



Is Money the Mother of Innovation? Are Voluntary and Community Organisations Inherently Innovative in Providing Public Services?



Stephen P Osborne
Edinburgh



Celine Chew
Cardiff

Background

Voluntary and community organisations (VCOs) have a long history as pioneers of local public services and play a major part in providing such services in the UK (see Figure 1) and elsewhere.

One of the main things VCOs are said to bring to public services is the capacity to innovate, as well as to deliver responsive, user-friendly public services. But little is known about whether there is something inherently innovative about VCOs, as some claim, or whether the innovativeness of their activity depends on the policy and funding framework they operate in.

The contribution of the VCO sector to UK GDP 1991-2002

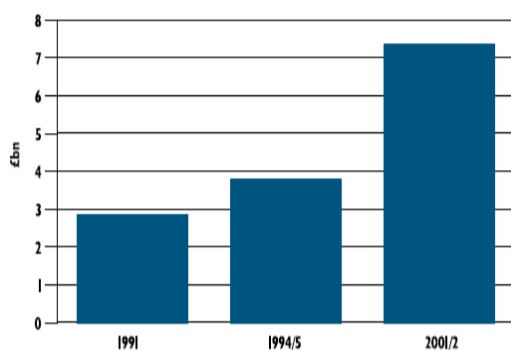


Figure 1

What We Did

❖ To explore the effects of the evolving policy and funding frameworks on VCO innovativeness, we used a longitudinal study, repeating in 2006 research originally conducted in the early 1990s.

❖ A survey of three English local authorities (one urban, one rural, one suburban) was conducted on the same lines as the 1994 study, dividing VCO work into traditional activity (providing specialist services), developmental activity (incremental change, 'stretching' services) and innovative change (quantum change in services provided or the skills base used to provide them).

❖ This was supplemented by a cross-sectional case study of each locality, involving a range of VCOs from across the spectrum identified in the survey. Qualitative analysis of these case studies explored four potential hypotheses to explain the innovative activity of VCOs as well as exploring in detail its relationship to public policy across this period.

Then and Now, organizations studied

	1994	2006
VCOs surveyed	376	356
VCOs responding	196	115
Raw response rate	52 %	32 %
Response rate allowing for organizational morbidity	68 %	42 %
Local Authority Area (anonymised)	Bellebury, Midwell, Southshire	Silton, Midwell, Southshire

Figure 2

Aims

The aim of this study was to examine the effects on reported VCO innovativeness of changes over time in the funding and policy framework for VCOs providing public services in England. Comparing 2006 with 1994 the objectives of this study were to discover:

- ❖ if and to what extent, the innovative capacity of VCOs had changed over this period?
- ❖ what were the main factors shaping the innovative capacity of VCOs, and in what ways did they affect this capacity?
- ❖ how was the innovative capacity of VCOs affected by the evolving policy and funding frameworks over this period, and by what mechanisms?

Financial incentives of VCO innovativeness in England, Then and Now

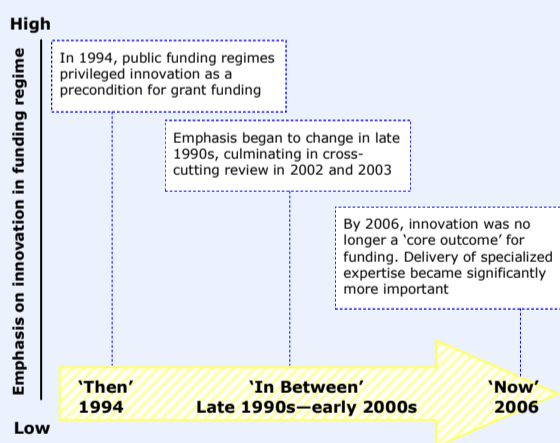


Figure 3

Findings

❖ Comparing 2006 and 1994, traditional VCO activity remained broadly constant, innovative activity almost halved and developmental activity more than doubled as a proportion of total work (Figure 4).

❖ The qualitative research found little change in the organizational structures and formalization of VCOs, their internal culture or their relationship to the wider external environment. However significant changes were found in the public policy

framework and government funding regimes. Despite still using the language of 'innovation' this framework now both re-defined the nature of innovation itself (as incremental improvement) and privileged such incremental development over bolder innovation in reforming public services.

❖ This evidence suggests that the innovative capacity of VCOs is heavily conditioned by government funding and public policy rather than being an intrinsic quality of these organizations (see Figure 3).

A comparison of the work of VCOs in 1994 and 2006

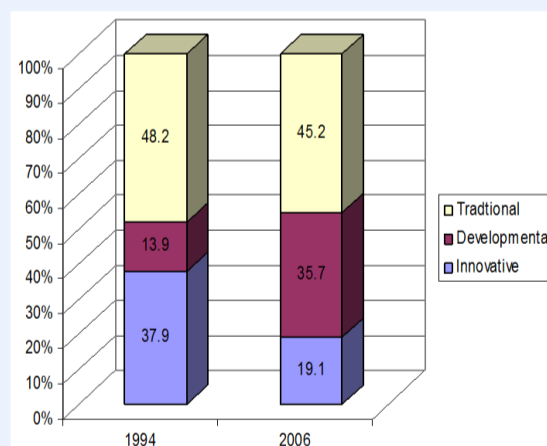


Figure 4

Find out more...



For more information contact
Stephen P. Osborne
(osborne@ed.ac.uk)

www.publicservices.ac.uk

