation plan to deliver health or social care services within the next 3-5 years?

Yes – Health Services only	1	
Yes – Social Care services only	2	
Yes – Both health and social care services	3	
No	4	THANK AND CLOSE
Don't know	5	

- 6) And what geographical area does your organisation cover? MULTICODE OK

In your local area - your town or city	1	GOT TO Q7
Regional but not nationwide	2	GO TO Q6A
England-wide	3	GO TO Q7
UK-wide	4	
International (including England and overseas)	5	
Overseas only	6	IF ONLY RESPONSE, CLOSE
Channel islands only	7	

ASK IF ORGANISATION COVERS REGIONAL AREA (i.e. 6 “2”)

6a) Which English regions does your organisation serve? MULTICODE OK

London	1	
South East	2	
South West	3	
West Midlands	4	
North West	5	
North East	6	
Yorkshire and the Humber	7	
East Midlands	8	
East of England	9	

7) Can I check the size of your organisation in terms of income per annum?
(PROMPT IF NECESSARY)

Less than £50,000	1	
£50,000 - £99,000	2	
£100,000 - £249,000	3	
£250,000 - £499,000	4	
£500,000 - £999,000	5	
£1,000,000 - £1,999,000	6	
£2,000,000 - £4,999,999	7	
£5,000,000 - £9,999,999	8	
£10,000,000 - £19,999,999	9	
£20,000,000 +	10	
Don't know	11	
Refused	12	

And which of the following do you have working in your organisation? (READ OUT)

ASK FOR EACH CODED AT Q8

8) And how many do you have working in your organisation?

	Q8	Q9
Paid employees	1	WRITE IN _____
Volunteers	2	WRITE IN _____

AT Q9 PROMPT WITH RANGES, IF NECESSARY

1-10	1
11 – 25	2
26 – 50	3
51 – 100	4
101 – 200	5
201 +	6
Don't know	7

ASK IF NOT CURRENTLY OFFERING SERVICES (Q4 “4” or “5”)

10) And can we talk about which particular groups of people does your organisation seeks to help? First, can you tell me which age groups you PRIMARILY work with? MULTICODE OK

Older people (aged 65 or over)	1
Adults (aged 18 – 64)	2
Young adults	3
Youths	4
Children	5
All ages / age doesn't matter	6
Don't know	7
Other (specify)	8

10b) And would these clients have any special characteristics? MULTICODE OK

Physical disability / sensory impairment	1
Substance abuse problems	2
AIDS / HIV	3
Mental health needs	4
Learning disabilities	5
Other acute or long term condition (eg cancer, diabetes, autism)	6
Unemployed	7
Homeless	8
Ex-offenders	9
Carers	10
None/no particular group	11
Other (specify)	12
Don't know	13

ASK IF CURRENTLY PROVIDING SERVICE (IF Q4 “1”, “2” or “3”)

11a) Can we talk in more detail about the specific services that your organisation provides? READ OUT... MULTICODE OK

First, can you tell me which age group you PRIMARILY offer your services to?

Older people (aged 65 or over)	1
Adults (aged 18 – 64)	2
Young adults	3
Youths	4
Children	5
All ages / age doesn't matter	6
Don't know	7
Other (specify)	8

11b) And would these clients have any special characteristics? MULTICODE OK

Physical disability / sensory impairment	1
Substance abuse problems	2
AIDS / HIV	3
Mental health needs	4
Learning disabilities	5
Other acute or long term condition (eg cancer, diabetes, autism)	6
Unemployed	7
Homeless	8
Ex-offenders	9
Carers	10
None/no particular group	11
Other (specify)	12
Don't know	13

ASK IF CURRENTLY PROVIDING HEALTH SERVICE (IF Q4 “1” or “3”)

11c) And what health services do you primarily provide for your clients?
MULTICODE OK

Nursing home care	1	
Hospice care	2	
Out patient medical care	3	
Medical care in patient's home	4	
Equipment services	5	
Advice	6	
Alternative medical care (e.g. homeopathic care)	7	
Assessment and care management	8	
Other (specify)	9	
Don't know	10	GO TO Q15

FOR EACH SERVICE CODED AT Q11c :

11d) And how long have you been providing this service?

Less than five years	1	
5 to 10 years	2	
More than 10 years	3	
Other (please specify)	4	
Don't know	5	

IF >1 SERVICE CODED AT Q11c

11e) And in terms of funding, are you able to discuss the funding of your services individually or is it easier to talk in terms of total funding and costs?

Can discuss individually	1	
Can discuss at total level	2	

IF 1 SERVICE CODED AT Q11c OR IF Q11e "2"

11f) What is the full cost per year of providing your health care services?

NOTE: If they cannot give the value per year, write down the value per unit of time (see key)

WRITE IN £	UNIT OF TIME (SEE KEY BELOW)
------------	------------------------------

KEY FOR UNIT OF TIME

Per month	1
Per quarter	2
Per six months	3
Per 2 years	4
Per 3 years	5
Other (write in)	6

11g) Approximately how much funding do each of the following sources provide for the health care services, in sterling? (For each coded 1-5, clarify whether this is a contract or grant)

(READ OUT – MULTICODE OK)

		Contract	Grant
Local Authority	1		
NHS / PCT	2		
Central Government	3		
Joint Local Authority / PCT	4		
Government Agency	5		
Charitable trusts	6		
Individual private purchasers of service / fees for service or renting of space	7		
Private donations	8		
Lottery grants	9		
Other (specify)	10		

ASK IF Q11e “1”. ASK FOR ALL SERVICES CODED AT Q11c

12) What is the full cost per year of providing this service (text sub service from Q11c)?

NOTE: If they cannot give the value per year, write down the value per unit of time (see key)

WRITE IN £	UNIT OF TIME (SEE KEY BELOW)
------------	------------------------------

KEY FOR UNIT OF TIME

Per month	1
Per quarter	2
Per six months	3
Per 2 years	4
Per 3 years	5
Other (write in)	6

12a) Approximately how much funding do each of the following sources provide for this service, in sterling? (For each coded 1-5, clarify whether this is a contract or grant)

(READ OUT – MULTICODE OK)

		Contract	Grant
Local Authority	1		
NHS / PCT	2		
Central Government	3		
Joint Local Authority / PCT	4		
Government Agency	5		
Charitable trusts	6		
Individual private purchasers of service / fees for service or renting of space	7		
Private donations	8		
Lottery grants	9		
Other (specify)	10		

13c) And what social services do you provide for your clients? MULTICODE
OK

Advice / counselling	1	
Education	2	
Transportation	3	
Non medical home care in client's home	4	
Meals in home	5	
Meals on site	6	
Family / day centres	7	
Overnight accommodation	8	
Long term accommodation	9	
Other (specify)	10	
Don't know	11	

FOR EACH SERVICE CODED AT Q13c :

13d) And how long have you been providing this service?

Less than five years	1	
5 to 10 years	2	
More than 10 years	3	
Other (please specify)	4	
Don't know	5	

IF >1 SERVICE CODED AT Q13c

13e) And in terms of funding, are you able to discuss the funding of your services individually or is it easier to talk in terms of total funding and costs?

Can discuss individually	1	
Can discuss at total level	2	

IF 1 SERVICE CODED AT Q13c OR IF Q13e "2"

13f) What is the full cost per year of providing your social care services?

NOTE: If they cannot give the value per year, write down the value per unit of time (see key)

WRITE IN £	UNIT OF TIME (SEE KEY BELOW)
------------	------------------------------

KEY FOR UNIT OF TIME

Per month	1
Per quarter	2
Per six months	3
Per 2 years	4
Per 3 years	5
Other (write in)	6

- 13g) Approximately how much funding do each of the following sources provide for the services, in sterling? (For each coded 1-5, clarify whether this is a contract or grant)

(READ OUT – MULTICODE OK)

		Contract	Grant
Local Authority	1		
NHS / PCT	2		
Central Government	3		
Joint Local Authority / PCT	4		
Government Agency	5		
Charitable trusts	6		
Individual private purchasers of service / fees for service or renting of space	7		
Private donations	8		
Lottery grants	9		
Other (specify)	10		

ASK IF Q13e “1”. ASK FOR ALL SERVICES CODED AT Q13c

- 14) What is the full cost per year of providing this service [text sub from Q13c)?

NOTE: If they cannot give the value per year, write down the value per unit of time (see key)

WRITE IN £	UNIT OF TIME (SEE KEY BELOW)
------------	------------------------------

KEY FOR UNIT OF TIME

Per month	1
Per quarter	2
Per six months	3
Per 2 years	4
Per 3 years	5
Other (write in)	6

- 14a) Approximately how much funding do each of the following sources provide for this service, in sterling? (For each coded 1-5, clarify whether this is a contract or grant)

(READ OUT – MULTICODE OK)

		Contract	Grant
Local Authority	1		
NHS / PCT	2		
Central Government	3		
Joint Local Authority / PCT	4		
Government Agency	5		
Charitable trusts	6		
Individual private purchasers of service / fees for service or renting of space	7		
Private donations	8		
Lottery grants	9		
Other (specify)	10		

14b) NO Q14B

ASK AFTER ALL AREAS OF SERVICE CODED IN Q12c AND Q13c DISCUSSED. ASK IF CURRENTLY PROVIDING SERVICE (Q4 “1-3”)

- 15) Thinking now about the overall level of service you currently provide, could your organisation provide more service than it does now if the demand and funding for it existed?

Yes, much more	1	GO TO Q17
Yes, a bit more	2	
No	3	
Don't know	4	

- 16) And would this increase in service be in terms of... READ OUT. MULTICODE OK

Providing your current service to more people in your current area?	1	
Providing a wider range of services to people in your area?	2	
Expanding your current services to people in a wider geographical area?	3	
Providing a wider range of services to people in a wider geographic area?	4	
Don't know	5	

- 16a) Why wouldn't you be able to?
(READ OUT. MULTICODE OK)

Lack of money	1	
Lack of staff	2	
Inability to train new staff	3	
Lack of IT infrastructure	4	
Lack of technical skill	5	
Inability to provide adequate pensions to staff	6	
Lack of access to public sector pension schemes	7	
Organisation does not want to / has no aspirations to	8	
Reasons external to our organisation	9	
Not enough space	10	
Too much competition / other organisations doing the same work	11	
Other (SPECIFY)	12	

ASK ALL

- 17) And does your organisation have an expansion into [further] (*if currently providing services*) health and / or social care service delivery outlined in your business plan?

Yes	1	
No	2	IF Q4 "1-3" GO TO Q26;
Don't know	3	IF Q4 "4-5" GO TO Q23

IF YES

- 18) What is the time scale for this expansion? PROMPT IF NECESSARY

Within 6 months	1	
Within a year	2	
Within 3 years	3	
Within 5 years	4	
More than 5 years	5	
Don't know	6	
Other (please specify)	7	

- 19) Will this involve seeking new partners?

Yes	1	
No	2	
Don't know	3	

20a) And what sort of expansion have you got planned? Is it... READ OUT;
MULTICODE OK

Increasing the volume of existing services in the same geographical area	1	
Introducing existing services in new geographic areas	2	
Providing a wider range of services in same area	3	
Providing a wider range of services in new area	4	
Don't know	5	GO TO Q22
Other (please specify)	6	

20b) And by roughly what percentage are you planning to increase your service delivery activities overall?

1-10%	1	
11-20%	2	
21-30%	3	
31-40%	4	
41-50%	5	
51-60%	6	
61-70%	7	
71-80%	8	
81-90%	9	
91-100%	10	
Other (specify)	11	

ASK IF NEW SERVICE ACTIVITIES (Q20 "4")

21) What new service areas are you planning to enter?

Health Services only	1	GO TO Q21a
Social Care services only	2	GO TO Q21b
Both health and social care services	3	GO TO Q21a, THEN Q21b
Don't know	4	GO TO 22

- 21a) CODE FOR HEALTH SERVICES. MULTICODE OK
Can you tell me specifically which health service areas you plan to enter?
PROMPT IF NECESSARY

Nursing care or residential care	1	
Out patient medical care	2	
Medical care in patient's home	3	
Provision of equipment	4	
Provision of advice	5	
Alternative medical care (e.g. homeopathic care)	6	
Assessment and care management	7	
Hospice care	8	
Other (specify)	9	
Don't know	10	

- 21b) CODE FOR SOCIAL SERVICES. MULTICODE OK
Can you tell me specifically which social care areas specifically you plan to enter? PROMPT IF NECESSARY

Transportation	1	
Non medical home care in client's home	2	
Provision of advice / counselling	3	
Education	4	
Meals in home	5	
Meals on site	6	
Family / day centres	7	
Overnight accommodation	8	
Long term accommodation	9	
Other (specify)	10	
Don't know	11	

ASK ALL CURRENTLY PROVIDING SERVICES (Q17 “1”)

- 22) What would encourage your organisation to provide even more health or social care services, beyond those which you’ve currently planned?
MULTICODE

Less red tape	1	
Clearer tendering guidelines from commissioners	2	
Simpler tendering process	3	
Clearer briefs / ITTs from commissioners	4	
More open competition / contestability	5	
More funding	6	
Being able to develop a more honest and open relationship with commissioners	7	
Having more long term funding contracts/ grants, rather than short terms contracts	8	
Access to commercial finance	9	
Removing legal restrictions on raising equity finance	10	
Support in developing our quality control procedures	11	
Better communication of tendering opportunities	12	
More standardised and streamline contract monitoring processes and procedures	13	
Being a member of a consortium being led by a larger organisation	14	
Being able to be a subcontractor	15	
Less stringent performance management requirements	16	
Nothing	17	
Other (SPECIFY)	18	
Don't know	19	

ASK IF CURRENTLY NOT PROVIDING ANY SERVICE (Q4 “4”). OTHER GO TO Q23

23) Why don't you provide any health or social care services? MULTICODE OK

Finance / resources		
Don't have the financial resources generally	1	
Have the financial resources to maintain the service, but lack funds to get the service set up	2	
Lack of access to commercial finance	3	
Legal restrictions on raising equity finance	4	
Don't have the human resources	5	
Costs and risks inherent in developing a new service	6	
Don't have the necessary IT equipment	7	
Tendering / contracting		
Lack of experience in the tendering process	8	
Not been successful when tendering	9	
Lost a contract(s)	10	
Never had the opportunity to tender for work	11	
This service is not currently contracted out	12	
Market / organisation		
Concerns over the effects it would have on the rest of this organisation	13	
Lack of demand from clients	14	
Lack of demand from commissioners	15	
Already being done by another organisation (s)	16	
Bureaucratic nature of working with LAs / NHS / government	17	
Does not fit with the aims or objectives of our organisation	18	
Do not want to	19	
Organisation is has been recently set up – not ready yet	20	
Other (specify)	21	
Don't know	22	

ASK IF CURRENTLY DELIVERING SERVICE (Q4 “1-3”)

24) NB: NO Q24

25) What services would you want to deliver, if you could?

Health Services only	1	GO TO Q25a
Social Care services only	2	GO TO Q25b
Both health and social care services	3	GO TO Q25a, THEN Q25b
Don't know	5	GO TO 26

25a) CODE FOR HEALTH SERVICES. MULTICODE OK

Can you tell me specifically which health services you would like to deliver?
PROMPT IF NECESSARY

Nursing care or residential care	1	
Out patient medical care	2	
Medical care in patient's home	3	
Provision of equipment	4	
Provision of advice	5	
Alternative medical care (e.g. homeopathic care)	6	
Assessment and care management	7	
Hospice care	8	
Other (specify)	9	
Don't know	10	

25b) CODE FOR SOCIAL SERVICES. MULTICODE OK

Can you tell me specifically which social care services you would like to deliver?

PROMPT IF NECESSARY

Transportation	1	
Non medical home care in client's home	2	
Provision of advice / counselling	3	
Education	4	
Meals in home	5	
Meals on site	6	
Family / day centres	7	
Overnight accommodation	8	
Long term accommodation	9	
Other (specify)	10	
Don't Know	11	

ASK ALL

26) In the last year:

a) How many services did you tender for? MULTICODE OK

b) And how many were you awarded? MULTICODE OK

		Q26a	Q26b
		No. Tendered	No. Awarded
WRITE IN	1		
DON'T KNOW	2		

ASK ALL

27) Over the last year, where there any health or social care services contracts you wanted to tender for, but didn't?

Yes, health services only	1	GO TO Q30
Yes, social care services only	2	GO TO Q31
Yes, both health and social care services	3	GO TO Q30, THEN Q31
No	4	

30a) Can you tell me which health care areas these were in?

30b) (For each coded) And how many contracts were there in this area that you wanted to tender for? MULTICODE OK

	Q30a	Q30b
Nursing home care or residential care	1	
Hospice care	2	
Out patient medical care	3	
Medical care in patient's home	4	
Provision of equipment	5	
Provision of advice	6	
Alternative medical care (e.g. homeopathic care)	7	
Assessment and care management	8	
Other (specify)	9	
Don't know	10	

31a) And can you tell me which social care areas these were in?

31b) (For each coded) And how many contracts were there in this area that you wanted to tender for? MULTICODE OK

	Q31a	Q31b
Provision of advice / counselling	1	
Education	2	
Transportation	3	
Non medical home care in client's home	4	
Meals in home	5	
Meals on site	6	
Family / day centres	7	
Overnight accommodation	8	
Long term accommodation	9	
Other (specify)	10	
Don't know	11	

32) Why didn't you tender for these services? MULTICODE OK

Tendering / Procurement		
Nobody currently commissioning these services	1	
Procurement process too complicated	2	
Not invited to tender	3	
Contracts not fit for purpose	4	
Not sure we could match the prices of other tenderers	5	
Not sure we could match the capacity of other tenderers	6	
Not sure we could match the quality of service of other tenderers	7	
Lack of experience in the tendering process	8	
Resources / Funding		
Insecure funding	9	
Not enough money generally	10	
Costs and risks inherent in developing a new service	11	
Lack of access to commercial finance	12	
Legal restrictions on raising equity finance	13	
Unable to get the calibre of staff we need to deliver these services (human resources)	14	
Organisation		
My organisation's approach to accountability and best practice in governing will not meet the expectations of public sector partners	15	
My organisation's lack of experience in this sector	16	
Bureaucracy between my organisation and the commissioners of services	17	
Other (SPECIFY)	18	
Don't know	19	

ASK ALL

33) Do you feel that there are services that you would be better placed providing than current providers?

Yes, health services only	1	GO TO Q33a
Yes, social care services only	2	GO TO Q33b
Yes, both health and social care services	3	GO TO Q33a, THEN Q33b
No	4	GO TO Q35

CODE FOR HEALTH SERVICES

33a) Which health services do you think you'd be better able to provide?

Nursing home care or residential health care	1	
Hospice care	2	
Out patient medical care	3	
Medical care in patient's home	4	
Provision of equipment	5	
Provision of advice	6	
Alternative medical care (e.g. homeopathic care)	7	
Assessment and care management	8	
Other (specify)	9	
Don't know	10	

CODE FOR SOCIAL SERVICES

33b) Which social services do you think you'd be better able to provide?

Provision of advice / counselling	1	
Education	2	
Transportation	3	
Non medical home care in client's home	4	
Meals in home	5	
Meals on site	6	
Family / day centres	7	
Overnight accommodation	8	
Long term accommodation	9	
Other (specify)	10	
Don't know	11	

34) Why do you think you are better placed to provide these services?
MULTICODE OK

We are more cost effective	1	
We understand the needs of the specific client group better	2	
Can provide a more flexible service	3	
Can provide a better service in general	4	
Established community links	5	
Independence and freedom from processes inherent in larger organisations	6	
Can have more innovative solutions	7	
Knowledge, expertise and experience	8	
Community ownership through participation	9	
Links with other service providers	10	
Other (SPECIFY)	11	
Don't know	12	

ASK ALL

- 35) Thinking in general terms about how services could be commissioned in the future, what things can the government or commissioning organisation do to help organisations such as yourselves in tendering for and providing care services?
MULTICODE OK

More standardized and streamlined contract monitoring processes and procedures	1	
Insisting commissioners provide clearer guidelines	2	
Insisting commissioners provide clearer briefs/ITTs	3	
More funding	4	
Fostering an environment where organisations like ours are able to develop a more honest and open relationship with commissioners	5	
Having more long term funding promises, rather than short term contracts	6	
Support in developing our quality control procedures	7	
More open competition and contestability	8	
Nothing	9	
Other (SPECIFY)	10	
Don't know	11	

- 36) Is there anything else that you would like to add about your organisation's current capabilities in providing care services?

- 37) And finally is there anything else you would like to add about your organisation's potential in the future to provide care services?

- 38) And what sorts of things would you like to see researched in the future in this area, if anything?

- 39) If the Department of Health was to conduct more research into this area, would you be willing to participate?

Yes	1	
No	2	
Don't know	3	

- 40) And finally, all of your answers are entirely confidential, but if you agree, we would like to pass your answers to the Department of Health on a named basis. Are you happy for us to do this or would you prefer us to report your responses anonymously?

Yes - OK to pass on all	1	GO TO Q41
No – want to remain anonymous	2	REASSURE OF CONFIDENTIALITY

- 41) Take name and confirm contact details:

THANK RESPONDENT AND CLOSE INTERVIEW

I declare that this survey has been carried out under IFF instructions and within the rules of the MRS Code of Conduct.

Interviewer signature:

Date:

Finish time:

Interview Length

mins

**Questionnaire used in survey of
Local Authorities**

Questionnaire

The following questionnaire was used for the Local Authority stage of the survey

Third Sector Capacity Survey - Local Authorities

Private & Confidential

Please answer the questions by putting a tick in the appropriate box or by writing in the space provided.

Thank you very much for your help. Your input is extremely valuable.

SECTION 1 – Adult Social Services Provided by Other Organisations

Q1. What is your job title?

Director of Social Services	<input type="checkbox"/>
Finance Director / Head of Finance	<input type="checkbox"/>
Chief Executive	<input type="checkbox"/>
Commissioning Manager	<input type="checkbox"/>
Other job title: please write in:	<input type="checkbox"/>

Q2. What percentage of funding was made to TSOs in 2004-05?

We are interested in all funding from social services or other parts of the local authority, under contract or SLA arrangements, towards the cost of adult social services. Include capital charges in your calculation if practical.

TSOs are defined as non-governmental organisations whose primary motivation is the desire to further social, environmental or cultural objectives rather than to make profit per se, and who principally reinvest surpluses to further their social, environmental or cultural objectives. They include registered charities, mutual associations and social enterprises. Such organisations may undertake a range of activities including providing support, information, advice, facilities and equipment to service users and/or providers; raising and distributing funds; and undertaking research. They include Councils for Voluntary Services. They are also known as TSOs.

	None	1-10%	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%	Don't know
Services for older people (aged 65 or over)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Services for adults aged 18-64 with a physical disability / sensory impairment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Services for adults aged 18-64 with learning disabilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Services for adults aged 18-64 with a mental health need	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other adult services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q3. How long are your contracts and grants with Third Sector providers, on average?

Only answer if you have contracts or grants with TSOs.

Less than 6 months	<input type="checkbox"/>
Exactly 6 months	<input type="checkbox"/>
More than 6 months, but less than a year	<input type="checkbox"/>
Exactly a year	<input type="checkbox"/>
More than a year, but less than 2 years	<input type="checkbox"/>
Exactly 2 years	<input type="checkbox"/>
More than 2 years, but less than 3 years	<input type="checkbox"/>
Exactly 3 years	<input type="checkbox"/>
Other – please specify	<input type="checkbox"/>
Don't know	<input type="checkbox"/>

Q4. How long are your contracts, grants and agreements with providers who are not from the Third Sector, on average?

Only answer if you have contracts, grants and agreements with providers who are not from the Third Sector.

Less than 6 months	<input type="checkbox"/>
Exactly 6 months	<input type="checkbox"/>
More than 6 months, but less than a year	<input type="checkbox"/>
Exactly a year	<input type="checkbox"/>
More than a year, but less than 2 years	<input type="checkbox"/>
Exactly 2 years	<input type="checkbox"/>
More than 2 years, but less than 3 years	<input type="checkbox"/>
Exactly 3 years	<input type="checkbox"/>
Other – please specify	<input type="checkbox"/>
Don't know	<input type="checkbox"/>

Q5A. Overall, how satisfied or dissatisfied are you with your Third Sector providers?

Only answer if you have contracts or grants with TSOs for that service. Otherwise, leave that row blank.

	Very satisfied	Fairly satisfied	Neither satisfied or dissatisfied	Fairly dissatisfied	Very dissatisfied	Don't know
Services for older people (aged 65 or over)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Services for adults aged 18-64 with a physical disability / sensory impairment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Services for adults aged 18-64 with learning disabilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Services for adults aged 18-64 with a mental health need	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other adult services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q5B. Why are you satisfied with your Third Sector providers for these services?

Answer if you have ticked any of the “very satisfied” or “fairly satisfied” boxes in Q5A.

Q5C. Why are you dissatisfied with your Third Sector providers for these services?

Answer if you have ticked any of the “very dissatisfied” or “fairly dissatisfied” boxes in Q5A.

SECTION 2 – Tendering

Q6. Do you have an approved list of adult social service providers?

Yes, for all services	<input type="checkbox"/>
Yes, for most services	<input type="checkbox"/>
Yes, for some services	<input type="checkbox"/>
No	<input type="checkbox"/>
Don't Know	<input type="checkbox"/>

Q6A. Approximately how many invitations to tender did you issue for adult social services last year?

WRITE NUMBER:	IN	_____
DON'T KNOW		<input type="checkbox"/>

Q7. And for approximately how many of these were TSOs invited to tender?

WRITE NUMBER	IN	_____	GO TO Q9
NONE		<input type="checkbox"/>	GO TO Q8
DON'T KNOW		<input type="checkbox"/>	GO TO Q9

Q8. Why weren't TSOs invited to bid for it?

Only answer if you didn't invite any TSOs to tender last year.

GO TO Q13 AFTER ANSWERING

Q9. Approximately how many bids from TSOs were successful?

WRITE NUMBER:	IN	_____	GO TO Q10
		-	
NONE		<input type="checkbox"/>	GO TO Q12
DON'T KNOW		<input type="checkbox"/>	GO TO Q10

Q10. How many of these successful TSO bids were from new providers; that is, they were not already providing you with that particular service?

WRITE NUMBER:	IN	_____	GO TO Q11
		-	
NONE		<input type="checkbox"/>	
DON'T KNOW		<input type="checkbox"/>	

Q11. Overall, why were the TSOs who won your adult social service contracts in the past year successful?

Q12. Where bids from TSOs were unsuccessful, why was this, generally?

SECTION 3 – Transferring work to external providers

Q13. In the last three years, have you transferred work to external providers that was previously done in-house?

Yes	<input type="checkbox"/>	GO TO Q15
No	<input type="checkbox"/>	GO TO Q14
Unsure	<input type="checkbox"/>	GO TO Q19

Q14. Why have you not transferred work out to external providers?

NOW GO TO Q19

Q15. What types of external provider were involved? TICK ALL THAT APPLY

Another local authority	<input type="checkbox"/>
Private sector organisation	<input type="checkbox"/>
Third sector organisation	<input type="checkbox"/>
Other – please specify	<input type="checkbox"/>
.....	
.....	

Q16. What issues caused significant problems in effecting the transfer(s) to external organisations, if any?

Q17. Does your organisation underwrite the transferred services?

That is, if the provider fails to provide the service effectively, will your LA take responsibility for funding the loss?

All the transferred services	<input type="checkbox"/>
Most of the transferred services	<input type="checkbox"/>
Some of the transferred services	<input type="checkbox"/>
None of the transferred services	<input type="checkbox"/>
Don't Know	<input type="checkbox"/>

Q18. Would the relevant person from your organisation be willing to be contacted by the Department of Health to discuss their experiences of handling these transfers?

Yes – please give details	
Name
Job
title:	<input type="checkbox"/>
Phone
no.:
Email:
	No <input type="checkbox"/>
	Unsure <input type="checkbox"/>

SECTION 4 – Budgets

Q19. Has your organisation produced forecasts of expenditure on adult social services?

Yes	<input type="checkbox"/>	GO TO Q20
No	<input type="checkbox"/>	GO TO Q23
Unsure	<input type="checkbox"/>	

Q20. What is the forecasted expenditure on adult social services in total, in the latest year covered by the forecasts?

WRITE IN: £ _____ in year: _____
DON'T KNOW <input type="checkbox"/>

Q21. Has your organisation produced forecasts of expenditure on each of the individual adult social services below?

Yes	<input type="checkbox"/>	GO TO Q22
No	<input type="checkbox"/>	GO TO Q23
Unsure	<input type="checkbox"/>	

Q22. What is the forecasted expenditure on each of the individual adult social services below, in the latest year covered by the forecasts?

	Planned expenditure (£)	Year
Services for older people (aged 65 or over)		
Services for adults aged 18-64 with a physical disability / sensory impairment		
Services for adults aged 18-64 with learning disabilities		
Services for adults aged 18-64 with a mental health need		
Other adult services		

Q23. Has your organisation set an objective, or made forecasts, about the extent to which adult social services are provided by TSOs?

Yes	<input type="checkbox"/>	GO TO Q24
No	<input type="checkbox"/>	GO TO Q31
Unsure	<input type="checkbox"/>	

Q24. Does it outline an increase or decrease in expenditure on adult social services provided by TSOs?

Increase	<input type="checkbox"/>	GO TO Q25
Decrease	<input type="checkbox"/>	GO TO Q26
The same amount	<input type="checkbox"/>	GO TO Q29
Don't know	<input type="checkbox"/>	
Other – please write in	<input type="checkbox"/>	

Q25. Why will you be increasing your spend on adult social services provided by TSOs?

NOW GO TO Q27

Q26. Why will you be decreasing your spend on adult social services provided by TSOs?

Q27. Would you be able to tell me the expected expenditure on adult social services provided by TSOs?

WRITE IN: £ _____ in year: _____

DON'T KNOW

Q28. Would you be able to tell me the expected expenditure on adult social services provided by TSOs for each service area below?

	Planned expenditure (£)	Year
Services for older people (aged 65 or over)		
Services for adults aged 18-64 with a physical disability / sensory impairment		
Services for adults aged 18-64 with learning disabilities		
Services for adults aged 18-64 with a mental health need		
Other adult services		

SECTION 5 – Other issues

Q29. Are there any adult social services that you would like to have provided by others, but have been unable to?

Yes	<input type="checkbox"/>	GO TO Q30
No	<input type="checkbox"/>	GO TO Q31
Unsure	<input type="checkbox"/>	

Q30. Could you very briefly outline what these services are?

Q31. Does your organisation have any tools or systems in place to assess or monitor the quality or value added by adult social service providers?

Yes	<input type="checkbox"/>	GO TO Q32
No	<input type="checkbox"/>	GO TO Q34
Unsure	<input type="checkbox"/>	

Q32. Could you very briefly outline what these tools or systems are?

Q33. Do you think these make it more or less difficult for TSOs to compete against other types of organisations?

More difficult	<input type="checkbox"/>	GO TO Q34
Less difficult	<input type="checkbox"/>	
The same	<input type="checkbox"/>	
Don't know	<input type="checkbox"/>	

Q34. Is there anything else you would like to say more generally about TSOs working with Local Authorities, and the potential benefits they could offer?

Please provide your name, address, phone number and email:

NAME:

ADDRESS:

PHONE NUMBER:

EMAIL:

Q35. All your answers are entirely confidential. However, if you agree, we would like to pass on your organisation's information to the Department of Health on a named basis. Are you happy for us to do this or would you prefer us to report your organisation's responses anonymously?

Yes – OK to name organisation	<input type="checkbox"/>
No – prefer to remain anonymous	<input type="checkbox"/>
Unsure	<input type="checkbox"/>

Thank you for completing this survey.

Please return it in today's post to ensure we can include your responses!