

Contracts: the enemy of independence?

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E.g. when the one-man-band charity:

- Recruits employees
- Grows the board
- Partners with another charity
- Wins a contract

Contracts: the enemy of independence?

1. You do have a choice: if you don't like the balance, say no
2. Who cares about independence?
3. Who cares about power?
4. How do we make the choice easier?

1. You do have a choice

No one is being forced into contracts: if you don't like the balance between power and independence that a particular contract represents, say no!

With that starting point, how do we decide whether to say 'yes' or 'no'?

2. Who cares about independence?

Independence matters when it matters for your mission. Contracts must not result in:

- 'Mission drift'
- 'Mission gag'

2. Who cares about independence?

- ***But*** it is the mission that matters, not the glorious isolation of the organisation.
- Independence is not a precondition to achieving your mission, is not always a useful tool to help you achieve your mission
- Partnerships (of which contracts are one type) - partial abdication of independence
- Merger - abdication of independence

2. Who cares about independence?

- Why do we instinctively choose independence over power to achieve?
- Is it because there is a culture of complacency in the third sector? Are we failing our beneficiaries by not being ruthless enough in the pursuit of our missions?
- Do we really think in mission-driven way about loss of independence through contracts? Or staff cuts? Or paying trustees? Or partnering with private sector? Or merging with another charity? Or quitting as CEO?

3. Who cares about power?

- 'Power' is a dirty word in the sector
- Culture of opposition to, not collaboration with, power
- Power does bring interdependence.
- ***But*** power is a precondition for achieving your mission.

4. How do we make the choice easier?

- Many of the complaints about contracting are actually about bad contracting – prescriptive contracts making delivery bodies a rigid arm of the state. We need to fight bad contracting.

4. How do we make the choice easier?

- Gagging – there is a perception that third sector organisations under contract can't/ shouldn't "bite the hand that feeds them".
- Government has explicitly said the opposite.
- We need to ensure TSOs feel comfortable biting the hand that feeds them.

4. How do we make the choice easier?

- An organisation with all its eggs in one basket will feel the perceived risks to independence all the more.
- We need to help organisations improve funding. Diverse funding; enterprise; surplus.

4. How do we make the choice easier?

- The grant myth.
- Much of the debate is clouded by unhelpful myths about what came before contracting. In this context, the myth that grants did not mean interdependence.
- We need to have a more sensible debate about the differences, advantages and disadvantages of grants and contracts.