
The Blue Book of the Voluntary Sector

Civil Society and the Conservative
Party after the 2015 election

*With a foreword by Brooks Newmark MP,
Minister for Civil Society*

CAF Charities Aid
Foundation

acevo

Charity Leaders Network

The Blue Book of the Voluntary Sector

Civil Society and the Conservative
Party after the 2015 election

*With a foreword by Brooks Newmark MP,
Minister for Civil Society*

Copyright © 2014 ACEVO and CAF (Charities Aid Foundation)

First published 2014 by ACEVO and CAF (Charities Aid Foundation)

ACEVO

Regent's Wharf
8 All Saints Street
London N1 9RL
Tel: 020 7014 4600
www.acevo.org.uk

CAF (Charities Aid Foundation)

25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4TA
Tel: 03000 123 000
www.cafonline.org

ACEVO Director of Public Policy: Asheem Singh

ACEVO Policy Officer: George Bangham

CAF Campaigns Manager: Steve Clapperton

Email: policy@acevo.org.uk

All rights reserved. Without limiting the rights under copyright reserved above, no part of this publication may be reproduced, stored or introduced into a retrieval system, or transmitted, in any form or by any means (electronic, mechanical, photocopying, recording or otherwise), without the prior written permission of the copyright owner.

The views expressed herein do not reflect the views of ACEVO, the Charities Aid Foundation or of any other organization. Each chapter reflects the views of its author alone. ACEVO and the Charities Aid Foundation cannot assume any responsibility for any views, errors or omissions.

ISBN 978-1-900685-71-9

Designed by London Publishing Partnership (09/14)

Printed and bound in Great Britain by Page Bros

CONTENTS

ABOUT THE AUTHORS	v
FOREWORD	ix
<i>Brooks Newmark MP</i>	
INTRODUCTION FROM ACEVO	xiii
<i>Sir Stephen Bubb</i>	
INTRODUCTION FROM CAF	xvii
<i>Dr John Low CBE</i>	
PART ONE	
The Conservative Tradition: Philosophical Underpinnings of Conservatism and the Big Society	
CHAPTER ONE	
Conservatives and Civil Society	3
<i>Kwasi Kwarteng MP</i>	
CHAPTER TWO	
The Big Society Four Years On	11
<i>Jesse Norman MP</i>	
CHAPTER THREE	
The Conservative Vision for Charities and the State	21
<i>John Glen MP</i>	

CONTENTS

CHAPTER FOUR

- The Big Society, Public Opinion and the
'New Socialism' 33
Danny Kruger

PART TWO

The Future: Improving Society Through Voluntary Action

CHAPTER FIVE

- Seize the Moment 47
Nick Hurd MP

CHAPTER SIX

- Power to the People: Why Charities Get It
and Politics Too Often Doesn't 57
Charlotte Leslie MP

CHAPTER SEVEN

- The Big Society: We Can Achieve the
Sustainability It Needs 67
Penny Mordaunt MP

CHAPTER EIGHT

- Fight for Peace: Social Innovation Amid
Central Government Gridlock 73
Dominic Raab MP

CHAPTER NINE

- Changing Lives 81
Sarah Newton MP

CHAPTER TEN

- The Social Value Act Now and in the Future 93
Chris White MP

ABOUT THE AUTHORS

Sir Stephen Bubb is Chief Executive of ACEVO and Chair of the Social Investment Business. He was a councillor in Lambeth and an active member of the health authorities for Guys and St Thomas' for over two decades.

John Glen MP has been Member of Parliament for Salisbury and South Wiltshire since 2010. Before entering Parliament he worked in consulting and in the Conservative Research Department.

Nick Hurd MP is Member of Parliament for Ruislip, Northwood and Pinner. He served as Minister for Civil Society between May 2010 and July 2014. Prior to entering Parliament he worked in business, finance and as a political adviser.

Danny Kruger is the founder and Chief Executive of Only Connect, a charity working with youth at risk, prisoners and ex-offenders. He has been Director of Studies at the Centre for Policy Studies, chief leader

ABOUT THE AUTHORS

writer at the *Daily Telegraph* and chief speech-writer to David Cameron.

Kwasi Kwarteng MP has been Member of Parliament for Spelthorne since 2010. Prior to becoming an MP he worked in financial services. He is the author of several books including *Ghosts of Empire* (2011) and *War and Gold: A Five-Hundred-Year History of Empires* (2014).

Charlotte Leslie MP has been Member of Parliament for Bristol North West since 2010. Prior to entering parliament she worked in think-tanks, in television and as a political advisor.

Dr John Low CBE is Chief Executive of Charities Aid Foundation. Previously Chief Executive of the Royal National Institute for Deaf People (RNID), he is also a Director of the Euclid Network of European Third Sector Leaders.

Penny Mordaunt MP is Member of Parliament for Portsmouth North. She has lived in the area since she was two years old and before entering Parliament she worked in business and communications, including a time as Director of Communications at Diabetes UK.

Brooks Newmark MP was appointed Minister for Civil Society in July 2014. He has been Member of Parliament for Braintree since 2005, prior to which he worked in finance. He previously served on the Treasury Select Committee and the Science and Technology Select Committee, before serving as a Whip.

Sarah Newton MP is Member of Parliament for Truro and Falmouth, her home seat in Cornwall. Before entering Parliament she worked in finance before becoming Director of Age Concern England helping set up the UK branch of the International Longevity Centre. In Parliament she is a member of the Science and Technology Committee.

Jesse Norman MP is a member of the Treasury Select Committee and the author of *Compassionate Conservatism* (2006), *Compassionate Economics* (2008), *The Big Society* (2010), *The Case for Real Capitalism* (2011) and *Edmund Burke: Philosopher, Politician, Prophet* (2013).

Dominic Raab MP is Member of Parliament for Esher and Walton. A former international lawyer, he worked in the Foreign Office, and as Chief of Staff to respective Shadow Home and Justice Secretaries, before entering Parliament in 2010.

ABOUT THE AUTHORS

Chris White MP was elected as Member of Parliament for Warwick and Leamington in 2010. Before his election he worked locally in Public Relations, having previously worked at Longbridge with MG Rover. In Parliament he has a diverse range of interests from manufacturing to supporting the video games sector. In 2012 he succeeded in getting his private member's Bill passed as the Public Services (Social Value) Act.

FOREWORD

Brooks Newmark MP

I am delighted to introduce the ACEVO and CAF Blue Book of the Voluntary Sector.

This is an innovative and ground-breaking project that has brought together a range of my colleagues in close dialogue with two of the best-known and best-respected organizations in our country's formidable charity and social enterprise sector. My colleagues were tasked with an open brief, to set out their reflections on the future relationship between charities, social enterprises and the Conservative Party. The breadth and depth of their responses shows the wealth and vibrancy of thinking on these topics within the party. It portends a bright future indeed, for Conservatives and civil society alike.

What follows is a wide-ranging philosophical and practical examination of conservatism and its age-old relationship with civil society. My colleagues including Jesse Norman, John Glen and Kwasi Kwarteng have applied their analytical prowess to the relationship

between the Conservative philosophical tradition and civil society today.

As Minister I am involved daily in dialogue with charities and wider civil society. I see first-hand the power that the sector has to realize grassroots societal change in a way that builds self-reliance and autonomy from the state. This action is highlighted in these pages by Dominic Raab, Charlotte Leslie and others. It is my hope that this action will produce an equal and opposite reaction from the charities and social enterprises to whom it is addressed. It is my hope that they will seize on the ideas herein, and continue the debate – which starts at Conservative Conference – in the months to come.

The project is particularly apposite at this point in the Parliament. A large number of colleagues writing in these pages entered the House of Commons in 2010. They have now had four and a half years' parliamentary experience from which to draw; this experience is evident in their ideas for how to improve the future relationship between civil society and the state. A particularly interesting development in the state-civil society relationship is found in my colleague Chris White's essay on the progress of his Social Value Act. This pioneering legislation gave confidence to charities and social enterprises that they were fully valued in this government's approach to public services. It is important not to let this debate drop, and to consider in

the coming election period how best social value can be extended and strengthened as a theme throughout our vision of state commissioning.

My sincere thanks are also due to my predecessor as Minister for Civil Society, Nick Hurd MP. He rightly won the respect and admiration of the sector with which he worked, in more than four years' service as Minister. This book's excellent range of contributors is in no small part thanks to his work, and we are very grateful for it.

As I write, it is a little over seven months until the next General Election. This book is designed both as a reflection and as a provocation. It is the product of dialogue, and I hope it will generate much more in the way of debate and collaboration in the lead-up to the General Election and in the political settlement after next May.

I hope you enjoy the collection as much as I did.

INTRODUCTION FROM ACEVO

Sir Stephen Bubb

At the launch of the ‘Open Public Services’ White Paper in 2011, I stood on stage with the Prime Minister to support a policy that the third sector hoped would be the dawn of a new era of collaboration between state and civil society. Four years on, we draw towards the close of a difficult parliament for many charities, community groups and social enterprises and their relationship with politics. ACEVO’s Autumn 2014 ‘End of Term Report’ on the Government found that many of the hopes of 2010 have not been followed by satisfactory delivery. It is a good moment, prior to the coming election campaign, to look back at the last four years and assess the state of politics and its relationship with the voluntary sector. That is what this essay collection seeks to do.

The collection explores two broad themes. First, the intellectual underpinnings of the conservative tradition and its historic and continuing relationship with civil society and the voluntary sector. Jesse

Norman and Kwasi Kwarteng write both as professional historians and as professional politicians, evaluating the Big Society and its record in the context of conservatism's origins. Drawing from the same tradition, John Glen and Danny Kruger examine where conservative thought leaves the party's vision for civil society today.

Second, our contributors turn to the future, and how social innovation will best be promoted if the state harnesses the power of civil society to create social progress. Nick Hurd begins Part 2 with a passionate call to 'seize the moment' for social change, a sentiment echoed by Charlotte Leslie's essay on the continuing power of charities to change society. Penny Mordaunt, Dominic Raab and Sarah Newton then draw from their own experience working with charities to show that social innovation can be and is already happening on the ground. Lastly Chris White, originator of the Social Value Act, reflects on its achievements two and a half years after it appeared on the statute book and on how the Act might be strengthened in future.

There is much here to be pondered on, both by politicians and by civil society leaders. Whilst ACEVO cannot endorse the views held in these essays, or in the other books in this series, we do endorse the worth of their contribution to public debate. I hope the other political parties will also compare and contrast this book with the accompanying 'Red Book'

and ‘Yellow Book,’ and that the election campaign will be the better for it.

Thank you to all the contributors to this collection, and particularly to Nick Hurd MP and his office for their help in bringing it together. Thank you also to the teams at ACEVO and at CAF for their excellent work in bringing this volume to print. I hope you enjoy reading it.

INTRODUCTION FROM CAF

Dr John Low CBE

When the Big Society idea first came to prominence in the run up to the 2010 election, many thought that it signalled a huge opportunity for charities to move to the forefront of political debate in the UK. Of course, the world moves on and times change, and the Big Society did not quite play out as its supporters may have hoped. However, as you will see from the essays in this collection, perhaps reports of its demise have been somewhat exaggerated.

The contributors to the Blue Book of the Voluntary Sector pick up many of the themes of the Big Society, such as personal responsibility, community empowerment and user-focused public service reform and argue that these themes are still just as relevant now as they were four years ago. But while the themes remain the same, the challenge faced by these Tory thinkers is a new one: to show how the gap between rhetoric and implementation can be overcome.

The essays in this collection highlight some of the notable successes of the last few years, such as the introduction of National Citizen Service and the passing of the Social Value Act. The authors use these examples as a template for how Conservative thinking on the voluntary sector can be put into practice, and give valuable thoughts on how some of the other elements of the Big Society idea might be turned into reality in the next parliament.

I would like to offer my gratitude to all the contributors to this volume, who have taken the time to grapple with these questions and who demonstrate that a rich vein of thinking about the voluntary sector runs through Conservative ideals. Many of the ideas are important and far-reaching ones that should be of interest to whichever party (or parties) form the next government. The challenge will be to turn these ideas into meaningful policies that enable charities to play the central role in society that we all know they can.

I look forward to engaging in the debate these ideas stimulate and seeing how they are taken forward.

PART ONE

**THE CONSERVATIVE
TRADITION:
PHILOSOPHICAL
UNDERPINNINGS OF
CONSERVATISM AND
THE BIG SOCIETY**

CHAPTER ONE

CONSERVATIVES AND CIVIL SOCIETY

Kwasi Kwarteng MP

The term civil society can be traced to the Latin term *societas civilis*, which itself is a translation of the Greek term *koinonìa politikè*. This phrase then forms the title of Aristotle's great work of political philosophy, usually known in English as *The Politics*. Civil society relates to the activities of human beings in communities and implies cooperation and a commitment to the common good. It has traditionally been treated as a distinct social space, separate from the state, the family and the market, and covers the wide range of activities that people participate in at a local level: charities, community groups, sports clubs, women's organizations, faith-based organizations, professional associations, trade unions, self-help groups, social movements, business associations and advocacy groups. The list of groups which comprise civil society is almost endless.

In a British context, the idea of civil society is often associated with initiatives that emerged in the nineteenth century when groups of people – businessmen, church leaders, local squires and others – came together to promote enterprises to benefit their local communities. This was often expressed by means of philanthropy. The seventh Earl of Shaftesbury (28 April 1801 – 1 October 1885), for instance, was heavily involved in reforming Britain’s lunatic asylums and in improving the working conditions in Britain’s factories. During this period, millions of ordinary people also joined forces without the assistance of the state to form voluntary organizations, to raise their standards of living by saving, investing, buying and selling together. The nineteenth century witnessed the proliferation of mutual benefit societies, which included burial clubs, co-operative societies and friendly societies. A friendly society was essentially a club where the membership paid into a fund to be used to assist members in times of need or anguish. They could, for example, compensate for the death of livestock or the price of a funeral. Some even provided periodic sickness payments or old age pensions. By the end of the century, thousands of different friendly societies had been set up across Britain. They were usually run locally by respected individuals in the community.

Evidently, a crucial element of nineteenth century civil society was the extent to which it did not rely

on central government funding. It flourished independently of state intervention at a local community level. A modern Conservative vision of civil society in Britain today takes a degree of inspiration from this model. Fundamentally, it understands that civil society is driven by local people, not by government. Moreover, and unlike figures on the left of British politics, who continue to deride and ridicule nineteenth century values, it recognizes that some important lessons can be learned from our history.

The last Labour government (1997–2010) promoted a largely artificial form of civil society, highly dependent on large subventions from central government. This was unsustainable, especially when it is remembered – and it is not easy to forget – that the annual budget deficit stood at £160 billion, or more than 11 per cent of Britain’s GDP when the Coalition was formed in 2010. It was inevitable that the large cash transfers from central government to local associations and other groups was likely to be curtailed. Over the last four years, the Conservatives have attempted to foster civil society with a shrinking amount of money. This has been a big challenge and has forced us to think more widely about the nature of civil society and how to support it most effectively. We have attempted to engage the wider community, particularly businesses, in the promotion of civil society.

While all this provides some brief context, it is perhaps a good idea to consider what civil society actually means and looks like on the ground. Any MP in Westminster will have a good sense of how civil society functions in his or her constituency. While every constituency is of course different, given that individuals and voluntary groups help galvanize communities in unique ways, there may be certain elements that are shared.

My constituency, Spelthorne, is a compact urban area with a population of approximately 90,000 people, covering some 20 square miles. It sits alongside a long stretch of the River Thames and is uniquely located inside the M25 and just 17 miles west of Central London. Heathrow Airport is less than 3 miles away. The constituency was created by the 1918 Reform Act and was originally a County of Middlesex seat. During local government reorganization that took place in 1965, it became one of Surrey's eleven parliamentary constituencies. Today, it is a major residential, business and retail centre. It is home to a number of large international companies including BP, Shepperton Studios, Wood Group Kenny and Siemens. Business really is at the heart of life in Spelthorne. There are lots of self-starters and people who are willing to take risks and stand on their own two feet. At the same time though, there is a thriving voluntary, community and faith sector in the constituency. As an MP, I see a lot

of different activities that go on week to week. People who help the elderly, volunteer in schools, youth and sports clubs. The list goes on.

Voluntary Action in Spelthorne (VAIS), a registered charity, is the infrastructure support body for the hundreds of organizations that make up the voluntary, community and faith sector within Spelthorne. They provide information, advice and training to ensure that groups have the resources to develop and function effectively. They also work hard to strengthen the sector in other ways. In early 2014, for example, they approached and worked in partnership with Brentford Football Club Community Sports Trust for the first time to launch a football coaching project for young people in the local area. The initiative proved very successful, and our connection to Brentford Football Club is set to develop over the longer term. In many ways, VAIS is one of those organizations that work tirelessly behind the scenes but do not always get the recognition they really deserve. They are supported by the local council, and their members do include local councillors and non-charitable organizations such as Surrey Police. Crucially, however, VAIS operates independently.

In my four years' experience as a constituency MP, I have been particularly struck by the extent to which businesses are often very open to the idea of contributing to civil society. One rather charming example

occurred in 2012, when local businesses supported the name change of Staines, the largest town in Spelthorne, to Staines-upon-Thames. The name change was a simple local initiative in which local residents, the business community and the local council came together to rename a historic town and promote its riverside location. The new signs incorporating the change and indicating the boundaries of the town were paid for by local businesses, who also fund the now annual Staines-upon-Thames day, when hundreds of people in families and groups congregate to enjoy a day by the river in June.

I have also found that the business community in Spelthorne is very open to suggestions coming from community leaders, local politicians and other figures. An example, which I am personally very proud to have participated in, was the launch of the inaugural Spelthorne Business Plan Competition in 2013. The competition was set up to search for and support the next generation of local business entrepreneurs. Participants were asked to think of a business idea and fill in a short form. Those with the best ideas progressed to a semi-final, where they submitted a fully developed business plan. Finalists pitched their ideas to a panel of business experts in a *Dragons' Den*-style final at BP's headquarters in Sunbury-on-Thames before Christmas. The winner received £3,500, deposited into a business bank account, and mentoring and support to help them bring their business ideas to life. The whole

initiative was made possible by the sponsorship of local businesses, who also provided expertise and helped judge the competition.

Although I am very conscious that Spelthorne is a unique constituency with its own idiosyncratic dynamics, like any other, I do feel that the local experiences I have described connect to broader issues about the development of civil society.

It is generally recognized that civil society can only develop in a free and open society where people have the right to act cooperatively for the sake of common interests, purposes and values. Civil society also needs the state's legal protection to ensure the autonomy and freedom of action of its members. In many parts of the world, where free and open society does not exist, civil society has failed to develop. In many regions, governments have sought to restrict civil society organizations, predominantly out of fear that they could threaten the established political order. It could also be said that the stance taken by ruling figures in some of these places reflects an antiquated notion that government should treat citizens as if they were children in need of continual supervision.

The Conservative Party realizes that open, democratic and transparent government provides foundations upon which civil society can develop. It understands that civil society needs a degree of support from the state, government institutions and local businesses

to flourish. Crucially, however, a Conservative concept of civil society recognizes that civil society cannot be bankrolled or judged simply in terms of profit or loss, or as an extension of the state. Neither governments nor businesses can provide the ideas or inspiration necessary for civil society. Successful examples of civil society – the Boy Scouts Association, football clubs, church groups, etc. – were not created by the state or by businesses. Civil society, above all else, relies upon active citizenship. This is something that governments can promote, and the Conservative Party has done so successfully over the past four years. Ultimately, however, active citizenship and civil society operate in a space independent of government. This is a good thing, and should be celebrated and encouraged at every opportunity.

CHAPTER TWO

THE BIG SOCIETY FOUR YEARS ON

Jesse Norman MP

Governments are instinctively nervous about policy assessments, and it's not hard to see why. Policy assessments are asymmetric: if positive, they often add little politically to what was already known; if negative, they crystallize failure, to the inevitable embarrassment of those involved.

Yet such assessments are a vital tool of political reflection and improvement in government. So, then, what assessment should we give to the Big Society? Launched by David Cameron in his Hugo Young lecture of 2009, this drew upon a rich seam of recent Conservative reflection on policy and ideas, including work by David Willetts, Daniel Finkelstein, Oliver Letwin, Iain Duncan-Smith and myself, among others. It was seen by many people – and not least by David Cameron, its author – as the flagship idea

of the Conservative party leading into and after the 2010 General Election.

In his 2009 lecture, Cameron famously said ‘there is such a thing as society, it’s just not the same thing as the state,’ a statement which was widely interpreted as heralding a return to a tradition of ‘One Nation’ conservatism. But perhaps still more significant was his insistence in a speech after the 2010 election on the scale of the shift in attitudes implied by the Big Society. In his words, over time the Big Society would be ‘a huge culture change ... the biggest, most dramatic redistribution of power from elites in Whitehall to the man and woman on the street.’

This is a very long-term project. But four years in, we can perhaps look back and draw some preliminary conclusions.

1. The Big Society remains a deeply important idea

The first conclusion to be drawn is that the Big Society remains a deeply important idea, indeed a fundamental challenge to conventional assumptions in Whitehall and Westminster about the scope and nature of government.

To recall, its key themes are the empowerment of individuals and of the intermediate institutions that lie between the individual and the state. At a time when

public spending continues to consume a level of GDP unprecedented in peacetime, there remains widespread scepticism about further state spending as a cure for Britain's economic or social ills. Yet there is also widespread popular and political distrust at the effects of financial and economic libertarianism, especially in the wake of the great crash of 2007–8.

By contrast, properly understood, the Big Society offers a potential antidote to both political tendencies. It is neither paternalistic nor libertarian, but grounded in a tradition of 'compassionate conservatism' whose roots lie in the thought of Adam Smith and Edmund Burke.

2. The left were politically quite effective in their attacks on the Big Society

Outside politics, the evident idealism behind the Big Society offered an easy target for commentators and satirists from the start. Within politics, the left quickly went on the attack, but in a rather disorganized and scatter-gun way. Ed Miliband described it as 'a return to a nineteenth-century or US-style view of our welfare state,' while others denounced it as vacuous, or merely a cover for budget cuts.

These views were inconsistent: for example, an idea cannot both be vacuous and malign at the same time. And they were quickly undermined, first by the

Coalition's decision to ring-fence key areas of spending such as on the NHS, and then by the degree to which public services have been maintained or improved over the past four years, contrary to the left's expectation.

But inconsistent or not, the left's attacks on the core idea in 2010–11 were quite effective. Not because the Coalition Government then dropped the idea of the Big Society as such, but because (with some exceptions) it has allowed it to be pigeon-holed as mainly confined to volunteering and philanthropy. It has been located in the Cabinet Office as a specific and limited set of programmes, rather than being presented as the philosophical basis for the whole sweep of what has proven to be an ambitious and successful reforming government.

3. But one effect of the Big Society has been to split the left

However, at the same time one important effect of the Big Society has been to split the Labour party, and the left generally. The long-standing divide between Blairites and Brownites has been intersected by a more interesting disagreement between those seeking a return to the soft state-first Fabianism of before 2008 and a new and small-c conservative 'Blue Labour' group located around Jon Cruddas and Maurice Glasman. The latter have recognized that there is both scope for and

importance in a deep reconsideration by Labour of the role of intermediate institutions, and a recovery of its roots among working men and women, something they seek to combine with a new civic nationalism.

Whatever the political results of this Blue Labour work within the Labour party – and it seems fated to struggle in the face of the unions’ continuing Fabianism – it is by far the most intellectually interesting development on the left for several decades. And it is a direct response to the Big Society.

4. The civil service has struggled to see how to ‘operationalize’ the Big Society

For its part, at the outset the civil service struggled to see how it could ‘operationalize’ the Big Society – that is, how it could turn the Big Society as an idea into a series of both programmes, both within and outside government. This is hardly surprising, since much of the point of the idea is to constrain state spending, and to make state interventions wiser and more enabling of economic and social enterprise and of intermediate institutions, than they have been.

Nevertheless, the Cabinet Office has put in place a wide array of programmes over the past four years, including such initiatives as Big Society Capital and National Citizen Service, and has commissioned research into its key areas of support for philanthropy

and volunteering. It has also extended its remit effectively into the areas of social action, social investment and youth policy. This has been accompanied by legislation to reduce paperwork on voluntary organizations, make charitable giving easier, and support local social action initiatives, among other things.

This work has in general been relatively inexpensive and highly worthwhile. And some of it has been transformative. Over 100,000 young people have taken part in National Citizen Service, for example, making it something of a movement, and there is a host of independent and self-reported evidence to suggest it has had a significant effect on their capability, responsibility, well-being and future desire to volunteer.

5. But in fact the Big Society remains the best way to understand the Coalition Government's underlying philosophy

In retrospect it is clear that, instead of allowing it to be pigeon-holed, the Coalition Government could in fact have extended the core idea of the Big Society much further.

At root, the Big Society is not simply a set of government programmes. Nor is it merely confined to issues of philanthropy, volunteering, social action and investment and youth policy, important though these are. Rather, it is best understood in the terms in which

it was originally introduced: as the animating philosophy of David Cameron's administration as a whole.

Even a brief survey of coalition government policy makes the point. The goal of the Government's reforms of the welfare system has been to empower individuals, reduce dependency and focus resources on those most in need. The goal of its academy and free school policies has been to empower a new generation of relatively free-standing and autonomous educational institutions. The goal of its reforms to local government has been to free up town halls and councils and make them more locally accountable.

6. Thus the Government needs to remake the argument for Big Society principles once again

The Big Society is thus the best way to understand the overall direction and cast of Coalition Government policy over the past four years. To be sure, the Government has had to work extremely hard to control government spending and bring down the deficit. But its positive programmes have been inspired by a distinct set – and indeed a distinctively conservative set – of ideas. Its leading reforms derive from, and accord with, the key principles of the Big Society.

Given their success, and with a general election in prospect, the time is ripe for the Government to make the argument for these principles once again, both as

an explanation of its own philosophy, and as justification for specific policies and priorities after 2015.

7. And this remains the central challenge for any future government

The American columnist David Brooks has written:

‘We are moving from a world dominated by big cross-class organizations, like public bureaucracies, corporations and unions, toward a world dominated by clusters of networked power. These clusters – Wall Street, Washington, big agriculture, big energy, big universities – are dominated by interlocking elites who create self-serving arrangements for themselves.’¹

This phenomenon is less marked in Britain than in the USA, so far at least. But it is there. The challenge for Conservatives is to ensure that these networks of influence and information are held to account, and that they remain as open as possible to people from every walk of life, to create a more connected society. Its counterpart may well be a renewed attack on what I have elsewhere described as ‘crony capitalism’.

This challenge and these ideas will not lose their importance after 2015, whatever the outcome of the

1 David Brooks, ‘The New Right,’ *New York Times* (9 June 2014). Available at: <http://www.nytimes.com/2014/06/10/opinion/brooks-the-new-right.html>.

General Election. Again the crucial question must be faced: given that the state is not able to discharge all the commitments we have loaded onto it, then by what other means, and from what other social resources, is our society to thrive?

In addressing this question, we will need a better understanding of the state itself, and of how to make it leaner, more effective and more resilient in responding to shocks, as well as redefining its boundaries in an age of surveillance and mass terror. Part of this redefinition is likely to place more emphasis on decentralizing power, encouraging dynamic experimentation, competition and innovation, and spreading best practices incrementally. And, whether it comes from left or right, that in turn will inevitably focus on releasing social energy and empowering institutions – the twin poles of the Big Society.

CHAPTER THREE

THE CONSERVATIVE VISION FOR CHARITIES AND THE STATE

John Glen MP

‘Charity is a cold grey loveless thing. If a rich man wants to help the poor, he should pay his taxes gladly, not dole out money at a whim.’

Clement Attlee

Charity and the Problem of Stability

A Conservative vision of society has always involved a large, flourishing civil society and voluntary sector, with a reduced need for relying on the state. But this vision has attracted a particular – repeated – critique from the left: namely that charity depends upon ‘whim’, or worse, upon flashes of pity and ‘universal coverage’ cannot be relied upon. The famous quotation from Attlee sums up the sentiment: that helping others is the role of the state, and that

the solution is tax-and-spend, rather than the charity sector.

The argument has continued beyond the twentieth century. Polly Toynbee recently wrote that charity ‘is paid out by the whim of the giver and among the rich often with strings attached.’² This criticism is slightly more complex than the problem of an unstable voluntary sector. On the one hand there is the question of motivation: is charitable provision undesirable because of pity? Or because the motivation to give may not be an enduring or regular one but rather a flash of guilt or temporary altruism? On the other there is the question of reliability. If giving is always on a ‘whim’, then the voluntary sector can never be a reliable provider because charitable giving can never be relied upon. This is exacerbated, it is said, by economic cycles, as paradoxically, charitable giving reduces at the time it is needed most. Or giving comes with too many strings attached, catering to the interests or prejudices of philanthropists.

In sum, the left contend that charity adds some pleasant variety and innovation to society, but it is too unstable, the story goes, too based on whim and

2 Polly Toynbee, ‘Charity is a fine thing, but it can’t justify the wealth of the 1%’, *The Guardian* (20 December 2013). Available at: theguardian.com/commentisfree/2013/dec/20/charity-cant-justify-inequality.

discriminatory demands, to provide a genuine and attractive alternative to state provision.

This is a profoundly depressing critique. We should, firstly, reject wholeheartedly the critique of motivations for giving. It is possible to give out of gratitude, a sense of responsibility, a sense of solidarity, and of genuine compassion. Wrapping the vital social dynamic of gratitude and compassion in the language of ‘pity’ is disingenuous; it is only hard-line egalitarians who have a significant interest in doing so.

As to ‘strings attached’ funding, money everywhere – whether in the public sector, voluntary sector, or private sector – is sparse and precious and needs to be used effectively wherever it comes from. Just as investors have not just a right but a responsibility to interrogate a business plan, so givers should carefully think about what their money is going towards. It is this attitude that has driven a positive trend in transparency and an effort to reduce overheads.

The question of the reliability and long-term stability of the voluntary sector, however, deserves more careful thought. Whilst one might expect charitable giving to fall during a recession, government figures suggest that giving has held up well.³ And the

3 HM Government, *Encouraging Social Action* (2013), page 7. Available at: gov.uk/government/publications/encouraging-social-action.

longevity of many major charities, a number of which have become embedded within civil society (from animal sanctuaries to Macmillan Cancer Support), is ample evidence against instability in the voluntary sector. Many voluntary sector organizations will have greater longevity than many government programmes, which are often subject to major changes in leadership and emphasis, as well as the strictures of public budgeting.

Before considering the question of reliability and stability in more detail, it is worth emphasising the additional benefits of charitable provision. It is not enough for Conservatives to rebut the critique that charity is based on (unattractive) pity and (unstable) whim. We must argue that charity is not a 'cold grey loveless thing.' Charitable activity is deeply rooted within local communities and sensitive to their needs, often supported by enthusiastic and generous volunteers, and springing from a sense of compassion and responsibility. Personal and local solutions to problems will often be far preferable to what can be impersonal and disconnected Whitehall programmes.

It is because of the value and vibrancy of charitable provision that we should work to ensure its stability. Embedding voluntary sector organizations within civil society allows their vital work that binds our communities together, to continue and to flourish.

Embedding Charities in Civil Society

It is not enough for society to be big. It must also be robust.

One thing that can make an institution valuable is that it is always there when you need it. This is what we value about the NHS, or about the police and our justice system. Some of the most valuable organizations in the voluntary sector are ones that are well-established, and can be counted on to provide reliable services and activities. It is not simply a matter of longevity, for even well-established organizations can have very hard times. Rather, it is a matter of being embedded in civil society.

What does this mean? On the one hand, it means being known by the people you seek to serve and maintaining good links with government and local authorities. On the other hand it means being able consistently to deliver on service provision (including on contract), having stable income, and being able to take and commit to long-term strategic decisions.

These are the traits that underpin reliability and stability. Organizations like this form not just a Big Society but a robust society as well. They are of immense value because they are there when they are needed, and offer a real and vibrant alternative to government provision. They can also form long-term relationships

with government agencies and be relied upon for contractual or non-contractual service provision.

It is not an easy process for an organization to get to this point. To become embedded in civil society requires support from civil society and the voluntary sector itself, but also the support of government.

Embedding in Civil Society: Internal Support

Case Study of The Cinnamon Network

The Cinnamon Network is a network of over thirty projects offered as a community franchise to churches throughout the UK. These projects have become embedded in local communities, have proved resilient and scalable, and provide a reliable service. Currently, 3,515 churches lead a Cinnamon Network recognized project, involving 50,000 volunteers across the country. Projects include Christians against Poverty, who work with 250 churches and help 20,000 people a year to live debt-free; Clean Sheet which has a network of 5,000 firms to help to find employment for those with a criminal conviction; and the successful Trussell Trust food banks.

The Cinnamon Network provides micro-grants and CEO coaching for new projects. Its projects have become embedded in civil society due to a number of factors:

Use of a community franchising model

The community franchising model allows projects to make use of local networks, relationships and expertise, being situated in individual local communities. Volunteers will often know those who need support by name. The central project passes on best practice rather than requiring constant reinvention, so new franchises can launch quickly and are less likely to repeat previous mistakes.

Use of local churches

The fact that Cinnamon Network projects are based in local churches reduces overheads, and gives access to a wide pool of volunteers who are motivated to be involved in charitable work as an outworking of their faith. They are therefore less reliant on employees or on high levels of giving in order to operate.

Knowledge transfer

The community franchising model enables knowledge transfer, but networks such as the Cinnamon Network can enable charity CEOs to share experiences, knowledge and expertise which can benefit other projects and prevent them from failure.

Working with local agencies

Cinnamon Network projects work closely with local agencies and charities to ensure the best provision for those in need of support. For example, local authorities or social services can refer individuals to Trussell Trust Food banks. The Torch Trust's *Journeying With* scheme relies upon referrals from medical professionals.

Relevance

All Cinnamon Network projects are required to be highly relevant to current social needs, for example, tackling poverty, debt, ageing population, family breakdown, safe streets and unemployment.

The experience of Cinnamon Network projects suggests that charities can successfully embed within civil society if they are highly relevant, make use of local experience and relationships – including with local agencies and authorities, make use of opportunities to lower overheads and rely upon motivated volunteers rather than employed staff, and make use of knowledge transfers and best practice to enable easy replication and protection from early failure.

This experience suggests two practical recommendations: first, expanded use of formal or informal networks between charities to share best practice and

transfer knowledge and experience, and second, the encouragement of faith- and church-based charities which combine local expertise with a wide pool of motivated volunteers. It is at the risk of the impoverishment of the voluntary sector that faith- and church-based projects are marginalized by governments or other institutions.

Embedding in Civil Society: Government Support

Government Contracts with the Voluntary Sector

Direct government grants to charities are relatively limited. Charities that do receive grants are among the largest in the UK. The vast majority of charity income from government, however, is contract income (£11.6 billion in 2010/11), where the government services are contracted out on the grounds that charities are better placed to provide particular services.

Contractual provision is to be encouraged. As I argued earlier, there are many advantages to charitable provision which is more local, flexible, and personal than most government programmes.

The Office of Civil Society's masterclasses on bidding for public service contracts are welcome. However, government contract and procurement schemes are frequently too inflexible and only accessible to the largest charities.

Governments should acknowledge that charities, particularly those which are deeply situated in local communities, will have a great deal of expertise regarding what is achievable and the shape that service provision should take. As such, bidding for contracts should include the ability for organizations to define and shape the services to achieve particular outcomes. This should include flexibility on timescales for provision.

Many large contracts are outside the reach of smaller charities. Government should also split contracts up in order to allow smaller organizations, who may not have the capacity to fulfil large contracts, to win bids and develop closer ties with government.

Cutting Red Tape

Government should continue to reduce red-tape for charities, particularly to benefit smaller organizations which may not have staff to take on additional paperwork. For example, the AMBER Foundation in Wiltshire operates to support vulnerable young people back into sustained independent living. In order to qualify for involvement in some government programmes it will need to measure success – not easy when it is small and cannot spread the cost of a specialist resource to collate such information.

Government cannot ultimately cause charities to become embedded in civil society. However, increasing

the ability of charities to bid for government contracts and thereby making them able to form relationships with government agencies is a significant step that government could take. Reducing the overheads that charities face, through cutting regulation and red-tape, also eases the financial and time burden for smaller charities and could help to avert early failure.

Conclusion

Charity is not a ‘cold grey loveless thing.’ It does not rely on pity and is not simply subject to whim, as the existence of long-lasting and stable charities shows.

Organizations are particularly valuable if they are there when we need them. It is not enough for society to be big; it must also be robust. We should work towards embedding charities into civil society, so that they have a stable income, are well-known by those they seek to support, develop positive and long-term relationships with local agencies and authorities, and can make long-term strategic decisions.

The factors that enable this are both internal and external. Internally, organizations should seek positive relationships with other local organizations and government agencies. There should be expanded use of formal or informal networks between organizations to share best practice and transfer knowledge. Faith- and church-based charities should be encouraged, which

combine deep local expertise with a wide pool of motivated volunteers. Externally, government should open up contracts to smaller charitable organizations. The shape of the service provided should be open to bid and negotiation, and government should split contracts to enable smaller organizations to develop links with government and create opportunities for future contracts.

These practical steps are worth pursuing, because the vision is worth pursuing. It is a Conservative vision of more practical, personal support coming from locally based charities and based on compassion, not on pity or on taxation. It is a vision where the voluntary sector can be relied upon, where organizations become 'part of the furniture', always there when we need them. Not just a big society, but a robust society too.

CHAPTER FOUR

THE BIG SOCIETY, PUBLIC OPINION AND THE 'NEW SOCIALISM'

Danny Kruger

Big Society

'The church', said St Paul, 'is not peripheral to the world; the world is peripheral to the church'. Substitute 'civil society' for 'the church' and 'the state' for 'the world' and we have a political principle for our times: civil society is not peripheral to the state, but the other way around.

This, roughly put, was the basis of the Big Society campaign: the idea that 'society' has more resources, more moral authority, more centrality to the lives of individuals than the institutions of the public sector.

For all its failure as a electioneering slogan in 2010 – when Britain was on the brink of economic collapse

and people didn't have time for it – the Big Society was a highly successful brand: it achieved universal public recognition and, despite all the feigned incomprehension on the part of commentators, was generally well understood as an appeal to citizens to take personal responsibility for their neighbours and their neighbourhood.

Here was a campaign which, momentarily, changed the conversation between politicians and the public. To the public the usual bleak controversies of politics – turgid technical debates over hospital management or schools funding – are simply an incomprehensible but vicious spectator sport, where you sense who's winning but not why or whether they deserve it, and you hate the whole game. The Big Society elevated the national conversation to something approaching a moral discourse: what sort of society do we want? What are our own responsibilities, what are others'? What is the condition of my community, and what can we do about it?

If these weren't two ridiculous words for a Conservative leader to adopt I would have advised David Cameron to call himself a 'new socialist'. Old socialism was about using the power of the state to advance the interests and well-being of the working class. New socialism is about using the power of society to protect minorities, defend and promote local communities, and create opportunities for social mobility.

St Paul's was an outrageous claim, when 'the church' was a tiny persecuted sect and 'the world' meant the Roman Empire at its height. And my claim may seem outrageous too, for the state has never been stronger and society – in terms of organized civil society – has never seemed weaker.

But there are a number of straws – indeed whole haystacks – in the wind, suggesting the weather is turning in favour of the new socialism.

Public finances

First, the obvious: the state is broke. We have a model of public services built on the assumption of occasional, exceptional need: most people having rare moments of illness or unemployment, and a tiny minority of people needing significant provision like drug rehab, prison or long-term care. But the shape of demand has shifted, with large numbers now relying on public services for long periods.

Meanwhile the shape of supply – the provision of services – has not shifted, or not much. We still have centralized state monopolies or near-monopolies in health, education and welfare. And the main thing which hasn't changed is the thing which mediates supply and demand: the money, which remains imprisoned in a political consensus that whatever we do with the supply side – outsourcing, part-privatization,

spin-outs, whatever – the funding must all come from the taxpayer.

This is unsustainable and increasingly seen to be so. The only possible solution to the crisis in the public finances – from early years services to long-term care for the elderly – is co-funding. This need not always mean the individual patient or family paying (though it can and should in many cases) but can include private philanthropic support, whether from companies, foundations or individuals.

Even if this money is a tiny proportion of the total budgets required, private money is a strong tail which can wag a heavy statutory dog. The private top-up could make the difference in terms of the total cash needed, but more likely it will introduce the disciplines and the accountability that are necessary to make sure the public money is well spent. Social investment, in particular, whereby private investors provide the up-front capital for an intervention and are repaid by the taxpayer (with or without interest) in the event of the intervention succeeding, represents an immensely important new lever in the delivery of public services. Investors will insist on a realistic and achievable plan, and be following the project through to ensure it delivers success.

If philanthropists could be persuaded to come in at the end as well – to join the taxpayer as a buyer

of outcomes – we would see even more rigour in the management of public service contracts.

Early intervention

The second sign of the weather changing is that commentators and politicians of all parties are realising that the monopoly public sector, built around the assumption of occasional, exceptional need, is designed for reaction: for remedying or mitigating or simply managing problems once they have emerged, rather than preventing them from emerging in the first place.

The alternative is a system of early intervention, the determination to get upstream of social failure. This is particularly the case in childhood, where it is overwhelmingly obvious that the first years of life set the pattern for the rest. But the same argument applies to every problem, to every embarrassing statistic for government and every budget shortfall. We missed the chance to start things off right, and now we are paying through the nose to make up for it, and often failing.

This is the real way to avoid the next fiscal crisis. By all means ration the supply of acute remedial state services, but the best thing we can do is dry up the demand for them. We will do this by empowering the social sector which is uniquely able to do the flexible,

relational, human-centred work that prevents problems growing and replicating.

Again, social investment offers the means to do this without wrecking the public finances in the short-term. But the Treasury must be prepared to commit spending beyond the usual time scales; to cede control to co-funders and admit an element of risk; in short, to change the habits of a life-time. Only determined political leadership will make this happen, but the chances of this are growing.

Public attitudes

The third flying haystack is public attitudes and behaviour. As Douglas Carswell MP has argued, our whole system of government – let alone the public services – is predicated on a passive population, grateful for the chance to vote every four or five years but otherwise content to let the high-ups run things for them. This isn't the way anyone lives their lives any more; we rely less and less on the mediating authorities – doctors, travel agents, the film buff behind the video store counter who told you what was worth watching – and more on each other, and our own pretty proficient researches.

For all its horrors the internet is empowering individuals to form communities of expertise and action. What might once have seemed absurd – what, local

parents setting up a school? Community groups organizing remedial sentences for young offenders? – are now commonplace. The walls of the state monopoly are crumbling, not least from within where public sector staff are forming new mutuals and taking their responsibilities with them into the independent sector.

‘The sector’

What hasn’t changed, interestingly, is public attitudes to the social sector itself. We are still seen as a combination of small-scale amateur do-gooders and politicized professional campaigners for esoteric and dubious causes, neither of which seems the answer to Britain’s pressing social problems.

And though I think they misread us, in a sense I think the public are right to disregard ‘the sector’, in both its amateur or professional expressions. The ‘sector’ matters not at all, any more than ‘society’, abstractly conceived, has any meaning (the point Mrs Thatcher famously made). What matters is reality – real humans doing real things for themselves, their neighbours and the wider community. And crucially, these real things need real results.

Charities and community groups have no moral right to exist, however decent, committed and well intentioned their staff and volunteers are. What matters is what they do, and whether it works. The worst thing

about the ‘sector’ is when we start campaigning for it – the sector, for charities themselves – rather than for the people and the causes we exist for.

This is a tendency of all institutions, and one that I am thinking hard about as my own charity grows: how to do more, for more people, without becoming simply a bureaucracy that needs feeding. How do we ensure that we go after funding opportunities because we want to do the work, rather than because we need to pay the wage bill?

Of course, a good charity has its own interests closely aligned with those of its clients: what’s good for Only Connect should be good for our members. And mostly, this is the feature of our sector, and one which distinguishes it from the public sector where ‘producer capture’ – the system working for staff and managers rather than for the public – is endemic.

What then, can we do to respond to these signals? For the last two years I and a group of voluntary sector colleagues, pulled together by the Centre for Social Justice, have explored the state of the sector and come up with proposals.

We have been keen to avoid making suggestions which will simply help social sector organizations for their own sake. Rather we make an argument about why and how these organizations can help the most marginalized communities in the country, and how this work can be reinforced. The proposals fall under

three broad headings where deliberate leadership and policy could make a big difference. The first covers commissioning.

Just as in the nineteenth century surgeons struggled to escape their historic and degrading association with barbers, so commissioning needs to separate itself from procurement, an altogether lower-grade activity requiring – indeed demanding – nothing but an attention to the basics of fiduciary responsibility: the price, in short. Commissioning, properly done, is the business of co-designing a service with the people who will deliver it and the people who will receive it; the funder is only one player at the table and needs to know their place.

A particular value of humble commissioning is that it allows room for the smaller social sector organizations which are always squeezed out – ignored or exploited – when commissioning is confused with procurement. Of course, small organizations themselves need to change too, to introduce the systems and the managerial professionalism necessary for partnership with government. But they won't do so until there is a culture and a process that makes this effort worthwhile.

Cold spots

The second focus for government, working with business and the media, should be a deliberate plan to

build an effective civil society in areas where it is thin on the ground.

For years there have been two main arguments about public service delivery – both straw men to a degree, but articulated by a sufficient number of ideologues on either side to paralyse the debate. One (the dominant argument) is that we need a single centralized state monopoly to ensure fairness and good management. The other (held by a shrill minority) is that we should simply let a thousand flowers bloom, sweep away all central management and political direction, and expect individuals and communities to look after themselves and each other.

The first argument is surely exploded, and the second is a dangerous delusion. We see this mostly clearly in places – the CSJ visited stretches of Cornwall and Teesside where this is the case – where there is neither sufficient state provision nor, in its absence, a groundswell of independent social action. These are the ‘charity cold spots’ whence, the big funders complain, they get few applications for grants and there is an apparent lack of the community leaders needed to set up initiatives and sustain them.

Very deliberate political action is required to build up local communities’ own capacity and appetite for social action. We need to incentivize the grass roots, help social entrepreneurs set up, and build the resilience of

community foundations to ensure long term sustainability once the spotlight moves on.

Public and business

Third and lastly, we need the two great sources of life for the social sector – the public and business – to give more money, more time, and more strategic input. Our sector would benefit from an educated, stringent public and business community which didn't simply think of charity as the recipients of its spare change, to be briefly and thoughtlessly patronized in the breaks between the real heavy lifting of life. We are the heavy lifting; this is a worthwhile object for the time, money and passion of clever committed people. Here is something for families, communities and companies to take seriously and do well. Bad philanthropy – emotion-driven or publicity-seeking giving – is a curse on our sector, as it incentivizes us not only to fund-raise in an exploitative and even dishonest way, but because it makes us work sloppily too. We need more grown-up support.

Leadership

My regret for the Big Society is that, blamed for the disappointing result of 2010, the Conservatives dropped it as a slogan, and adopted a policy of 'show not tell':

the excellent Nick Hurd was appointed to help the sector but not to boast about it. For all the positive steps forward in policy terms – from community asset transfer to Big Society Capital – the whole agenda went underground, and seems unlikely to surface in the 2015 campaign.

This is a shame, for what's really needed to create a bigger society is, paradoxically, political leadership. Most of the public don't know that community asset transfer is a possibility, or that Big Society Capital exists. From his citadel at the heart of the state, the Prime Minister should be proclaiming that not *here* – Westminster – but *there*, in the charities and churches and community groups of Britain, is where it's at; *there* is the source of social transformation, where the change that Britain needs will happen. He did it effectively in the last Parliament, cutting through the noise and scorn to say something people understood and resonated with. It is not too late to do it again, this time with Nick Hurd's legacy as a banner proclaiming that the revolution is underway.

PART TWO

THE FUTURE: IMPROVING SOCIETY THROUGH VOLUNTARY ACTION

CHAPER FIVE

SEIZE THE MOMENT

Nick Hurd MP

We have a window of opportunity to achieve something very valuable. Most developed countries face the same combination of daunting social challenges and unsustainable public balance sheets. We are all trying to get our head around a very uncomfortable exam question: ‘How do we deliver better social outcomes with less public money available?’ We all have to think differently. My thesis is that Britain can lead the world in showing how it can be done. The starting point must be to make much better use of the resources we do have available. The key change must be to encourage the three pillars of our society to work together much more effectively for the common good. That collaboration needs to happen both across sectors and within sectors. We need a better balance of responsibility between a more open and efficient state, a more socially

responsible private sector and a stronger civil society. We have a special opportunity to achieve this because both the public and private sectors need the voluntary sector now in ways they did not before. What has changed?

The world has changed profoundly for those in Government. The relationship between the political class and the public we want to serve is at the lowest ebb in my political memory. A fundamental lack of trust is underpinned by a strong sense of disconnect. Over many years we have given more and more power and money to Government, and have got too little back in return. Part of the political response has been a collapse of confidence in the ability of Whitehall to deliver and an embrace of localism. Against this backdrop, the next Government faces the challenge of delivering ‘better with less’ from a public sector whose track record on productivity is dire. We are only half way through the cuts under any party and the second half will be harder. Nor is this about just trying to maintain existing services. It is about being able to anticipate and meet new need, driven by demographic shifts that are delivering a mini baby boom and rapid ageing at the same time. All this will be played out in an age of unparalleled transparency and ‘people power’ in the form of access to information and ability to mobilize people in the digital age.

In their latest book, *The Fourth Revolution*, John Micklethwait and Adrian Wooldridge write about the global race to reinvent the State. They put it very clearly. To them, ‘the main political challenge of the next decade will be fixing government’. In that context, my wish list is long. For the purpose of this argument, it must include the following. Much greater clarity on what the state will and will not do. Rigour in finding and paying for what works. And a much greater openness to working through organizations and networks that people trust. In this context, smart government should always be asking the question: ‘how can we get the most value from both the voluntary sector and the private sector?’

The challenge facing the private sector is no less profound. Social attitudes towards ‘business’ appear to be shifting, not least among the young. Recent research from both sides of the Atlantic tell the same story. Young teenagers, future employees and customers, are ‘more engaged with social issues than ever.’⁴ The social enterprise movement is growing around the world, and represents around 15 per cent of the SME community

4 ‘Today’s teenagers are more engaged with social issues than ever...’. See Demos, *Introducing Generation Citizen* (2014), page 22. Available at: demos.co.uk/publications/generationcitizen. This is also discussed in ‘Sparks and Honey Meet Generation Z’ presentation, available at slideshare.net/sparksandhoney/generation-z-final-june-17.

in the UK.⁵ Socially Responsible Investment is a trillion dollar industry. More and more of us seem to care about the values of the organizations we do business with, invest in, or work for. Businesses now operate in a very connected and transparent world, where it is much harder to get away with bad behaviour. Values matter much more. The most valuable brands are underpinned by trust that is proving to be increasingly fragile. The best leaders know this, which is why the corporate social responsibility agenda seems to be moving into a new phase that is closer to the core of the business. We have nudged this with the introduction of the Social Value Act, in 2012, which encourages the public sector to maximize social value through their process of commissioning services. The support from charities and social enterprises was predictable. More striking for me has been the positive reaction from for-dividend companies who see the opportunity for social value to become a source of competitive advantage in bidding for contracts, especially against foreign competition.

Another trend is welcome too. Companies are thinking more strategically about their engagement with community and civil society. Employer-led volunteering is

5 HM Government, 'Growing the Social Investment Market: 2013 Progress Update', paragraph 3.8. Available at: gov.uk/government/uploads/system/uploads/attachment_data/file/205295/Social_Investment_Strategy_Update_2013.pdf.

increasingly a human resources issue rather than a CSR issue, because it is about skills development rather than looking good. The right question is being increasingly asked: ‘how do we make best use of what this company is good at to create social value?’ My favourite example remains Vodafone. Rather than just write a cheque to one favoured charity each year, they said ‘we are a mobile company. Why not use what we know to create a platform to encourage text giving which everyone can use?’ They did, and it will generate vastly more social value than their old model. These trends are exciting because the power of business and the workplace to drive positive social change cannot be overestimated.

As trust flows away from politics and business, our voluntary sector and social economy becomes ever more important. It was my good fortune to spend six years as Shadow and then Minister for Civil Society. Every week, I was witness to extraordinary work being done by people who find their fulfilment in making a positive difference to the lives of other people. In a country struggling for harmony, the space where we work together for the common good is incredibly important. At a time when faith and family are under pressure, the common institutions that ‘promote virtue’ become essential.⁶ The success and diversity of

6 Michael Novak, *The Catholic Ethic and the Spirit of Capitalism* (New York, NY: Free Press, 1993).

our voluntary sector is one of the differentiating features of Great Britain. It touches millions of lives and is fundamental to how we live together. The sector is stronger than it thinks it is. Disproportionate cuts in public funding have caused real damage in some areas but overall sector income has been stable, according to Charity Commission figures.⁷ Our charities and social enterprises continue to be trusted and supported by the British public. That matters a lot in an age when technology has transformed our ability to inform and mobilize people. However the sector is not well enough understood and cannot be taken for granted. The leadership challenge is immense with so much change, risk and opportunity to navigate. A short list would include the profound reform of health and welfare systems, the switch from grants to contracts, the move to outcomes-based commissioning and payment by results, the opportunity to attract social investment, and the need to attract new skills. In this context, the social sector is more open than it was to working in new ways and with different people.

7 Charity Commission, 'About charities: facts and figures.' Available at: charitycommission.gov.uk/about-charities/sector-facts-and-figures/. These show, for example, that in 2010 there were 162,415 registered charities with a total income of £53.86 billion. On 30 June 2014 there were 164,345 registered charities with a total income of £63.44 billion.

These shifts in the dynamic between the three core pillars of our society represent a rare opportunity. We can move on to a new model of cooperation that makes the best use of all our resources. How close are we?

I have read many obituaries of the Big Society. They underestimate the progress that has been made. We are beginning to think and act in a more collective way. Take dementia, now recognized as one of our biggest social challenges. The new national strategy, driven by the Prime Minister, is a ‘big society’ approach with government, employers and civil society working together, not least through the Dementia Friends campaign.⁸ Another example would be the Step Up To Serve campaign. Few would argue about the need to do more to help prepare young people for life and work. This includes developing the so-called soft skills and resilience that employers increasingly want. There is decent evidence, not least from National Citizen Service, that involvement in social action helps young people develop those skills.⁹ The old response might have been a large government programme with one party taking all the credit. The new response is a cross-party, cross-sector

8 Dementia Friends website. Available at: dementiafriends.org.uk.

9 Ipsos MORI, *National Citizen Service 2013 Evaluation* (14 August 2014). Available at: ipsos-mori.com/researchpublications/publications/1692/National-Citizen-Service-2013-Evaluation.aspx.

campaign led by the Prince of Wales which aims to double the number of young people participating in social action.¹⁰

However we are a long way from where we could be. It will take extraordinary leadership to get there, and not just from Government.

We have to create a culture that is more hungry to find new social solutions from all sectors and deliver them at scale. Britain can be a world leader in social innovation, at a time when the world needs it more than ever. Our success as a nation has arguably been built on our ability to innovate. We have extraordinary social entrepreneurs. We live in an incredibly exciting time where disruptive technology is changing industries and transferring power to small organizations and the citizen. The main block is a public sector that has been too risk-averse and blind to the real cost of the status quo. The disruptive agents are becoming more visible. Transparency, open data, social investment, social impact bonds, grants for supporting innovation and investment readiness, the public sector mutual movement. These are all part of a new and vital drive to get serious about social innovation. We lead the world in almost all these areas but the culture of supporting social innovation is not yet embedded. My concern is that a new administration

10 Step Up To Serve website. Available at: stepuptoserve.org.uk.

may lose momentum just at a time when we need to find a higher gear of ambition.

Linked to this hunger for new ideas must be a rigorous commitment to raising the status, standards and accountability of public sector commissioning. This is not glamorous politics but given the billions of public money involved, it is really important. Commissioners need to be qualified and they need to be supported by access to high value learning opportunities, not least about what works. I have become a strong believer in peer to peer learning networks. We have made a good start with the Cabinet Office Commissioning Academy and ‘masterclasses’ that bring together practitioners from all three sectors. This should be built on.

The truth is we have barely scratched the surface of what could be achieved if we could make better connections between business and our ‘social economy’. I sincerely hope the ‘Transforming Rehabilitation’ commissioning process will show how you can commission at scale and bring together really effective partnerships between very different types of organization. Step outside the delivery of public services and the opportunity is even greater. Across the country; business and charity coexist but do not network together, rarely understand each other’s needs and so rarely cooperate in effective ways. The will is there to change this. The key may be really effective

local brokerage, and programmes like Business Connectors point the way to much bigger opportunities to connect businesses with the opportunity to create social value.¹¹

In conclusion, I am excited by the potential for new models of cooperation that makes the best use of all the resources that our country has to offer. I do not want to go back to the old model of over promising and under delivering government; a private sector with little sense of social responsibility and a social sector playing short of its real potential. With the right leadership across sectors, a better model is within our grasp. The upside in terms of improved lives and better connected communities is enormous. That is some prize. We should seize the moment. Who knows when it will come again?

11 Business in the Community, 'Business Connectors' programme outline. Available at: bitc.org.uk/programmes/business-connectors.

CHAPTER SIX

POWER TO THE PEOPLE: WHY CHARITIES GET IT AND POLITICS TOO OFTEN DOESN'T

Charlotte Leslie MP

It's not all *Wasteland* and *Cats*. In a less well-known work, *Choruses from the Rock*, surely one of our finest poets and philosophers, T. S. Eliot, warns of the folly of 'dreaming of systems so perfect that no one will need to be good.'

Sage words for politicians and policy makers. Those of us surrounded by levers of what we assume are power tend to become obsessed with talking about and perfecting structures and processes. In this quest, we tend to ignore the people and their values that inevitably fill, shape and drive all that any system produces. Indeed, rather than seeing systems as means to ends, we have started to see the systems as ends and things of potential beauty in themselves.

Take the National Health Service for example. We are rightly very proud of the NHS in the UK, and regardless of our concerns over the inevitable problems that beset making such a lofty ambition reality, the principle of healthcare free at the point of use, regardless of ability to pay, is one which we in Britain hold aloft as a defining national achievement.

But what is it that makes the NHS great? To listen to much political dialogue, and the armageddon scenarios predicted in 2013 if someone like former NHS Chief Executive Sir David Nicholson had been fired, you would be forgiven for thinking it was the bunch of politicians, Department of Health mandarins, and highly paid senior managers organizing (and re-organizing) hospital structures. But go to a hospital and it is apparent that it is the doctors, nurses and other staff at the coalface who daily go the extra mile to care for their patients and who inject the NHS with the ethos which fleshes out the ambitious principle of which we are so proud.

These professionals are not managed by the system in to doing so. In fact, scandalously, the system often manages them into doing exactly the opposite. The diabolical catalogue of whistle-blowers who have jettisoned career and livelihood for the sake of their vocational principles of care is chilling testament to this. The truth is that for all the managers and political ambitions in the world, the NHS would be nothing

without the people who work in it at ward and surgery level. No system, however perfect, can replicate the dedication and determination of an individual who really cares. A system can never be an ethos, or a vocation. A system is not values, and it cannot itself have compassion, break boundaries, use discretion and do that thing so fundamental to humanity – care. Good systems, however, recognize this and make their aim not to do away with the necessity for people to be good, but to provide the structure and freedom to enable them to be good.

This is not simply theoretical philosophy. This mistake over the remit and limit of systems can have the most tangible and tragic of consequences in the real world. To continue to use the NHS as an example, an obsession with systems and an underestimation of the importance of values can have literally lethal consequences. The political tendency to confuse the noble principle underlying the NHS with the system attempting to implement it has made the NHS system – that is the manifestation of the principle into practical terms – as sacred as the principle itself. Therefore criticising or even questioning any part of what had become a sacred NHS system became tantamount to blasphemy, and was punished in modern day political terms accordingly. Just ask whistle-blowers like Julie Bailey, Kim Holt, Sharmilla Choudhury and a depressingly long list of others who put the values of

the NHS – compassion, care and dedication – before the sanctity of the system and its acolytes. Thankfully things may be slowly changing, but there is an enormous cultural shift to reverse.

But to a greater or lesser extent, the same can be said of any of the public service functions of the State – the prison service, the police, and our schools. These services are at their best when the individuals and experts who work within them are motivated, empowered within their vocation and profession, and when the system is driven by the personal values of a dedicated workforce.

What can be done to bring this about? Whilst we often look to the private sector for inspiration in cutting costs and improving efficiency, in this case we need look no further than Britain's thriving charitable sector, which has been empowering and focusing on people for decades.

Perhaps by necessity, but perhaps by the very nature of what they are, charities up and down the country are driven by values of their volunteers and employees, in our local communities and across the country and the world. It is testament to the effectiveness of harnessing individuals' values and vocation that we can all name countless charities, both local and international, that have a completely disproportionate effect to their resources. However, here, I would like to point to some of the less-known entities in the charitable sector,

which provide such a lesson and an opportunity for the state.

Royal colleges, such as those representing surgeons or physicians, are not what first springs to mind when we think of charities. However, many are very significant members of this dynamic family. They set standards within a particular profession and act as houses of best practice and professionalism. However, it is a publicly little known fact that most Royal Colleges are charities, and epitomize, right in the midst of the realm of the public sector, the crucial role that civil society plays in empowering people, and their values and vocation, in the work place, especially in the public sector.

Royal colleges are run by their members but for their profession and professional excellence, which defines them as acting not for their own good, but for that of the public, thus bringing them under the charitable body umbrella. In as much as this, royal colleges (with some exceptions, such as the Royal College of Nursing) are differentiated from trade unions which act for their members. However, each provides a constructive counter-balance to the other, so both the professional altruism of the individual, and their basic need to have personal protection in employment, are represented by these two distinct organizations.

In many cases, these royal colleges have developed into powerful organizations over many years. Royal

colleges, such as the Royal College of Surgeons, are the authority on the practice of medical specialities. Although the Government will always have a role in setting health policy, no Health Secretary would dare tell a doctor how to perform a surgery. This authority is derived from the simple fact that the college's members are all practitioners themselves. In short, they get it. Why? Because they've all done it.

In recent years, this respected model has developed beyond medicine and into other sectors of the State – colleges of policing and social work have been set-up, and there is a growing movement towards establishing a Royal College of Teaching. How teachers long for an organization that does things with them, and with which they do things, rather than to them.

The State is sitting on an almighty educational resource – the vocation, passion and dedication of its teachers. But over the years, the systematising pneumatic drill of the state has hammered into the classroom, imposing regulations, systems, new metrics to meet, crushing the values and drive of those individuals who chose educating young people as their life and career. Those involved in setting up a new 'Royal College of Teaching' hope that such a body can unleash some of this energy, change what it is to be a teacher, maximize the potential and ability of existing teachers, and attract ever more talent into the profession. If politicians really want to see better education,

they should keep well out of the way, help if asked, and wish those teachers and educationalists building the idea the very best of luck in pushing politics out of the classroom.

Again, the simple model, exemplified by charities, of empowering individuals is what makes this idea and its potential so powerful.

However, there is still a role for systems, and the State. There are certain functions that are best performed by government, with proper democratic accountability for what will always ultimately be political decisions. However, Whitehall has a huge amount to learn from the charitable sector, and charities can still play much more of a role in the operation of public services. The question, it has always seemed to me, is not how big or small the state is, but how effective it is. A visit to my local food bank in Lawrence Weston, north Bristol, struck me with just how inefficient our current state system is, and how it could be fundamentally changed to improve.

People go to food banks for all sorts of complex reasons, but the most tragically common theme is that they have been failed in some way by the system – most commonly because their benefits have not been received on time, or their very specific personal circumstances do not fit some kind of box, or fall through a crack. Any MP's caseworker will tell you something similar. Though founded on the most noble

of principles, our welfare system – regardless of which party runs this giant – has become a vast, bureaucratic nightmare, virtually impossible for the ordinary citizen to navigate or understand.

Is it any wonder that mistakes and problems occur with benefits when the first contact that many people have with the system is through a complex form (which, if online, has a tendency to crash half-way through) or an endless series of telephone menus? Even the most emotionally, educationally and financially secure of us feel that plunge of despair when our personal request is met with an automated telephone voice telling us to press ‘1’ for something we don’t want, ‘2’ for something we want even less and so on – particularly when we are told by a machine that the call is ‘very important to us’ – who ‘us’ actually is, is unclear. Maybe it is important to the chips in the computer that is speaking to us. If that is how the luckiest of us feel, imagine how the emotionally bruised and insecure, socially excluded, financially drowning person feels. The message from the mechanics of our welfare system is that ‘you are just one of millions and no one actually cares about your personal problems.’ The actual performance of our system doesn’t do much to mitigate against this.

Welcome moves are being made towards simplifying the system for benefit claimants, and Universal Credit in particular will be a huge step forward. But given the technocratic monolith with which we are dealing, we

still have a long way to go to make the system really work for the people it is supposed to help.

The antithesis of the impersonal juggernaut of the State was evident on my visit to the food bank – a shining example of the personal treatment from which our State could benefit so much. Visitors there weren't met by computerized voices or treated like numbers in a spreadsheet – they were greeted by smiling faces and treated like human beings. Nobody judged them and nobody patronized them – all that any of the volunteers wanted to do was to help and support them. Many had built a relationship with those there to help them – a relationship of mutual respect and trust. Helpers understood the specific and unique circumstances of each and were there to find a way through this individual labyrinth as best they could. Imagine, just imagine if benefit claimants could say the same about their interaction with the welfare state.

There are no quick fixes for such an impersonal monolith. It would take a tectonic change across Government and across politics and political discourse to begin to change direction away from ever more centralization and impersonal technology to personalization. But we in politics should do as charities do, and start from the simple premise that the most effective way to work with people is always to have those people at the forefront of our minds, the decisions we make and the systems we create. A good way to do that is to

have the people who need help as often as possible face-to-face with those who can help.

Does this mean that welfare should be managed on a hyper-local basis, and based on personal relationships between advisors and claimants? These advisors would be able to gain a real understanding of those who need help, and then navigate a central system on their behalf, in an intelligent, sensitive, flexible way. Perhaps healthcare, welfare and criminal justice would all benefit in different ways from an increased role for charities, and the personalized, values-based approach they bring. Elsewhere, we need to look at what charities like royal colleges do so well in empowering individuals in the workplace, and unleashing the power of values to drive systems, not be crushed by them.

This should not be some pie in the sky dream. If the State fails to adapt and change, its bureaucracy will swell in size and expense and its services will suffer; and if politicians get worse at remembering who they are elected to serve, and ever more distanced from them, then our democracy will suffer. Civil society must seize this opportunity to play its part on a greater scale than ever before, and politics must actively seek to involve civil society too. The rewards for our country would be huge, and the consequences of failing to do so disastrous.

CHAPTER SEVEN

THE BIG SOCIETY: WE CAN ACHIEVE THE SUSTAINABILITY IT NEEDS

Penny Mordaunt MP

The ‘Barnet graph of doom,’ which was in fact one slide in a Powerpoint presentation, showed that in twenty years’ time (all things being equal) that north London Council’s budget would stretch no further than adult social care and children’s services.¹² Based on long-term demographic change, it suggested that key services for children and older people would relatively soon consume the entire council budget. Given its predictions, it is becoming widely accepted that much of that which enhances

12 See David Brindle, ‘Graph of Doom: a bleak future for social care services,’ *The Guardian* (15 May 2012). Available at: theguardian.com/society/2012/may/15/graph-doom-social-care-services-barnet.

our quality of life – from flower beds to heritage to leisure – will need to be funded in new ways in the future.

Social enterprise, the third sector and the ‘Big Society’ had the spotlight thrown on them as the solution to these budgetary challenges. Some good things did happen. There were serious attempts to level up the playing field for third sector organizations seeking to be providers, community asset transfers became *de rigueur* and Local Enterprise Partnerships, chambers of commerce and trade bodies were asked to embrace social entrepreneurs as first among equals. There was progress, but not at the pace many from the sector would have liked. It is worth now taking stock of where and how the sector has been able to flourish, and where the obstacles remain.

Two necessary but not sufficient conditions for social enterprises and charities to succeed are knowledge and finance. They are often the most elusive conditions, especially in communities with the least capacity to set up ventures or take over services and facilities. Through initiatives like the central funding portal and in tackling the bureaucracy involved in pitching for funding or tenders Government did cut down the administrative burdens on organizations. Advances in commonly used technology, and in particular social media, have gone a long way to build support and information networks for organizations who may be trying to do

something somebody else has just achieved somewhere else. But there is more that can be done.

I believe in local solutions to local challenges, but central government can help. Areas where it can are through levering greater finance by better coordinated planning, ensuring share good practice is shared, and that civil servants – both in Whitehall and beyond – understand the sector and how to support it.

Government funding should incentivize partnerships and match funding. All too often match funding means more public funding, just from a different public body. Considerable sums of money could be levered from corporate partnership funding which could be facilitated by government, and local government. Few civil servants understand how to create corporate partnerships, and speaking to a number of organizations in receipt of Government funding in the past it was striking how little grasp they had of how to maximize their pot.

At the time central government was rethinking the school sports partnerships we were in the run up to the 2012 Olympics. When the future Book Trust grant was considered a poor return on investment, several major international companies were distributing books to families through their corporate social responsibility programmes. What could have been achieved if we were able to bring together the plans of

government, businesses and the third sector to create a Jupiter sling effect from their individual budgets? Here we can learn from the charity sector, which does tailor its planning cycle to maximize its chance of doing precisely that.

During the summer any national or local government projects or programmes which might be facing a reduction in public funding, but whose functions we would like to see continue, develop or move to a more balanced funding portfolio, should be flagged and the options for national non-statutory partnerships discussed. These projects should then be pitched to the relevant industries and charities for that autumn's planning round. Departments could consult with a small team with corporate and third sector fundraising expertise, perhaps based in the Cabinet Office. These people could include external organizations with particular expertise, such as the Institute of Fundraising. Before changes to funding are announced government departments should be given a summary of the potential for additional funds to be levered. In time, this process could become an established method of facilitation for uniting charities and corporate partners.

If we are to achieve the cultural shift we need, if we are to retain faith and interest in the 'Big Society', then further help for its heroes is required. The approach I have outlined would demonstrate what it means not

only to the public, but to civil servants and local authorities too. It demonstrates that we do not need a fatalistic attitude to the economic climate. With a little imagination, our goals can be achieved.

CHAPTER EIGHT

FIGHT FOR PEACE: SOCIAL INNOVATION AMID CENTRAL GOVERNMENT GRIDLOCK

Dominic Raab MP

From the lows of the August 2011 riots to the highs of the 2012 London Olympics, the case for grassroots sport to engage and inspire youngsters has never been stronger. Fight For Peace, a boxing academy – where I volunteered, and am now a Trustee – is one of the most innovative such programs around. Whether your aim is giving the underdog a shot or preventing disaffected kids becoming a costly social problem, Fight For Peace delivers a Heineken effect, reaching neighbourhoods that clunking councils and Whitehall bureaucrats cannot. Its ‘Five Pillars’ model combines boxing and martial arts training and competition with personal development and education,

youth support, job training and access, and youth leadership. But, might the chill winds of austerity snuff out this flicker of social innovation?

The government's message is that austerity means an end to the old reliance on grants, but charities will have greater opportunities to deliver mainstream work, competing with the private and public sector to show they can add value. New guidelines require councils to consider the 'social value' of providers, millions are being invested to help the voluntary sector bid for contracts, and the Big Society Bank is using dormant accounts and donations from high street banks to back the push.

Justice Secretary Chris Grayling pioneered this approach with welfare-to-work at the Department for Work and Pensions (DWP), and wants to deploy the same thinking to reverse stubborn prisoner re-offending rates. This has the potential to unleash huge improvements in the delivery of public services. There are two practical challenges.

First, conventional Whitehall blinkers can over-value short-term cuts compared to long-term savings. This conundrum complicated relations between DWP and the Treasury over welfare reform, and threatens to choke viable projects. Take Ecoactif, a community interest company based in Sutton, which provided training and support to help the jobless, ex-prisoners and those recovering from alcohol and drug abuse get

back into the workforce. It went bust last year, because it could not afford to wait 18 months to be ‘paid by results’ without some bridging finance that neither the government nor the banks were willing to provide. Although the idea is to level the playing field between service providers, barriers to entry risk stifling some of the most innovative small charities. Central government needs to get smarter about how it assesses value for money, or help charities break into a monopolized market place.

The state’s traditional fixation on the short-term is compounded by bureaucratic silos, which help externalize costs. In 2000, the Home Office estimated that the total cost of crime in England and Wales was £60 billion per year – spanning policing, courts and prisons, plus wider costs to the businesses, hospitals, councils, insurance companies and households left to clear up the mess. Over a long period, our prisons became a dumping ground for social ills ducked by other agencies. The mentally ill, drug addicts, children from broken homes and criminals who slip through our borders clog up the cells. We could solve prison overcrowding at a stroke – and free up space for tougher sentences – if all foreign national prisoners were deported and the NHS took back responsibility for providing secure care for those with serious mental illness. Instead, the mad and the sad trip up into jail along with the genuinely bad.

The reverse is also true. If inventive charities can cut re-offending, they'll be saving the taxpayer and society enormous sums. But, payment-by-results is still too blunt to factor in all the external costs recouped when less police time is wasted, fewer victims turn up at A&E, insurance premiums fall and businesses in tough neighbourhoods thrive. Equally, even if the 'rehabilitation revolution' can be delivered inside our prisons, it would still just be clearing up the mess after it has been made.

There is a glimmer of hope in a recent report by Laureus, a sports foundation, which seeks to quantify savings made by sporting projects as a result of crime prevention. Along with Fight For Peace, Laureus evaluated a football project in Brent, a boxing program in Berlin and a midnight basketball project in Milan. Overall, the report estimated that every £1 invested in such programs saved £5 in costs related to reductions in crime, truancy and ill health. In 2011, it estimated that Fight For Peace avoided 165 crimes, saving over £1 million. A further evaluation by the University of East London found that 73 per cent of those enrolling at Fight For Peace who were not in employment, education, or training (NEETs) progressed into work or study – with 46 per cent finding a job within six months of completing their course.

Fight For Peace has expanded its programme to 120 communities around the world blighted by violent crime. But, so far, it remains a local project in Britain. That is about to change. The academy has drawn up plans to establish a centre for training and development at their Newham base, develop beacon projects across the country, train volunteers and encourage community workers to adapt the five pillars approach to existing sports clubs in hotspot areas with high levels of NEETs. Luke Dowdney, the academy's inspirational founder, has already raised substantial funds to deliver the roll out. The academy also asked the Home Office to provide at least some matched funding from its dedicated budget for tackling gangs and youth crime.

With existing grants being cut, finances remain tight. But, at a time of austerity, credible preventative models for tackling crime and social exclusion are crucial, both to deal with a pressing social ill and to give youngsters from some of the most deprived areas a second chance to make a success of their lives. What more can be done to back pioneering charities like Fight For Peace?

One simple way to promote charities, helping NEETs into work or training, would be to allow them to fully recover the VAT they pay – just as local authorities are entitled to do. Such a scheme operates successfully in Canada and would be easy to replicate

in the UK. If full recoverability of VAT were confined to charities specifically aimed at getting NEETs into training or work, the cost would be limited to around £25 million per year.

Second, the Home Office, Department of Justice and Department of Work and Pensions should consider pooling a limited amount of resources to support these kinds of initiative. For example, as Fight For Peace expands from being a local, Newham-based, project to spreading its training and best practice to support other local community sports clubs – using its Five Pillar model – government should strive to provide at least some matched funding. Government may not be able to provide grants in the way it used to. But, where local charities have a proven track record using a model capable of being expanded nationally, government should seek to support that spread of best practice.

Third, and critically, we need to hone the payment-by-results model so that it takes better account of ‘externalized’ costs that charities like Fight For Peace save businesses, government, individuals and the wider taxpayer, through its preventative model. The Treasury and Cabinet Office should work with external experts to see how this can be achieved. It would save taxpayers’ money, and help innovative charities like Fight For Peace, which can be powerful engines of social mobility.

With austerity likely to continue for several years, credible preventative models for tackling crime and social exclusion are more – not less – vital. As David Cameron said, when he visited Fight For Peace, ‘... it is hard to think of a better example of the Big Society in practice.’

CHAPTER NINE

CHANGING LIVES

Sarah Newton MP

It is hardly surprising that a team of people who have pioneered a way of thinking and doing, that has increased the self-reported well-being of people living with long term conditions, improved the morale of health and social care workers and saved NHS and local authority social care budgets, won the 2013 Health Service Journal award for Managing Long Term Conditions. What might be surprising is that the innovative Changing Lives principals underpinning the integrated care pathway were initiated not by health professionals, but by organizations in the voluntary sector; namely Cornwall and Isles of Scilly Age UK and Volunteer Cornwall.

In 2010 Cornwall and Isles of Scilly Age UK started a conversation across Cornwall with their Age and Ambition events. Over 1,000 people and

40 organizations came together to discuss what they wanted for themselves and their loved ones as they got older. These wishes were brought together in a ‘Wall of Wishes’, which conveyed a strong message about what people wanted for older people; recognition that they were individuals with talents to contribute and that older people’s care should be shaped by direct conversation with the individuals involved.

Cornwall and Isles of Scilly Age UK were keen to put these principles into action and in 2012 came together with Volunteer Cornwall, the social enterprise Peninsula Community Health, NHS Kernow and Cornwall Council to launch a project that became known as the Newquay Pathfinder. The project, and the results obtained from it, illustrate the beneficial impacts that voluntary sector involvement in health provision can secure.

What did the project aim to do?

The project was designed to bring charity volunteers and public sector professionals together to draw up and implement shared, individual-focused care plans for vulnerable individuals in the Cornish town of Newquay.

The individuals selected to be helped through the project were chosen on the basis of having at least

two long term conditions and a high risk of hospital admission. Screening ensured that people who had a terminal diagnosis, or a clinical need for a regular hospital admission, were not included within the project.

In all, 106 Newquay residents were chosen. The characteristics of the final cohort were as follows:

- Number of women – 64
- Number of men – 42
- Number of people aged between 54 and 65 – 4
- Number of people aged between 65 and 74 – 12
- Number of people aged between 75 and 84 – 43
- Number of people aged 85+ – 47 (44% of total)
- Number of social care users – 30 (27% of total)¹³

It was hoped that the project would provide data on whether a collaborative and individual focused approach could achieve the following goals:

- Improved well-being and quality of life
- Integrated working
- Reduced cost across the whole health and social care system

13 Age UK, *People, Place Purpose: Shaping services around people and communities through the Newquay Pathfinder* (2 March 2014), page 7. Available at: ageuk.org.uk/brandpartner/global/cornwallvpp/docs/newquay%20pathfinder%20evaluation.pdf.

How did the project work?

For every individual concerned, their involvement with the Newquay Pathfinder began with a conversation. This conversation with a Promoting Independence in People (PIP) key worker encouraged the person to talk about their life, with the PIP worker then working with the person to draw on their experiences to set down their aspirations for the future. Individuals were encouraged to include increased socializing and greater engagement with their local community within their aspirations.

These aspirations were then embodied into shared care management plans. A plan was drawn up for each individual, written by the clinical nurse lead for their long term conditions. Each plan established a care team for the individual concerned, comprising a PIP key worker, GP, district nurse, matron, social workers and health professionals and trained volunteers managed by Age UK Cornwall. Each member of the care team was tasked with fulfilling a defined role, and collaborating with other team members fulfilling different roles, to help the individual achieve their aspirations.

The focus was on enabling individuals to achieve the own goals, boosting their self-confidence and reducing dependency on acute health services.

The role of volunteers within the shared management care plans was crucial. Volunteers spent time

with project participants, building on the initial PIP workers conversation to align past experiences with future goals, and encouraging people's developing self-confidence through discussion and helping them to access and enjoy community group and events.

This process of collaborative working towards individual-set goals took place over several months, with Age UK collecting data to be used to analyse progress in meeting the three identified project goals.

What were the results?

The data collected by Age UK showed that the collaborative and individual-focused approach taken by the Newquay Pathfinder could deliver the three goals set at the start of the project.

1. Improved well-being and quality of life

Age UK used the Short Warwick-Edinburgh Mental Wellbeing Scale (SWEMWBS) to assess the impact the project had upon the well-being of the people who took part in it. The SWEMWBS comprises seven simple questions on an individual's sense of well-being. Project participants were asked to complete the question set before their conversation with their PIP worker, and then again after six full weeks of working with their care teams on their shared care management plans.

Using the two sets of SWEMWBS answers Age UK found that project participant well-being improved by 23% after the six weeks.¹⁴

The engagement of individuals with their local community increased markedly. At the start of the project 0% of the cohort were involved in providing support to others in their community. Within 12 months and 10% were providing such support.¹⁵

2. *Integrated working*

Age UK analysed how successful attempts to move towards integrated working had been by the means of a staff survey asking those involved in the project how well they felt it had gone.

87% of practitioners answered the survey saying that they felt that their work on the Newquay pilot was very or extremely meaningful. 87% of practitioners also said that integration was working very well or extremely well.¹⁶

Feedback from team leaders observed increased morale as practitioners felt they were benefiting from increased support, as they had increased options for signposting.

14 Age UK, *People, Place, Purpose*, page 9.

15 *Ibid.*

16 *Ibid.*

Feedback from volunteers found that they felt they were regarded as full members of care teams; recruited, trained and working to fulfil a specific role in an individual's shared care management plan in same way as paid staff, the only difference being they gave their time freely.

When analysing the project data Age UK observed a change of clinical practice amongst health service professionals. GPs and district nurses in particular moved from seeing care through the prism of managing risk, to approaching it as a way to reduce dependency.

3. Reduced cost across the whole health and social care system

Age UK analysed NHS Kernow data and compared the number of times project participants were admitted to hospital over the project time-frame with admission statistics for a comparator population.

Age UK found a 40% fall in non-elective emergency admissions for long term conditions amongst the Newquay Pathfinders population. This reduced overall admissions costs by 30%.¹⁷

A similar analysis of social care costs found a 5.7% reduction in the cost of ongoing social care packages for the pathfinder cohort.¹⁸

17 Age UK, *People, Place, Purpose*, page 10.

18 *Ibid.*

Separate analysis compared the amount of times project participants were admitted to hospital before the Newquay Pathfinder, with hospital admission during the project time-frame. This analysis showed a 56% reduction in hospital admissions during the Pathfinder time-frame.¹⁹

What does the Newquay Pathfinder tell us about what the voluntary sector can contribute to better health services in the future?

Primarily it tells us that the beneficial role volunteers play in the lives of vulnerable people can have real health impacts, benefiting both individual well-being and service budgets, when such volunteering is incorporated into shared care plans. The treatment of volunteers as equals working alongside paid colleagues on care plans gives the public sector a valuable extra resource, both in terms of skill and time, and the human aspect volunteering brings to care. In the case of Newquay this human aspect played a central role in enabling the increased self confidence that increased well-being and reduced hospital admissions. It is striking that one GP involved in the Newquay Pathfinder described volunteering as a ‘magic’ ingredient in care plans.

19 Age UK, *People, Place, Purpose*, page 10.

The catalytic impact that the voluntary sector can have on health has been recognized by NHS Kernow, who have now hired Cornwall and Isles of Scilly Age UK Chief Executive Tracey Roose, who led on the Newquay Pathfinder, to combine her charity employment with a strategic role within the NHS.

The extra resource represented by charities can also be seen in the analysis of the Newquay Pathfinder results. The resources of Age UK, as a major national charity, were used to produce a full evaluation of the Newquay Pathfinder. This evaluation made a compelling case for volunteer led collaborative working, which has led to this approach being adopted more widely in Cornwall, with a Penwith Pathfinder, a larger project run on the same lines as the Newquay project, now helping a thousand or so people. The Penwith Pathfinder is expected to pave the way towards the commissioning of a Cornwall wide project. Charities can help give good ideas, like those expressed on the 2010 'Wall of Wishes', the testing and analysis they need in order to find success at the commissioning stage.

Ultimately it is the experiences of some of the Newquay Pathfinders participants, as recorded in the Age UK evaluation that make clearest the difference that the charity sector can make:

‘Beryl, who was finding it hard to get about after 12 days in hospital following heart failure; she has attended over 20 support groups and social events, regularly shares her experiences with new groups and has not been in hospital since.’

‘Edward, who fell in the garden and was unable to move for ten hours and became anxious and depressed about leaving the house; he and a volunteer started talking together over a cup of tea at home and gradually his confidence increased so that he could go out once a fortnight to a nearby café – now he regularly attends a walking group and has had no further falls.’

‘You treat me like a human being and not an old worn out thing in a chair.’

Direct quote from Newquay Pathfinders participant

Looking forward

In November 2013 Cornwall was chosen as one of only 14 Health and Social Care Integration Pioneers from stiff competition across the country. Of the 14, Cornwall’s pioneer programme is unique in being led by the voluntary sector. This is testament to the Newquay Pathfinder and the case made by Cornwall and Isles of Scilly Age UK for greater voluntary sector inclusion in local health and social care services.

With senior DoH staff working with the team in Cornwall to overcome barriers and perverse financial incentives in the system, I am confident that this new

way of working will enable more people to live independent, good lives at home. More people feeling involved with the people they share a community with. I am also confident that more public sector commissioners of services have had their eyes opened to the power of working with local charities. Having gained this knowledge and respect will feel more positively inclined to work together to tackle more challenges.

With twentieth-century changes to family structures and life expectancy it is essential that professionals delivering health and care services are actively supported by the wider community. So much of that wider community support can be found in the voluntary sector.

In health, as in every other aspect of life, there is no replacement for time freely and lovingly given by one human being to another.

CHAPTER TEN

THE SOCIAL VALUE ACT NOW AND IN THE FUTURE

Chris White MP

The Public Services (Social Value) Act has now been in operation for approximately 18 months. It is an appropriate time at which to reflect upon the implementation of the Act, its successes and some of the issues which have arisen during this period.

Social value is a concept which is supported by all sides of politics and, thus, one which has great potential still to develop. The legislation has benefited greatly from the cross party support it has received. This was essential for its passage through the Parliament and has greatly assisted in its first year and a half of implementation.

Where and how has social value been applied?

The inclusion of social value into procurement and commissioning processes has not been limited to the

public sector. The corporate sector has also embraced the concept and private companies, small and large, have incorporated it into their structures. Moreover, there is a trend for both public and private organizations to address social value not in isolation, but as part of a much larger scale service transformation agenda.

In a number of cases also, local authorities have chosen to apply the legislation to contracts for goods as well as services and have applied it to all contracts, regardless of value. This augurs well for the Act's development.

To understand how the Act has been working over the last eighteen months, it is useful to examine the way in which social value has been implemented in a variety of situations and sectors.

Liverpool City Council Social Value Task Force

Liverpool City Council's Social Value Task Force was one of the earliest to be established and it was one of the original examples which I highlighted in the early days of the Act being rolled out. I am pleased to say that it has continued its positive momentum and Liverpool is regarded, alongside other regions, particularly the West Midlands, as one of the benchmarks for social value commissioning.

The Social Value Task Force coordinates activity across the Council and aims to implement contracts

which will deliver services efficiently and offer clear social benefits to the area. Contracts must satisfy various social value criteria and the Council has a focus on working with small and medium sized enterprises, social enterprises and voluntary and community-sector suppliers, together with local suppliers. Embedding these policies in the Council's commissioning and procurement processes supports the local regeneration strategy, benefits the community and contributes to their economic development agenda.

South Warwickshire Foundation Trust

In the health sector, there is no better social value case study than one from my own constituency, the South Warwickshire Foundation Trust. Their subsidiary company, SWFT Clinical Services Ltd currently runs the outpatient pharmacy in Warwick Hospital and has recently added a healthcare shop for patients and visitors to purchase other healthcare products. SWFT has also set up a training centre offering high quality clinical training for local GPs and nursing homes. Earlier this year, the SWFT was awarded the Social Enterprise Mark. This nationally recognized award is an acknowledgement of the positive economic and social benefits brought about through their business and is also evidence of Warwick Hospital's commitment to working with socially responsible partners.

Examples like these showcase exactly what the Social Value Act is all about and why it was designed in the first place. The simple benefits, which are often obvious once they are demonstrated, can have such an important effect on individuals and on the community.

Response to the Social Value Act

While there has been a generally positive response to the Act, there are some concerns which have come to light. In particular, survey results which were published after the first anniversary of the Act demonstrate that there are still concerns among stakeholders that the practical implementation of social value is difficult and confusing. This is not as it should be.

Social Enterprise UK's (SEUK) survey of commissioners revealed that more than half of those surveyed said that they felt confident about the application and use of the Act. Providers, however, were less likely to feel confident.²⁰ In another recent survey, from the Foundation for Social Improvement's 'state of the small charity sector' report, similar concerns were

20 Social Enterprise UK, 'New research identifies social value disconnect between commissioners and providers' (January 2014). Available at: socialenterprise.org.uk/news/new-research-identifies-social-value-disconnecta-between-commissioners-and-providers.

raised.²¹ While some of those surveyed were confident that they understood the benefits of social value and were able to demonstrate the social value their charity delivers, many were not.

As SEUK has said, this distance between commissioners and providers must be addressed. The Act is not achieving its potential or fulfilling its stated aims if providers and commissioners are having difficulty understanding how to apply it. They rightly point out that more work is needed to help social sector providers use the Act to demonstrate the social value they create and, and to enable commissioners and providers to work better together at achieving and measuring social value.

There are still barriers and misconceptions about social value. Particularly, at an operational level, there is concern that the implementation of the Act is arduous and completely different from the prevailing orthodoxy that ‘value for money’ equals ‘best value’.

Another survey was conducted by the Society of Procurement Officers (SOPO), the Association of Chief Executives of Voluntary Organizations (ACEVO), the National Association for Voluntary and Community Action (NAVCA) and the Institute of Local

21 FSI, *The Relationship between Small Charities and Public Sector Involvement: the missing pieces* (2014). Available at: thefsi.org/wp-content/uploads/2014/06/2014-Research-the-Missing-Pieces.pdf.

Government Studies at the University of Birmingham. Findings from this study suggested that while there is a high level of awareness of the Act, its impact has so far been rated quite low amongst the public sector and Voluntary, Community and Social Enterprise (VCSE) sector representatives who were surveyed.²²

Where to for social value now?

Now that the Social Value Act has been in operation for approximately 18 months, there are legitimate questions to be raised about its effectiveness. How can the Act be improved? What other measures can be introduced to support and extend the social value agenda?

Various suggestions have been put forward by the VCSE sector and by the government. These include a recommendation from the National Council of Voluntary Organizations (NCVO) to establish a Centre for Social Value to promote the principles of the Social Value Act legislation. The Centre would help councils share best practice as well as assisting organizations to measure and describe the social value they are providing. There have also been calls for the development of better links between commissioners so that there are

22 University of Birmingham Institute of Local Government Studies, *Social Value Survey Report* (May 2014). Available at: birmingham.ac.uk/Documents/college-social-sciences/government-society/inlogov/briefing-papers/2014/social-value-survey-report.pdf.

more opportunities for interaction between them, to hear from each other's experience but also hear from experts, including legal professionals, who can offer hands on, practical advice.

The government has also established a mechanism for reviewing and monitoring the commissioning and procurement process.

The Cabinet Office's Mystery Shopper Scheme provides a direct route for suppliers to raise concerns about public sector procurement practice. The Cabinet Office is also taking a pro-active approach and conducts spot checks on procurement documents. In the case of social value commissioning, this means that there is now the opportunity both for suppliers to raise concerns and for spot checks to take place on current procurement processes. In short, it provides a service to investigate any concerns suppliers raise when tendering, and allows providers to challenge the commissioning process if they feel it is not doing the Act justice. Other questions about the progress of the Act which have arisen include: What should the aims be for the Social Value Act in future? And, how can it be transformed to encourage the development of social value?

There is a range of opinion in the VCSE and public sectors as to how the Act should develop. Some argue that the Act should be extended to apply to goods and works and that there should be a formal obligation rather than merely a 'duty to consider'

social value, thereby strengthening the legislation. There are also calls for more detailed guidance to be developed by the Cabinet Office to be utilized and disseminated by central government departments. This would allow for greater consistency and would assist in preventing any confusion which exists over conflicting legal advice. Another suggestion, which is already being embraced, is the instigation of joint working and training programmes which bring commissioners and providers together to co-design and to agree shared outcomes and objectives. These are all propositions worthy of consideration. As we pass the eighteen month anniversary of the Social Value Act, I believe there is a case to examine in what ways its implementation can be improved. While we should not necessarily rush into any legislative or regulatory change, I believe that it is important to evaluate the Act's progress and to keep an open mind about its development.

Overall, I think we need to see a greater move towards horizontal commissioning, which addresses local needs holistically. Social value must be considered in a broad sense and an attempt should be made to change the traditional 'silo' culture of commissioning and procurement. In these circumstances, contracts can be one dimensional and only focus on social value directly related to the specific area, for example, to health, education or crime.

This culture change is clearly already emerging in some local authorities where they are adopting a whole-sale approach to their social value policy – as evidenced by the Liverpool City Council example mentioned earlier – and implementing it across departments and not just in individual contracts. More of this needs to be encouraged.

Another idea which has worked in the West Midlands is to establish a network of social value champions – a model which could be extended and expanded so that there was a Social Value Champion in each local authority. Having someone responsible for the delivery of social value and for ensuring its application across contracts in each local authority or public body would help to streamline processes and also encourage greater transparency.

Conclusion

There is significant interest and appetite for the development of social value. Over the last year and a half, I have been heartened by the positive response there has been to the implementation of the Act. We need to review and address the concerns which exist within the VCSE and public sectors to ensure that it continues to develop and operate as intended, as an effective means of ensuring that wider benefits to the community are considered in the commissioning and procurement process.

For this agenda-setting collection, the leading civil society umbrella groups ACEVO and CAF worked with Conservative MPs and commentators to showcase some of the party's thinking about its future relationship with charities and social enterprises. The accompanying 'Red Book' and 'Yellow Book' feature similar essays from the Labour and Liberal Democrat Parties.

'This is an innovative and ground-breaking project that has brought together a range of my colleagues in close dialogue with two of the best-known and best-respected organizations in our country's formidable charity and social enterprise sector.'

Brooks Newmark MP, Minister for Civil Society

'It is a good moment ... to look back at the last four years and assess the state of politics and its relationship with the voluntary sector. That is what this essay collection seeks to do.'

Sir Stephen Bubb, Chief Executive, ACEVO

'[These ideas] should be of interest to whichever party (or parties) form the next government. The challenge will be to turn these ideas into meaningful policies that enable charities to play the central role in society that we all know they can.'

Dr John Low CBE, Chief Executive, Charities Aid Foundation

With contributions by John Glen MP, Nick Hurd MP, Danny Kruger, Kwasi Kwarteng MP, Charlotte Leslie MP, Brooks Newmark MP, Sarah Newton MP, Jesse Norman MP, Dominic Raab MP and Chris White MP.

£20

ISBN 978-1-900685-71-9



9 781900 685719