

A CASE STUDY OF GOVERNANCE IN PUBLIC SECTOR 'VIRTUAL ORGANIZATIONS': THE EMERGENCE OF CHILDREN'S TRUSTS

Rob Wilson, Susan Baines, Mike Martin and Roger Vaughan
*Centre for Social and Business Informatics,
University of Newcastle upon Tyne,
UK
Rob.wilson@ncl.ac.uk*

The UK public sector has become a testing ground for new ways of managing service delivery. One ambitious innovation is the creation of Children's Trusts led by English local authorities. Children's Trusts represent a new organizational initiative to promote the wellbeing of children by coordinating distributed multi-agency working in ways sensitive to local conditions and priorities. The authors argue that Children's Trusts can be understood as virtual organizations within the public sector. From this perspective they explore the governance of Children's Trusts and consider some of the associated demands on information systems.

1. INTRODUCTION: JOINING UP SERVICES IN THE UK PUBLIC SECTOR

In recent years poor outcomes, failures, and some high profile tragedies have been linked to the fragmentation of responsibilities for children, young people and families. 'Joined up government' more generally has come to denote responses on the part of the New Labour government to the perception that its policy goals can not be delivered through the separate activities of existing organizations and that the complex social problems that beset the UK (for example, child poverty, poor educational attainment, youth crime) demand co-coordinated activities across organizational boundaries (Ling 2002). The joining up agenda requires collaboration across organizations and agencies (including statutory bodies, voluntary groups and for-profit service providers) with different cultures, aims, incentives, management structures, and information systems.

Children's Trusts are new organizational vehicles formed within English local

authorities to encourage a multi agency approach to delivering services to children. The paper overviews the background to this innovation, and outlines the key principles of Children's Trusts. Then it explores the governance and information issues they confront at local level. The authors contend that some of the management and information systems responses to the challenge of collaboration among agencies in social care can be understood through notions of the 'virtual organization'. They illustrate the value, and limitations, of this approach by considering how collaborating agencies in children's services can manage the identity of their service users.

2. INFORMATION SHARING ACROSS SYSTEMS AND SERVICES

Radical reforms to reduce fragmentation and develop multi-disciplinary working across services for children were proposed in the recent Green Paper *Every Child Matters* (DfES 2003). It highlighted a number of priorities including: single assessment processes between agencies; the need to carry out multi-agency commissioning and planning; and the sharing of information between services to identify children with multiple risks. A chapter of the Green Paper - entitled 'early intervention and effective protection' - is about information sharing; it includes ICT solutions and proposals for removing legal barriers to sharing information across longstanding agency boundaries. The Green Paper contrasts the existing 'silos' of social services, education and health with better practices of joined-up, multi-agency working centred around the child.

National policy developments have demanded responses from local authorities. Many local authorities have established a Local Strategic Partnership (LSP) for Children and Young People. These partnerships outline strategies and plans for delivering joined-up services. A representation of the complexity and breadth of the services under a Local Strategic Partnership in a typical English local authority is shown in Figure 1.

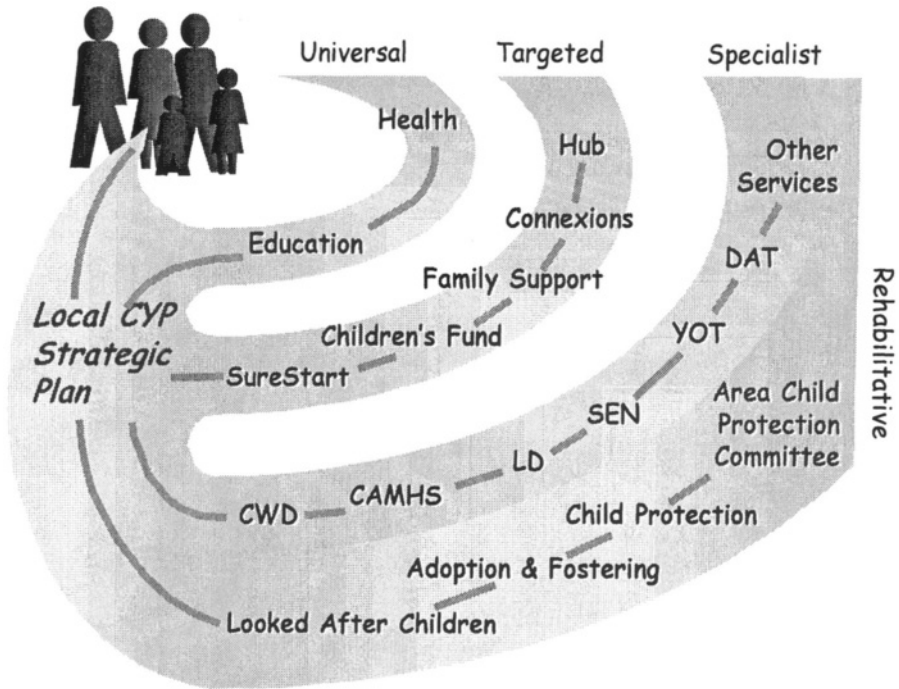


Figure 1: The Local Complexity of Services for Children

As indicated in Figure 1, provision for children ranges from *universal* services for all children, through services *targeted* towards groups with more complex or specific needs, to *specialist* services for those at highest risk. Universal services include health and education. Central government interventions target disadvantaged groups and neighbourhoods. Examples of national programmes include: Sure Start (aimed at improving the health and wellbeing of families with young children in deprived neighbourhoods); and the Children's Fund (offering support to 5 – 13 year olds who show early signs of difficulty). More specific services are available to groups with identified needs such as children with disabilities (CWD) and Special Educational Needs (SEN). Specialist rehabilitative services for the most vulnerable children include Adoption and Fostering.

Local authorities have statutory responsibilities for social and care services, which are delivered by combinations of local statutory bodies, voluntary agencies, and private sector providers. This 'mixed economy' of service provision in the UK is a legacy of the 1980s and early 1990s when Conservative administrations determined to break up what was perceived as a monolithic public sector and introduced internal markets, privatization, and outsourcing (Clarke and Newman 1997; Walsh et al. 2001). Markets and market like mechanisms remain in place but at the same time new service models are said to be about partnerships, networks, flat relationships and trust (Hudson 2002; Ling 2002).

Thirty five 'Pathfinder' Children's Trusts – each led by a local authority - were announced in July 2003 to act as pilot models for organizational change in children's services. In order to win Children's Trust Pathfinder status (and associated funding) local authorities had to demonstrate their capacity to shift thinking away from children's services being about individual agency responses, towards an approach that brings together the actions of many organizations. Children's Trusts respond to local evaluations of need. Some take on responsibility for all children's services while others focus on particularly vulnerable children such as those with disabilities. Within all visions of a Children's Trust are ideas about the social structures and information systems of the new organizational vehicle and the sorts of work practices and tools required to make them function.

3. CHILDREN'S' TRUSTS: A PUBLIC SECTOR VIRTUAL ORGANIZATION?

Organizational responses to competitive world markets have been characterised by the creation of dynamic networks based on temporary, task based loyalties (Miles and Snow 1995; Kanter, 1995). Handy's (1995) model of the virtual organization, united by mutual trust and facilitated by information technology, has been highly influential. Virtual organizations enable small firms and 'portfolio' individuals to pool expertise and resources in order to offer their customers a common service that would be beyond the capacity of any individual participant. One of the main arguments put forward in support of the flexibility and responsiveness of virtual organizations concerns the way in which they can interconnect people and distributed resources across physical divides (Barnatt 1997).

Mowshowitz (1997) defines the virtual organization as:

An approach to management that explicitly recognises the conceptual distinction between functional requirements and their realisation in practice, as well as providing a framework for accounting for the dynamic changes in both requirements and available services.

Lipnack and Stamps (2000) have described the characteristics of the work that takes place in such organizations as:

Where independent people and groups act as independent nodes, link across boundaries, to work together for a common purpose; it has multiple leaders, lots of voluntary links and interacting levels.

Not all commentators, however, concur with such inspiring images of common purpose, trust and multiple leadership. Indeed, there is strong evidence from 'traditional' private sector organizations that the achievement of a practical collective consciousness has been seen as problematic; it is even more so under newer forms of organizational design where there is no unitary centre of control (Clegg et al. 2002). Weitzenboeck (2001) reported that in one commercial sector, the maritime industry, participants in virtual organizations initially saw their working relationship in terms of trust and shared purpose; however, in practice they faced difficulty building trust and recognised a need for legal frameworks to regulate their activities.

Although the 'virtual organization' is identified with commercial operations, its claimed attributes resonate with the high rate of change and pressure to adopt new working practices that recent reforms in the UK demand of public services. The application of virtual organization ideas to the public sector is relatively new but the UK government's modernization agenda require that responsibilities and delivery must be reconfigured in new, collaborative ways. The promise of more joined up seamless services is associated with the application of information systems that have been largely adopted from developments in the commercial sector (Bellamy 2002).

In the realm of studies of virtual organizations/enterprises 'groupware' is often used as an overarching term to denote the technologies employed. Groupware is described as applications that support *collective* working whilst participants are remotely located. Groupware applications support synchronous and asynchronous activity with workers able to see information, show it to others, and co-ordinate activities at the project or case level. Groupware services include the sharing of calendars, collective writing applications and electronic meetings.

Virtual Organization products and services are based on various developments in groupware technologies. These applications have evolved in a number of strands including web communities and document management technology. These technologies have emerged from the development of the internet and use the web's networking capacity, depending on the purposes for which the application was being developed. There has also been significant influence on development from the existing applications in organizational silos (such as existing records database applications) and the emergent communication channels (such as mobile phones and call centres). (See Figure 2 below.) For example, the requirement to preserve the integrity of database record applications to support the production of management data and record keeping - yet enhance functionality by utilisation of the networking capacities of the web to support interworking - led to the development of shared workflow applications.

Prima facie the virtual enterprise, networking forms of work, and groupware types of information system would appear to meet the broad aims of increased integration of services for children, and support the remit of Children's Trusts. However, these visions remain in the context of the public sector in the UK only visions. A recent study found that while English local authorities have made notable advances in electronic communication with citizens, progress towards e-enabled, jointly delivered services has been slower (Cornford et al 2003). Case study work suggests that this reflects problems encountered in devising and implementing joint solutions (ibid.). Central government recognises that technical solutions alone will not secure the changes in local government services that it is seeking to achieve. Local authorities are required to lead a process of 'cultural change' which includes fostering new attitudes to information sharing (DfES 2003).

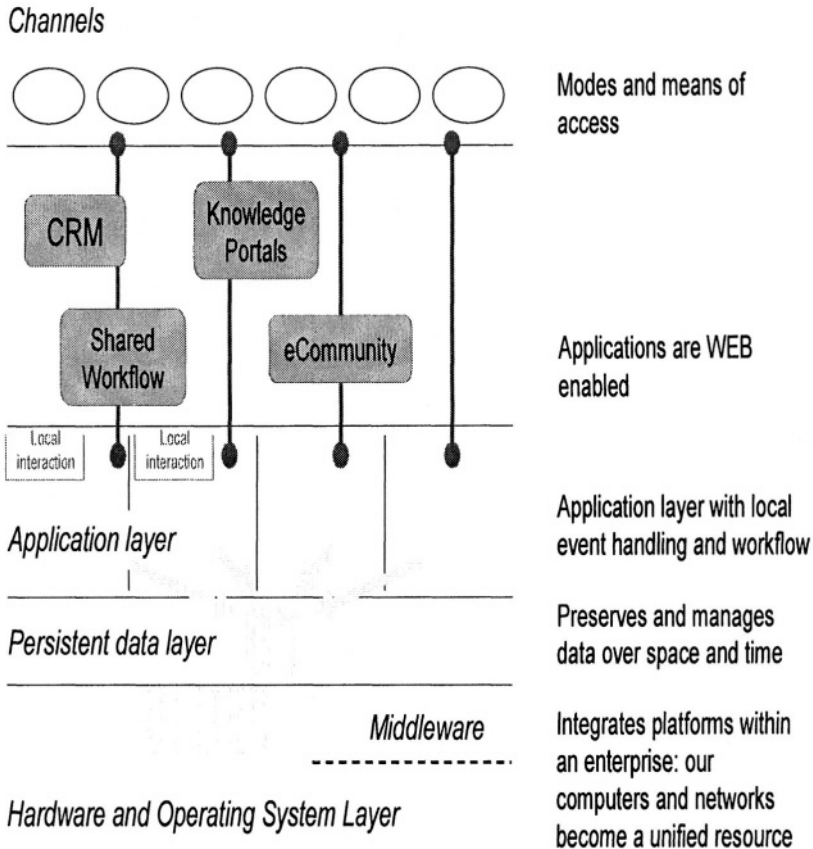


Figure 2: A model of the E-Government integration architecture

4. THE SCOPE OF VIRTUAL ORGANIZATIONS IN CHILDREN'S TRUSTS: THE CHALLENGE OF PRACTICE

The complexities of the mixed economy of services to children and young people within a locality test the concepts underpinning virtual organizations. As in the commercial virtual organization, agencies and practitioners are often geographically dispersed. This is partly because the boundaries of public services (such as health services and local authorities) do not map onto each other while some services are delivered through projects targeted at specific neighbourhoods. These challenges are exacerbated by problems of the legal powers (including the statutory basis of these organizations) and responsibilities available to organizations. Figure 3 shows the

potential scope of a virtual organization to create collaborative links within a typical locality. As already indicated, this is high on the policy agenda in the UK because the existing fragmentation of services and lack of communication between agencies, have been identified as major causes of incidents where children have not been adequately cared for. From the government perspective one of the solutions is professionals sharing information about children and young people.

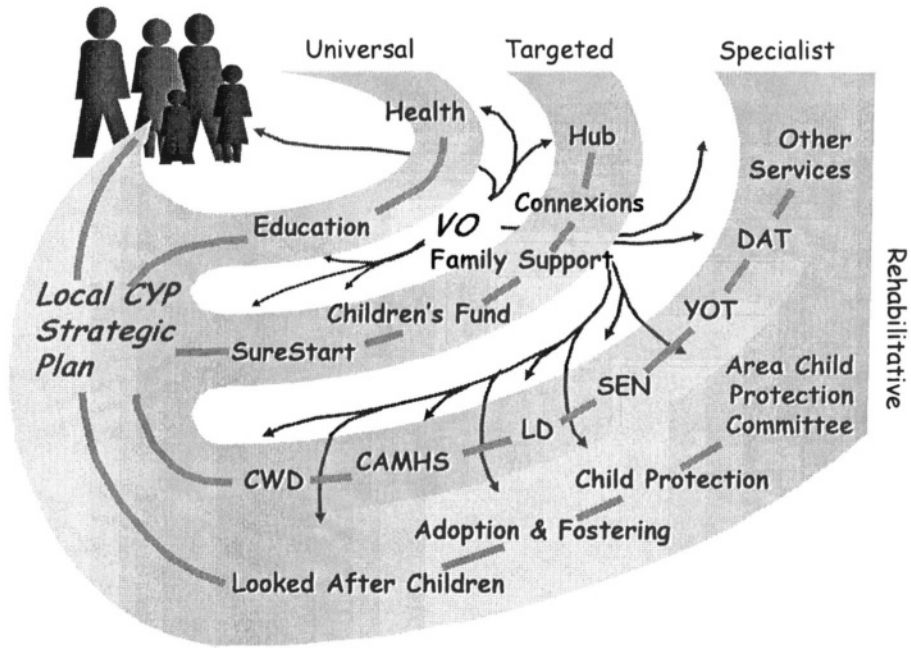


Figure 3: The scope of a virtual organization

Historically, practitioners in the various services have kept their own sets of records and carried out their own assessments based on specific professional/scientific criteria. Attempts to create multi-agency information systems (whether paper or computer based) have often failed (Green et al. 2001). Different 'mindsets', in particular different attitudes towards the recording, storage and distribution of information, inhibit joined up working (ibid.). Managing identities represents a significant challenge in an environment where practitioners, children and families have a set of complicated identities based on relationships. In other words an information system supporting a distributed virtual organization is required to support high degrees of specificity and variance within practice.

5. THE PROBLEM OF GOVERNANCE THE CHALLENGE OF MANAGING IDENTITY

As already noted, Children's Trusts will require collaboration, and the exchange of information, between agencies with different cultures, aims, and assumptions about the needs of service users. Further governance requirements spring from the need to carry out audit and investigations at the individual and case level. In this section we highlight the challenge of identity management at the case level in order to tease out some of these concerns and consider ways in which information systems for joined up working may accommodate them.

A cornerstone of the servicing of a child's case in a multi agency environment is the assignment of a key worker. The key worker is responsible for case co-ordination which can involve discussion with the child (and their family/carers), referral to other agencies, and the organization and recording of multi-agency case conferences. In this context the identity management requirement for a virtual organization is the ability to manage the identities of an individual (and third parties associated with them), the relationships of practitioners with them and the identifiers of the services provided. This will allow *appropriate* knowledge about a child (and his/her environment) to be produced and shared at the level of a case (or an event within a case).

Within a single organization, information resources and governance structures can be integrated. Where more than one agency participates, shared information and shared governance are negotiated and sustained to deliver co-ordinated services within a domain of trust. The *shared* resource that delivers and supports this integration is known as a 'hub'. Local identity management represents a particular form of process within a hub to provide information about the fact that a particular service user has relationships with providers who are unaware of each other, and to indicate who is able to intervene. Interventions are undertaken by establishing a link governed by a set of local rules and policies.

Local rules and policies that govern an identity management system need to support both practice and the rights of service users. In the case of services to children and young people it can in some contexts be inappropriate and unethical to identify individuals. For example, for some voluntary agencies providing youth services, a young person's name is not important; if young people chose to identify themselves by a nickname when seeking advice or counseling it is important for the practitioner to respect that wish. Part of the technical 'solution' currently being proposed by the UK government is for every child to have a unique identifier. This is problematic for a number of reasons. In the view of the British Medical Association (BMA) the use of the most often proposed common identifier, the NHS number, will breach patient confidentiality. In the context of identity management the concept of a single unique identifier overlooks the tension between the practitioner's needs to identify the individual to support 'joining-up' and, in other contexts, to be able to offer services with an undertaking of anonymity to the client. Without the ability to preserve anonymity, a system will not be able to support the trust required by some practitioners to build client relationships.

6. CONCLUSIONS

The joining up agenda for public services in the UK includes the re-engineering of service delivery processes in order to take advantage of the potentialities of ICTs. We have examined this policy through the lens of one of the latest of many reforms associated with the modernization of public services – the creation of Children's Trusts in England. The 'virtual organization' – a concept derived from commercial enterprise - is relevant in public sector environments; it helps to think about the organizational challenges and information systems responses where there is a need to respond to volatile environments. However, the complex relationships in the public sector mean that some governance issues in social and caring services such as identity management are more challenging than allowed for in private sector paradigms.

7. REFERENCES

1. Barnatt, C. 1997. 'Virtual organization in the small business sector: The case of Cavendish Management Resources', *International Small Business Journal*, 15 (4): 36-47.
2. Bellamy, C. 2002. 'From automation to knowledge management: Modernising British government with ICT', *International Review of Administrative Sciences* 68: 213 – 230.
3. Clarke, J. and Newman, J. 1997. *The Managerial State*, Sage, London.
4. Clegg, S., Pitsis, P., Rura-Polley, T. and Marosszeky, M. 2002. 'Governmentality matters: designing an alliance culture of inter-organizational collaboration for managing projects', *Organization Studies*, 23 (3): 317–338.
5. DfES 2003 *Every Child Matters*, HMSO, London.
6. Cornford, J., Wessels, B., Richardson, R., Gillespie, A., McLoughlin, I., Kohannejad, J., Belt, V. and Martin, M. 2003. *Local eGovernment: Process Evaluation of the Implementation of Electronic Local Government in England*, London, ODPM, November.
7. Green, A., Maguire, M. and Canny, A. 2001. *Keeping Track: Mapping and Tracking Vulnerable Young People*. The Policy Press, Bristol.
8. Handy, C. 1995. 'Trust and the virtual organization', *Harvard Business Review*, May/June, 40 - 50.
9. Hudson J. 2003. 'E-galitarianism? The information society and New Labour's repositioning of welfare', *Critical Social Policy*, 23 (2): 268-290.
10. Kanter, R. 1995. *World Class: Thriving Locally in the Global Economy*, Simon & Schuster, New York.
11. Ling T. 2002. 'Delivering joined-up government in the UK: dimensions, issues and problems', *Public Administration*, 80 (4): 615-642.
12. Lipnack J. and Stamps J. 2000. *Virtual Teams: People Working Across Boundaries with Technology* John Wiley & Sons, London.
13. Miles, R. and Snow, C. 1994. *Fit, Failure, and the Hall of Fame*, Free Press, New York.
14. Mowshowitz A. 1997. Virtual organization. *Communications of the ACM* 40 (9): 30-37.
15. Walsh, K., Deakin, N., Smith, P., Spurgeon, P. and Thomas, N. 2001. *Contracting for Change*, Oxford University Press.
16. Weitzenboeck, E. 2001. 'Building a legal framework for a virtual organisation in the maritime domain' 7th International Conference on Concurrent Enterprising, Bremen, 27 – 29 June.