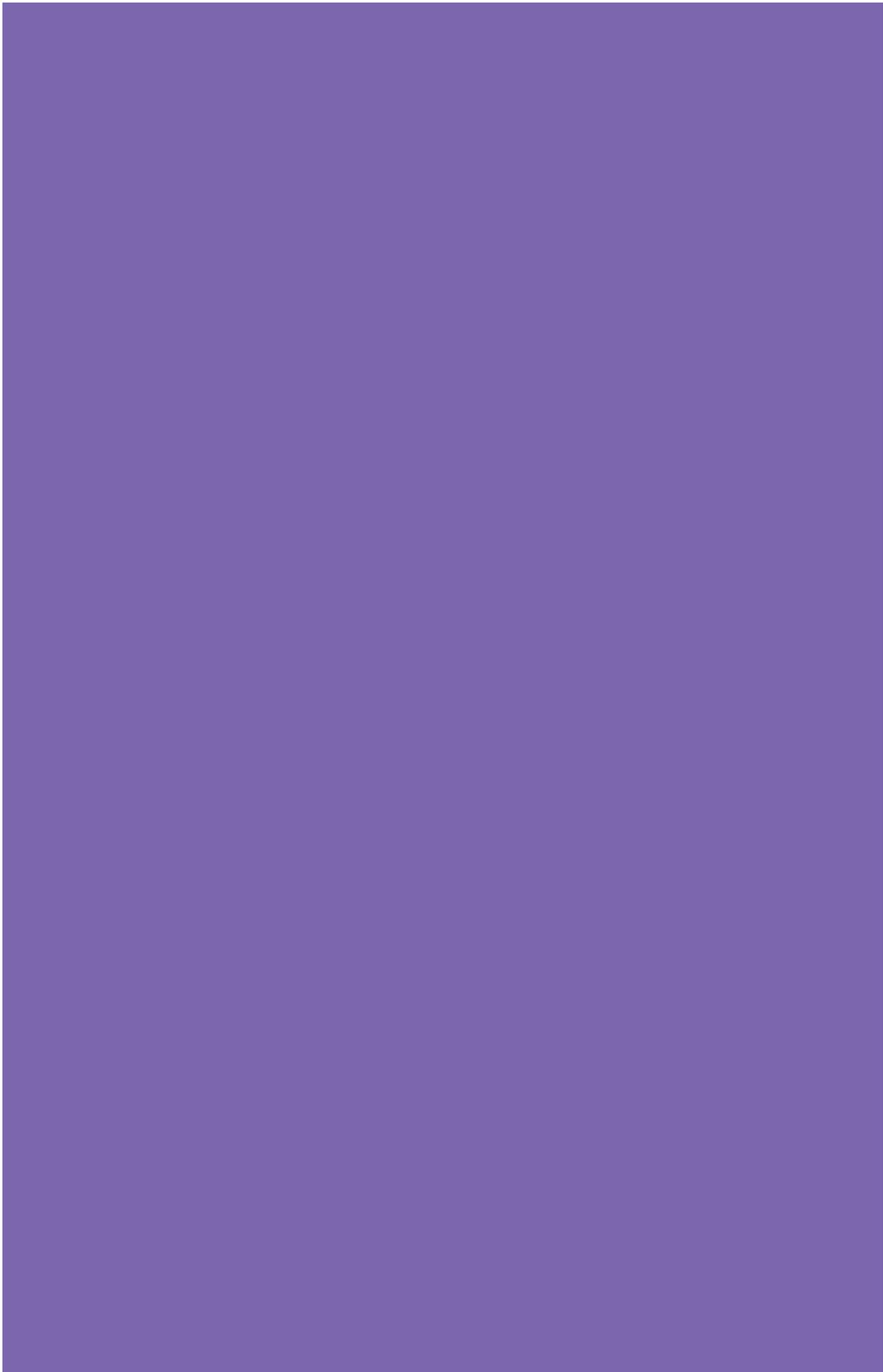


# Building a Stronger Civil Society

A strategy for voluntary and community groups, charities and social enterprises



# Introduction

Together with citizens and communities, the voluntary and community sector sits at the heart of the Government's ambitions to create a Big Society.

We recognise and value the special ability of voluntary and community organisations to mobilise and support people, particularly those who sometimes struggle to find a voice. We want to harness their power to find better solutions to our social problems. Our vision is for the sector, as a resilient and independent partner, to play an even more influential role in shaping a stronger sense of society and improving people's lives.

The reforms set out in the Coalition Government's Programme for Government and the Spending Review, which will be published next week, represent a real opportunity for the voluntary and community sector across the three core components of the Big Society policy agenda:

1. **Empowering communities:** giving local councils and neighbourhoods more power to take decisions and shape their area.
2. **Opening up public services:** the Government's public service reforms will enable charities, social enterprises, private companies and employee-owned co-operatives to compete to offer people high quality services;

3. **Promoting social action:** encouraging and enabling people from all walks of life to play a more active part in society, and promoting more volunteering and philanthropy.

These reforms will radically re-cast the relationship between the state and charities, social enterprises and voluntary and community groups over the coming years. They will give the sector a huge range of new opportunities to shape and provide innovative, bottom-up services where expensive state provision has failed. Promoting social action will make an important contribution to creating the step change in attitudes to giving both time and money that will transform the ability of the sector to improve people's lives. New opportunities will present themselves to work together with the business community and philanthropists to make a significant difference to local grass roots organisations.

However, the Government recognises that these opportunities will not emerge overnight and that to take advantage of them the sector will need some support. We also recognise that the action that Government is taking to reduce the deficit could mean a reduction in income for many civil society organisations. This will be particularly challenging for organisations who have a high level of dependence on state income and low reserves.

The sector cannot be immune from reductions in public expenditure because the scale of the challenge to reduce the national deficit is so great. Restoring confidence in the economy is in the interest of the whole country, including the voluntary and community sector. However the Government recognises that this is a particularly challenging time for charities; social enterprises and other voluntary organisations. Demand for services has risen through the recession and the funding environment has got even harder. Badly handled public sector cuts could significantly alter the ability of the sector to nurture social capital and support some of the most vulnerable people in society just at a time when we want to build that social capital and encourage those local support networks.

So we are keen to work with the sector in identifying the smartest way of making savings and finding better ways of doing things. The Minister for the Cabinet Office and Minister for Civil Society wrote an open letter to the voluntary, community and social enterprise sector this summer asking for their view on how the Government can reduce the deficit and deliver services more innovatively and efficiently, and is taking forward these responses as part of the Spending Review.

The Office for Civil Society is working with strategic partners and the LGA to facilitate local events that will debate and share best practice in relation to managing cuts. We are developing the successful Partnership Improvement Programme to support the creation of strong relationships between local public bodies and the sector. The Compact is being refreshed and renewed with new measures to improve transparency and accountability.

# Overview of the document

This document has three objectives:

1. Section one sets out the scale and nature of the opportunities being made available to civil society organisations as part of the Government's wider reform agenda, through empowering communities, opening up public services and promoting social action.
2. Section two spells out some of the practical measures that the Government is taking to support the sector to realise these opportunities in the immediate future and over the longer term.
3. In the consultation document published alongside this strategy today, we are also asking for your views on how infrastructure organisations can best be improved to help develop new skills, partnerships and organisational models so that frontline organisations can seize the opportunities that lie ahead.

# Section 1:

## Big society reform agenda - the opportunity for charities, voluntary and community groups and social enterprises

The reforms the Government is promoting as part of The Big Society agenda and our wider programme of reforms have the potential to create enormous opportunities for charities, voluntary and community groups and social enterprises.

### Empowering communities

#### a. New powers and opportunities

Local communities and organisations will be able to benefit from a massive power shift: taking power from Whitehall and transferring it to local communities. For example, reforms to the planning system will provide real opportunities for neighbourhoods to be involved in the future of their area. In addition, a new set of rights will become available to communities, including the right to buy and the right to bid to run community assets. These rights will give local community and third sector organisations the opportunity to challenge their local authority where they believe services or facilities would be better run by alternative providers. It will play to the strengths of the voluntary and community sector by making it easier for them to bring people together; build networks and give people a voice over local issues.

#### b. Freeing up local funding

The Government has already committed to de-ringfence more than £1 billion of grants to local authorities in 2010/11 following the Coalition Agreement to promote the radical devolution of power and greater financial autonomy to local government and community groups. The Spending Review will set out grants for local government from 2011/12. This will create the opportunity for voluntary and community groups to argue for the reallocation of resources to fit local priorities.

#### c. Transparency and data

Transparency will also play an important part in empowering communities to open up services to new providers.

For example, requiring Local Authorities to publish information on all spending over £500 locally, including contracts, tenders, grants and expenses, will open up a vast swathe of information about the way that money flows locally, allowing voluntary, community and social enterprise sector organisations greater access to competitively important information.

## 1. Opening up public services

The Government is committed to ensuring that charities, social enterprises and cooperatives have a much greater role in the running of public services. By promoting contestability to open up more contracts to third sector providers and giving them more information about the costs of existing suppliers, our reforms are aimed at giving the sector a bigger role in delivering more innovative, diverse and responsive public services.

### a. Public service reform

Across a wide range of policy areas, the Government has already committed to a number of reforms which will create significant opportunities for voluntary and community sector organisations to play a much bigger role in providing high quality services, including:

#### Health and social care

We intend that GP consortia will be responsible for commissioning the great majority of NHS services. They will have the freedom to make commissioning decisions that they judge will achieve the best outcomes within the financial resources available to them, within a framework that ensures transparency, fairness, patient choice and wherever possible, allowing patients to choose from any willing provider.

The Government's vision for adult social care, to be published in November 2010, will reflect the Coalition's programme of commitments to expand the work of mutuals, co-operatives and social enterprises to increase user and staff control. It will also set out that service provision should be in the hands of voluntary and mutual organisations alongside other care providers.

#### The Criminal Justice System

The Government is also creating significant opportunities for civil society organisations to play an increasing role in the delivery of criminal justice services. The VCS will be able to bid to deliver a number of contracts for offender and community services.

#### Welfare to work

Local communities and partners will have a key role to play in delivering employment support. The support that the Work Programme delivers will not be specified by central Government, but will be designed by individual providers. Local partners therefore have an unprecedented opportunity to work with providers early on and help influence the support that is put in place.

To ensure that civil society organisations are able to realise more opportunities to deliver public services, we will work with the sector and commissioners to produce proposals to modernise commissioning. The Government will seek to get input on how we can modernise commissioning to ensure the most effective and efficient charities, social enterprises, mutuals and cooperatives have a much greater involvement in the running of public services.

### **b. Promoting employee-owned co-operatives**

We hope to encourage the creation of more social enterprises and innovative third sector organisations by making it easier and more attractive to set up employee-owned co-operatives. Across many service areas, a new right to form employee-owned cooperatives will empower millions of public sector workers to become their own boss and help them deliver better services in partnership with the communities in which they work.

To accelerate the growth of employee-owned co-ops and subject to the Spending Review, we will develop a peer-to-peer learning network for new and existing mutuals, conduct action research to fully demonstrate the economic and social value of this approach and develop a Cooperative Mentoring Programme.

## **2. Promoting social action**

Creating a society where taking an active role in society is both expected and rewarded will also benefit voluntary and community sector organisations by encouraging people to give their time, their expertise and their money.

### **a. Citizen action**

The government is exploring new ways to encourage volunteering and philanthropy. The whole debate on the Big Society is encouraging individuals and organisations to think about the contribution that they make now and how that might change.

Gift Aid remains a valuable top up of donations and we are looking at ways to increase its efficiency. Subject to the Spending Review, we intend to continue with matched funding of local endowments in order to encourage local giving. The Big Society Bank will exist to encourage higher levels of social investment.

When it comes to giving time, the Government wants to lead by example, developing plans to encourage the Civil Service to give more time in community service as part of their own development.

The Government is also reviewing a number of burdens and expect to reduce the level of red tape through reforms to vetting and barring and health and safety reforms.

National Citizen Service (NCS) also forms an important part of the Big Society agenda and rewarding a culture of giving by introducing young people to the concept of civic responsibility as they make the transition into adulthood.

NCS will bring 16 year olds from different backgrounds together in a residential and home-based programme of activity. As part of the experience, participants will spend two weeks away from home, to give them the opportunity to develop life skills and resilience and to serve their community. The Government hopes that NCS will, eventually, allow a whole generation of young people to make a difference in their local area and play an active role in making society a better place.

#### **b. Community action**

We are promoting community action as part of our wider reform agenda, through local beat meetings with the police, schools reform and encouraging neighbourhood budgeting.

In addition, around 5,000 Community Organisers will be trained over the lifetime of this parliament, subject to the Spending Review, to provide extra support to those areas in greatest need.

Within local areas these Community Organisers will build and mobilise local networks to drive the change that the community needs. The voluntary and community sector can be key partners in those networks and those campaigns.

A Community First fund will also be available, again, subject to the Spending Review, to communities in disadvantaged areas to help them to take action to improve their lives. This will comprise a small community grants programme, with matched endowment, that will be open to frontline voluntary sector groups who want to encourage neighbourhood action.

## Section 2: Support to the voluntary and community sector to realise these opportunities

The Office for Civil Society exists to support and strengthen the enormously diverse and important network that is civil society. Its long term strategy is built around three objectives:

1. Making it easier to run a voluntary or community sector organisation
2. Getting more resources into the sector to underpin its resilience and independence.
3. Making it easier to do business with the state.

It is in that context we set out a range of short and medium-term actions to help the sector to transition into a new model of support.

### 1. Short-medium term support

#### a. Reducing red tape for small organisations

Cumulative Government regulation and bureaucracy has created a situation which too often stifles the desire to do good and soaks up time and money that could be put to better use. So we have asked Lord Hodgson to chair a taskforce that will recommend specific ideas to reduce the bureaucracy and red tape for charities, social enterprises and voluntary organisations.

#### b. Mobilising Civil Society

Government will also support local causes by encouraging local people and businesses to offer their skills and time to support small scale local charities, voluntary organisations and community groups. Central Government cannot dictate how hundreds and thousands of grass roots groups will act, but we can help create the environment in which people feel supported to make a difference in their communities, through programmes like the Community First programme and Community Organisers.

To help small-scale local organisations the government will also explore ways to encourage local people and businesses to offer their skills and time to support local charities, voluntary organisations and community groups. We will work with partners to establish a 'community fund' to enable local grass roots organisations to access sources of funding by making it easier for consumers to donate to local good causes through restaurants, shops and other retailers.

There is evidence that many citizens would be happy to support local third sector organisations, including financially, if it was made easy. Some businesses, and local areas, are experimenting with ways of making it easy for consumers to donate to local good causes at the point of normal retail purchases. For example, when paying in restaurants and shops, 0.5-1.5% could be added to the bill but still leaving consumers

in control and always with the option to opt out. This revenue could then be used to support a local 'community fund' for good causes.

## 2. Long term support

### a. Improving access to finance

Social enterprises, charities and voluntary organisations also need access to sustainable finance to develop and flourish. The Government is setting up an independent, wholesale Big Society Bank to grow the social investment market and so make it easier for social entrepreneurs to access the capital they need to get ideas going and build scale where appropriate.

The Bank will aim to encourage more mainstream investors to invest in social enterprises and charities, broadening the finance options open to the sector.

### b. Modernising of Commissioning and Procurement

The Government will set out detailed plans for opening up more public service markets to any willing, capable and credible provider and make existing markets more accessible early next year. It will consider how we can reduce the amount of bureaucracy and cost tied up in applying and reporting for public money. It will also look at how to enable commissioners to use assessments taking full account of the social, environmental and economic value in their commissioning decisions.

### c. Government support to modernise and re-structure

To help civil society organisations seize the opportunities that lie ahead Government is also working with the sector to help them develop new skills, partnerships and organisational models.

The Government wants to invest in a new programme that will help organisations modernise, become more efficient and more entrepreneurial in order to take advantage of future opportunities.

Through the consultation Supporting a Stronger Civil Society we are seeking the views of the sector on improving the support and advice provided by infrastructure organisations. The consultation document is available on the Cabinet Office website.

## Conclusion

We believe that the Government and the voluntary and community sector have a common objective; to build a stronger society and improve the lives of our fellow citizens. The Big Society agenda is not a Government programme; it is a call to action. The agenda contains a great deal of opportunity for the voluntary and community sector to do more and have a greater say. We want to work closely with the sector to help ensure organisations can seize these opportunities.

We are very aware of the risks associated with cuts in public expenditure at this time. Citizens, communities and civil society providers all need to play a part in reducing the deficit, and no single sector can be immune to reductions in public spending. The Government recognises that the opportunities arising from the reforms described in the first section will take time to develop, and that the sector will need support to develop into a position where it can benefit from these.

This strategy document gives a sense of direction; sets out some specific actions; and signals our desire to work closely with the sector to maximise the opportunity and minimise the risk.

Office for Civil Society  
Cabinet Office  
Admiralty Arch  
The Mall  
London  
SW1A 2WH

[www.cabinetoffice.gov.uk](http://www.cabinetoffice.gov.uk)

© Crown copyright 2010