

Markets, markets, markets

Towards an ecologically sensitive market for children
and young people's services

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This article explores some of the key concepts used to inform the restructuring and development of the children, young people's and families sector. It introduces some new ideas that could enable the development of improved local environments for voluntary and community organisations working with young people.

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The last time there was so much anxiety about financial markets was during the Great Depression in the 1930's. Then and now, as we witness financial crisis after crisis coupled with fears of a global financial meltdown, we begin to doubt some basic assumptions about how markets operate and are regulated. The market, however, has become the all pervasive organisational principle for the delivery of public services in the UK. In the area of services for children, young people and families the market is seen as key to ensuring that children's trusts are able to deliver on the Every Child Matters and Aiming High agendas. To lead us to a definition of the market with regard to services for children, young people and families (CYF), we need to revisit a market scoping study, conducted by PriceWaterhouseCoopers (PWC) in 2006, where they distinguish between structured and unstructured activities.

Structured activities enable young people to voluntarily participate in, or initiate, planned and purposeful activity that holds clear health, learning or social and personal development aims. This will normally involve practitioners or peer-leaders who engage with young people on a one to one or group basis;

Unstructured activities are activities that young people choose to engage in during their leisure time (including, for example, going to the cinema and other similar leisure pursuits).

(The Market for Provision of Positive Activities for Young People, PriceWaterhouseCoopers 2006)

The market is therefore the range of activities, programmes and services provided by organisations and agencies that promote the development of young people and all the processes that result in their procurement. If you seek funding from government for work with young people you are part of the market. How the market is structured and operates has implications for how organisations access the resources they need. Recognising this, the DCSF is commissioning a development programme that will enable children's trusts to help shape these emerging markets.

Five characteristics of healthy markets

- 1. Markets are healthy when there are many purchasers buying products from many suppliers.** However, in the CYF market the government is the primary and dominant purchaser. The pooling of budgets, the very understandable strategic coordination of commissioning has further conflated the situation and resulted in one dominant purchaser. How that purchaser operates completely determines the wellbeing of the suppliers in the market.
- 2. Markets are healthy when the purchaser is the user.** When the user is not the purchaser the aspect of choice is mediated and constrained. There are a number of ways that this can be addressed. One is that the user i.e. young people are given the resources to become the purchaser. The (aborted) initiative to introduce an opportunity card is an example of placing purchasing power in the hands of the user. However, developing services on this basis could be difficult as there is no guarantee that core resources will be in place to enable future choice and could put the whole sector on an insecure footing. Another approach is that the money follows the user. There are many occasions when voluntary and community organisations are the preferred choice of young people for work that falls under the statutory footprint. This is tacitly acknowledged as referrals often come from statutory agencies to these organisations and yet the resources do not usually follow the young person. Increasingly successful organisations find that they have to stretch resources beyond the threshold of sustainability to meet demand.
- 3. Markets are healthy when it is easy to ascribe value to the product and when similar products can be compared and contrasted.** This creates difficulty when assessing the value of different services. In youth services supportive and affirming relationships are the ultimate products yet we all know of the difficulty of how these are measured and valued.
- 4. Markets are healthy when they are able to facilitate choice to the user.** In order that each user is able to get the right products for them as individuals there needs to be surplus in the system. The alternative is that some people will end up with substandard products and in a market situation it is usually the users with limited resources that end up without choice. So in the context of CYF, where every individual deserves the best and most appropriate support, a healthy market will result in wastage or underutilised resources.
- 5. Markets are healthy when market costs are transparent and minimised.** At the moment the requirements for tenders mean that the process of tendering for contracts is costly with organisations having to dedicate more and more resources to competitive processes. This can mean that there is a

significant shift of resources from directly supporting young people to working the market itself. This in turn can result in a reduction of value for money for the end user. Because the users are not the purchasers there are not the necessary checks to prevent market processes growing disproportionately to the growth in direct delivery to young people. An additional dimension arises for registered charities that may face questions from users and regulators on how much of their charitable resources can be dedicated to competitive processes.

Is the market enough?

Whilst markets play a role in providing support to CYF they cannot begin to capture the complexity of support that children and young people need and/or receive whilst growing up. If we allow the language of the market to dominate the discourse around CYF it will be to their detriment. The diagram illustrates why.

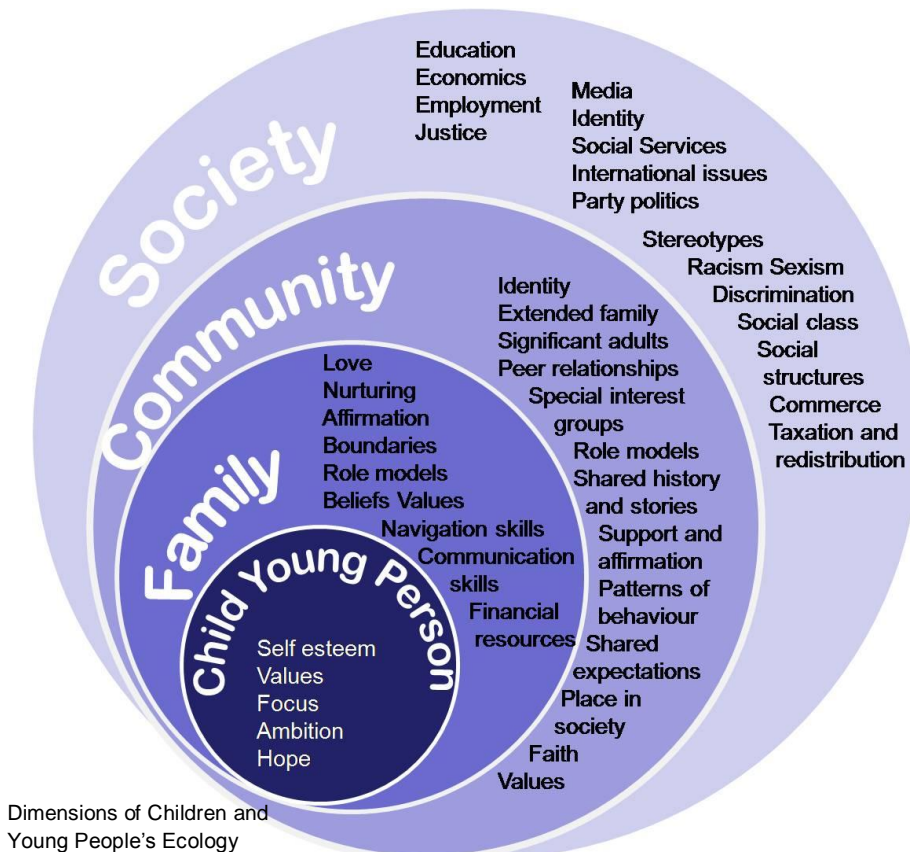
Children and Young People's Ecology



Readers will be familiar with the Every Child Matters 'onion' that places children's and young people's outcomes at the centre of service planning and delivery. The reality of children's and young people's lives is often better depicted in a graphic of off-centred concentric circles, setting out the dimensions of the environment that children and young people experience. These dimensions are not discrete: they interact, they impact and they filter each other in lots of complex ways. Yet it is environmental factors that have the biggest impact on positive outcomes for young people.

The family context influences outcomes for young people and parents' ability to support young people through adolescence. The emotional ability of parents to nurture is crucial in ensuring that young people can develop a positive sense of self. Family stability and economic wellbeing is a crucial factor and has a significant impact on young people.

Communities in which there are opportunities for people to come together in supportive environments, in which children and young people are welcomed and nurtured, make a real difference to the wellbeing of families. Today, communities in the UK seem less and less friendly to children and young people and this correlates to children and young people being the most unhappy in the developed world¹. The fabric of society is also significant and the more marginalised communities, the poorer the outcomes for young people.



Dimensions of Children and Young People's Ecology

As children grow into young people they gain in their own agency - in other words, their own choices have increasing impact on their interaction with their social environment. As a child grows it becomes more aware of the significance of the world beyond the family. One of the roles of youth work is to assist in that journey, helping young people to make sense of a world where their experience can be in conflict with the filters that parents often, and communities sometimes, establish for the protection of their children and young people.

It is the complex interactions between these factors that are important: a more suitable

¹ UNICEF Report Card 7, Child poverty in perspective: An Overview of Child Well-Being in Rich Countries, February 2007

analogy is that of an eco system. In nature different forces (whose intention is not necessary cooperative) work together to create an interdependent system often known as an ecology. Understanding these complex interactions or the social ecology of children and young people is important if interventions are going to have a significant effect.

This is where voluntary and community organisations come into their own as they often act as bridge between the formal processes of society and the informal processes of community. These organisations can contribute significantly to community and family resilience without being given the opportunity of specifying this as outcomes for work. It is these crucial relationships that the market fails to capture.

The notion of CYF markets could further undermine relationships that in the past were built on trust and mutual interest rather than the provision of services and contractual relationships. The added value brought by organisations of willing volunteers - even if they are supported by a team of paid workers - can reach way beyond anything that can be captured in monetary terms.

One of the most worrying aspects of this process is how the funding for the work of local networks has been located within the competitive tendering processes. Up and down the country there are networks of local organisations working with young people: often they were established by those organisations because they needed to work with local authorities and other local stakeholders to improve the policy and operational environment. In the context of ChangeUp (the Government's programme for strengthening support for frontline organisations) and the development of children's trusts there has been a shared attempt to specify the functions and services provided by those networks more accurately. Now within the commissioning process those services are seen as just a series of products within the CYF market. What this view fails to acknowledge is that local networks are not just service providers but they are a civil expression of local civic activity and make an important contribution to the health of communities. Effective representation is based on a mandate from the local CYF third sector and the right of organisations to choose who represents them in the decision making processes is fundamental to that. It therefore follows that the role of local authority should be to recognise that mandate. Yet we are currently witnessing the demise of a significant number of local networks as they fail to win contracts to act as local representative body for the organisations that have mandated them to act on their behalf. It is the very community resilience that children's trusts should be helping to build that is being undermined by the so called rigors of the market.

Markets can develop and operate in a manner that respects and is responsive to the social ecology of children, young people and their families. There is a need for detailed research that could inform our understanding of how market practice affects socio-ecological concerns. So far notions of markets have been based on a set of what are often untested assumptions. By introducing explicit assumptions which can be sustained by research into the practice and development of emerging markets we could help to create better outcomes for children and young people.

Reasonable CYF Market Assumptions

1. Positive relationships are the crucial factor in the development of children and young people.
2. Processes that support sustained relationships need to be prioritised at the strategic level if face to face work with children and young people is to be delivered through positive and consistent relationships.
3. Community resilience helps to determine the resilience of families and consequently the wellbeing of individual children and young people.
4. Families are usually more open to support coming from informal community processes rather than more formal interventions.
5. Whilst it is difficult for VCS organisations to evidence the causal links between community involvement and outcomes for individual young people this link does exist.
6. Simple cost analysis does not necessarily mean best value.
7. Community development and empowerment activities should be considered as part of commissioning processes and become part of the remit of commissioners.
8. Commissioning and procurement should be part of a learning process that involves all stakeholders. This approach creates a much more nuanced understanding of the environment and builds on the shared learning of

purchasers, providers, the community and young people. The process should result in commissioning practices that are designed to engage the complexity of the children and young people's ecology.

9. Processes that facilitate the engagement of the Third Sector within strategic decision making processes to shape the development of the markets should be fully costed and paid for by children's trusts in order to ensure that local markets for children, young people and families services become ecologically sensitive.