



Wandsworth Voluntary Sector Development Agency

enabling voluntary action

Policy Briefing, June 2010

The Big Society Implications for the Voluntary Sector

Introduction

There is much debate and uncertainty over how the new Government's Big Society initiatives will impact the Voluntary sector. This paper summarises what implications are beginning to be identified and what concerns have been raised. The Government has announced its Big Society initiative, which will have major implications on the provision of public services and the voluntary sector's role in this provision. Click [here](#) to see a paper from Cabinet Office which describes how government intends to implement its Big Society policy. Key initiatives in the Big Society Agenda relevant to the Voluntary Sector are:

- an expansion of existing government strategies such as support for social enterprises;
- devolving power from national to local levels;
- the creation of a 'Big Bank' to fund these initiatives;
- strengthening local participation;
- the creation of an annual day of celebration;
- the transformation from civil to civic duty by bringing in National Citizen Service and making volunteering part of public sector staff appraisals.

The emphasis on participation, involvement and empowerment has generally been welcomed by voluntary and community sector. The Agenda appears to offer the possibility of genuine step change in how government works and how citizens interact with the state.

However, a number of concerns have also been raised, particularly with respect to the funding of these initiatives in a climate of reduced public spending. The Institute of Fiscal Studies has estimated £55b of cuts is needed over the course of the next parliament to achieve tax and spending plans. For an indication of cuts announced, please consult the [Emergency Budget](#) announced by the Chancellor in June 2010. Public sector cuts are likely to impact society as a whole as well as voluntary and community organisations. In addition, some government bodies and quangos connected to the sector are threatened, with some closures already announced, including the Government office for London and Futurebuilders.

Funding the Big Society

The Government has committed to setting up a Big Bank (using money from dormant bank accounts) to finance neighbourhood groups, charities and social enterprises. The intention seems to be that public service contracts will be awarded to social enterprises, using start up funds from Big Bank investment. Once up and running such groups will fund themselves through public service contracts. Additional funding will possibly arise through tax concessions in targeted zones. First funds are expected to be available by April 2011.

However, most discussion has been with respect to social enterprises and it is not clear at present where Voluntary and Community groups (VCOs) will fit in with respect to their provision of public services. In particular, how such groups will be supported to provide complex projects, such as involvement in local planning or running services that are not commercially viable. Also if such projects are not taken over will they just no longer be provided?

An additional concern is that of ensuring that other functions of VCOs are not ignored i.e. identifying needs, designing solutions and providing information. How will these aspects be funded?

A key priority for public services providers will continue to be payment by results. VCOs may experience problems with this, as it depends on being able to measure results fairly and accurately within a specified time frame, which may not be realistic. Cash flow and up-front costs may also make it difficult for charities to operate under this system.

Finally, can the commitment to grant funding for social action projects reconciled with the resistance to public funds being used for 'political campaigning'?

Devolving power to local levels

As part of its commitment to devolve power from Central to Local government, the Government intends giving local government 'general power of competence' and strengthening its role in improving local services. Ring-fenced local authority grants will be phased out, leading to more local government control. This could lead to more contracts for VCOs, although may cause a focus on low cost providers at the expense of quality. It is intended to give

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public sector workers a new right to form employee-owned co-operatives which may lead to increased competition in the sector.

Other issues which will impact VCOs include:

- The need to ensure relationships confirm to Compact compliant practices
- How equality and discrimination will be addressed if there is no government funding for single community groups but only for geographically-based neighbourhood groups
- How far philanthropy and philanthropic organisations will be expected to fill in the gap between decreased government spending and development of local public service provision? [Implications for philanthropy](#) are discussed in a paper from Philanthropy UK.

Empowerment and participation

The Big Society Agenda includes encouragement towards the setting up of neighbourhood groups (defined as a community of people living in defined geographical area). It is envisioned such groups will take responsibility for running a number of local amenities such as parks, libraries, post offices, and schools.

The implication of this is a flourishing of neighbourhood groups, but it is not clear how or if the aims, independence and activities of such groups will be regulated or monitored. Can voluntary and community sector groups retain their independence if the majority of their funding is coming from delivering public services, philanthropy and social investment, all of which devolve some power to the funders?

Secondly, the Government has announced that it will fund a network of 5,000 community organisers, whose role will be to support development of community groups and tackle social challenges. They will be expected to ultimately be self funding in order to pay their own salaries. Concerns have been raised as to how these community organisers will manage to fund themselves if their projects may take many years to demonstrate tangible benefits. Also, with the focus on funding outcomes from public service delivery, it is uncertain what outcomes are going to be expected from them.

An example of community empowerment in action locally is in Lambeth, where the Council has set up a citizens' commission to consult residents over what services could be delivered collaboratively. The possibility of an "active citizen's dividend" for those involved, possibly a council tax rebate, has been mooted. The Government has stated its aim that every adult in the country is involved in the Big Society and, to encourage this, intends:

- The introduction of National Citizen Service for 16 year olds
- Making participation in community and volunteering part of

civil servants staff appraisal

- Introduction of a Big Society day, a national event to foster individual involvement. The date will be announced in September 2010.

The implication of this for VCOs could mean many more people getting involved in the sector. However, questions remain as to how reasonable it is to expect every adult to be an active member of an active neighbourhood group. Issues of time, skills, confidence and willingness to be involved are clearly critical. Also, how will roles, participation and quality aspects be monitored? Several commentators have noted that the Big Society has been met by indifference by the general public, so whether these initiatives will actually have an impact is open to doubt.

Who is running this initiative?

The Office for Third Sector has been renamed Office for Civil Society based in the Cabinet office. Nick Hurd MP has been appointed Minister for Civil Society with responsibility for charities, social enterprises and voluntary organisations.

Lord Nat Wei has been appointed as the new Government adviser on Big Society and a member of the House of Lords. He will be working alongside Francis Maude, Minister for the Cabinet Office and Paymaster General. Francis Maude is the leader of a public services review for the Cabinet Office.

Eric Pickles is the Secretary of State for Communities and Local Government and is overseeing a forthcoming decentralisation bill.

Learn more and get involved

The Cabinet Office paper on the Big Society, May 2010
www.cabinetoffice.gov.uk/media/407789/building-big-society.pdf

A note from Philanthropy UK on the Big Society, May 2010
www.philanthropyuk.org/NewsandEvents/Latestnews/BigSocietytaKesshapeSectorstillcautiouslyoptimisticinfaceofannouncedcuts

A briefing note on the Big Society agenda and issues it raises for VCOs from NCVO (National Council for Voluntary Organisations). It includes a request for feedback and participation in the ongoing debate. www.ncvo-vol.org.uk/sites/default/files/Big_Society_Programme_briefing_final.pdf

Ten Big Questions about the Big Society – a critical analysis from the New Economics Foundation
www.neweconomics.org/sites/neweconomics.org/files/Ten_Big_Questions_about_the_Big_Society.pdf

Link to NVCO discussion forum on the Big Society www.ncvo-vol.org.uk/networking-discussions/discussions/bigger-picture/-state-sector-8

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Blog from NCVO campaigns head on concerns raised for VCOs by the Big Society agenda, May 2010 www.ncvo-vol.org.uk/networking-discussions/blogs/14502/10/05/27/big-society-backlash

Third Sector Foresight (NCVO's strategy and planning wing) online forum covering the debate on Big Society implications for the third sector. Has a number of links to online comments and blogs <http://www.3s4.org.uk/news/power-to-the-people-the-big-society-agenda>

Conservative party policy document
www.conservatives.com/News/News_stories/2010/03/~/_media/Files/Downloadable%20Files/Building-a-Big-Society.ashx

The Directory of Social Change comment on the debate
www.dsc.org.uk/NewsandInformation/News/Thehottopicsforvoluntarysectordebate

www.thebigsociety.co.uk/ Web page for Big Society network, set up to allow individuals to get involved in the debate



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