Challenges faced by the Voluntary and Community Sector in supporting local services and developing resilient communities

6 March 2014

Alan Weaver LGiU Associate with added contributions from Janet Sillett

Summary

• This briefing considers Voluntary and Community Sector (VCS) organisations and the role they play in the public sector, particularly in collaboration with local authorities

• It assesses the impact of recent developments, particularly ‘The Big Society’ and the budget deficit

• A range of nationally reported local authority VCS initiatives are listed and summarised for consideration and potential relevance

• A VCS profile is explored; the cultural and financial challenges associated with its changing environment are considered, including tensions with central government; the particular difficulties facing smaller voluntary organisations and community groups are examined

• The VCS relationship with local authorities is reviewed; the attributes of VCS organisations are considered together with their potential to help meet local authorities challenges; closer relationships are suggested; nationally recognised good practice should be adhered to; VCS strategies should be reviewed; the changing commissioning agenda should be embraced

• This briefing will be of interest to elected members, cabinet members, and local government officers with significant dealings with VCS organisations in all tiers of authorities.

This is the second of a series of briefings exploring the relationship between the VCS and local government and care services.

Briefing in Full

Voluntary organisations

These are formal organisations with specific areas of expertise, usually with paid workers, often linked to national bodies and frequently commissioned, or otherwise funded, by local authorities to deliver services. Some have wider campaigning and advocacy roles. They can embrace a range of differing models (charities, ‘mutuals’, social enterprises, etc.) to achieve
benefits through defined social or environmental objectives. They provide a wide range of public services and vary in size and turnover.

A distinction may be made between large national or regional voluntary organisations delivering services under contract eg. Barnados' Community Links, Turning Point, etc. and small to medium sized voluntary organisations operating regionally or locally. Some of the latter have often emerged from within local government as providers of local authority services, such as Arm's Length Housing Management Organisations (ALMOs) and Community Leisure Trusts.

**Community Organisations**

These are community based groups that provide specific services on a more modest scale, usually under grant funding arrangements and using volunteers. They are more informal, springing from community activism and engagement in response to local need and often related to geographical neighbourhoods or particular communities of interest.

Some voluntary sector organisations start out as community organisations but change as they grow larger. The contribution of volunteering to both voluntary and community organisations is invaluable.

**General**

Successive governments have seen local authorities' future role less as service providers and much more as service enablers or commissioners and have wanted to ensure that the third sector was at the heart of the reforms to improve public services. As long ago as 1998, a National Compact was developed with the VCS, an agreement about principles underpinning relationships between government and the third sector covering the public good, pluralism, community cohesion and social inclusion. The Compact, and its principles were subsequently embraced by most local authorities through Local Compacts. The Compact was renewed in December 2010 with the incoming coalition government. (see external links)

The growth of the VCS between 2000 and 2010 was driven in large part by investment in public service delivery by the state and by the contracting out of services to voluntary sector providers. As a result, the VCS has developed to a point that statutory grants and contracts now represent almost a third of the income that charities receive.

Inevitably, during this period, local authorities have developed more complex relationships with the VCS. Many local authorities have strategies to manage their relationships with the large number of VCS sector organisations they routinely deal with. These often draw on the principles within the Compact. In the last ten years such strategies have become more sophisticated, as authorities have sought to utilise their relationship with the local VCS to promote the local authority's corporate aims and objectives, improve service delivery and cost effectiveness. There has been a general trend towards commissioning two or three year contracts rather than awarding annual grants.

**Recent Developments**

**The ‘Big Society’**
The coalition came into office with a commitment to the ‘Big Society’ and the VCS. Underpinning the Big Society vision was the expectation that communities can and will play a bigger part in providing or co-producing services and fostering social capital (social capital is the shared values and sense of belonging that people have as part of their network, group or community). ‘People should be in the driving seat, not politicians and bureaucrats’, is how the White Paper on Open Public Services saw it and it recognised that the voluntary sector was well placed to improve both the design and delivery of many public services.

Flagship policies which partially reflect this agenda include the Community Budget pilots, Work Programming, Payment by Results Commissioning, social investment market, Public Sector Transformation Network, Public Sector Pathfinder Programme and Big Society Capital.

The Government passed legislation promoting the VCS. The Localism Act, introduced in November 2011, provides scope to strengthen the influence of community organisations. There are a range of other positive changes associated with commissioning, such as the Public Services (Social Value) Act 2012 (see LGiU briefing). Positive changes to restrictive EU rules are on the horizon. The Government has also taken forward existing Sustainable Communities legislation and extended its provisions to parish and town councils.

The Budget Deficit

Since May 2010, the coalition government’s first priority has been to tackle the UK’s budget deficit. Implementing spending cuts of around £20 billion between 2010 and 2015, this agenda is affecting all sectors of the economy and society, including the voluntary sector and its beneficiaries. According to the Local Government Association, council budgets are being cut by 43 per cent in real terms between 2010-11 and 2015-16, and 20% of total spending will have been taken out of adult social care in the three years since cuts were announced in 2010.

The Cabinet Office were very aware that it was often at the local level where cuts to public services can most affect the capacity of the VCS. In a joint Cabinet Office / National Association for Voluntary and Community Action (NAVCA) report ‘Better Together’, they stated that the VCS cannot be immune from these cuts in public spending, but highlighted that cutting funding to the VCS must not be seen as the easy option, that the sector, and the social capital that it generated, should not be weakened, and that local authorities should plan to manage cuts in the VCS, working in partnership with them. There were a number of key principles that characterised best practice when managing such changes. There was detailed guidance on communication; collaboration; transparency, and strong leadership.

An online survey of Unison members in July 2013 found that in children’s voluntary organisations, 72 per cent of respondents were worried that children may be slipping through the net, while 15 per cent said they do not have time to monitor children and follow up concerns of neglect or abuse. Thirty-six per cent said they had no time to prepare risk assessments and support plans. Two thirds of respondents working for disability charities said clients were being left at risk because their packages have been reduced and just under half said they had less time to spend with each client. Nearly three quarters of housing charity workers said more tenants were falling behind with the rent, with half reporting more people being evicted or forced to move by financial pressure. Three quarters of workers in rights and advocacy community organisations said disabled, elderly and minority ethnic people were disproportionately losing out from cuts to advice services.

The Trussell Trust, the coordinating body of the UK’s largest network of food banks, show a rapid increase in the use of food banks. In an April 2013 press release, the Trust reported a
170 per cent increase in the numbers of people using their food banks between 2011-12 and 2012-13, a rise from 128,697 to 346,992 (see related briefings). A range of factors have caused this increase and there is a continuing debate about why more people are turning to food banks but the Trussell Trust have identified ‘triggers’ including benefit delay and sanctions, debt and low income.

Poor communities, marginalised groups, and vulnerable people are not the only ones affected. VCS organisations themselves are facing a huge increase in demand for their services as the sector looks to support people through difficult circumstances.

Nevertheless, ‘Counting the Cuts’, a report from the National Council for Voluntary Organisations (NCVO) in August 2011 offered a bleak assessment of future prospects for the VCS. Income to the sector could drop 15 per cent to £11.3 billion by 2017-18 from £13.4 billion in 2010-11.

The redistribution of income across the sector is also significant. The NCVO concluded in its 2013 report on cuts (Counting the Cuts: the impact of spending cuts on the UK voluntary and community sector update) that it may be the smaller community organisations that receive funding from local authorities which experience disproportionate cuts, whereas some larger charities that can access new contracts may be less significantly affected or more capable of replacing lost income.

There can also be a difference in impact across the UK: research by the Panel on the Independence of the Voluntary Sector suggests that voluntary organisations rely more on state funding in certain parts of the country, especially where there are high concentrations of deprivation and the first round of cuts fell heavily in these areas. In 2012-13, the National Audit Office (NAO) concluded that the overall reduction in spending power as a result of cuts between local authorities ranged from 1.1 per cent to 8.8 per cent in cash terms.

In December 2012, Compact Voice, a network of 3000 VCS members which works to ensure that strong effective partnerships are at the heart of all relationships between the voluntary sector and government, published a report on local authority spending on the VCS within 352 local authorities. Their Freedom of Information Act requests in July 2012 produced a range of data including the following:

For grants,

- 56 per cent of local authorities reported reducing the amount of grant funding between 2011-12 and 2012-13
- 50 per cent reported making disproportionate cuts to grant funding for the VCS.

For contracts,

- 71 per cent of local authorities reported having contracts with the VCS in 2012-13, with reported spend totalling £786,309,998

They concluded: around half of local authorities were continuing to see the VCS as a soft target for spending cuts, a worrying lack of impact assessment and engagement: reductions on spending having an impact on communities that are not given the opportunity to respond to proposed changes; that the extent of disproportionate cuts was still worrying.

There are financial pressures across the board. VAT has been raised and transitional relief on gift aid has been ended. In cash strapped times, voluntary organisations have also been hit by a fall in giving. This dropped by 10 per cent during the recession. ‘UK Giving’ 2012
revealed that donations to charity fell by 20 per cent in real terms during 2011/12. The trends in ‘giving’ are disturbing. While charitable donations from older people have doubled since the eighties, the proportion of donations made by the under thirties has more than halved. More than half of all donations given in the UK are from those aged 60 or over.

In December 2012, a Charities Aid Foundation (CAF) survey found that one in six charities believe they may face closure, due to public spending cuts and falling donations. CAF thought that nearly half of charities surveyed were dipping into reserves to maintain their work, while nearly one in three said they were being forced to cut services or jobs.

NAVCA's most recent quarterly survey in January 2014 indicates that NAVCA's members, local infrastructure charities, remain firmly pessimistic about their own financial prospects and those of the local sector over the next 12 months. 76 per cent felt that the financial situation would worsen for their local voluntary sector over the next year.

The Unison Survey highlighted the stark economic situation many workers in the VCS find themselves in. A quarter of respondents do not earn the living wage, nine per cent were on zero-hours contracts, and one fifth have seen a reduction in their take home pay.

VCS Initiatives

Despite the financial challenges, many new or more longstanding VCS initiatives have been progressed over the last three or four years. There are numerous initiatives – too many to name here. Some of these have received national publicity, including the following:

Early Action / Early Intervention

David Robinson, the founder and a senior advisor with Community Links (an innovative east London charity that runs multiple neighbourhood centres, a school for children excluded from mainstream education and an employment support service) believed we needed an early action economy. He felt the spending cuts presented a chance to move us to ‘a society that prevents social problems arising, rather than coping with their consequences’.

In early 2011, he and Community Links put together an Early Action Task Force from across the sector with government support. The Early Action Task Force has been undertaking work on Early Action since January 2011 and is due to carry on until 2015. It has produced two reports and made recommendations aimed at national government which included: ten year spending plans reviewed every two to three years; treating early action as an investment; and better information on what is spent now and what it will cost tomorrow. Last year, a National Audit Office review concluded that the Government had signalled its commitment to early action as a principle, and taken some tentative steps towards realising that ambition. There remained, however, much room for improvement’.

Connected Communities /Citizen Power

The Royal Society for the Encouragement of Arts Manufactures and Commerce (RSA) has argued for a new approach to community regeneration, based on an understanding of the importance of social networks. This approach utilises social network analysis to understand
communities as a complex series of relationships. RSA has undertaken extensive research projects in New Cross Gate in South East London and in Knowle West in Bristol.

Citizen Power Peterborough was a partnership between the RSA, Peterborough City Council and Arts Council England.

Overall the programme aimed to show that public services increased social value and helped Peterborough’s various communities become more resilient and self-reliant. As a result of the programme, engagement opportunities were embraced and confidence within many of the groups was demonstrably increased. A sense of pride in the city was also strengthened through this work. The Citizen Power Peterborough: Impact and Learning report concluded that although the impact and strength varied from strand to strand, overall it was a successful intervention. While the programme might not have achieved all of its aims, more was achieved together than any could have managed alone.

Connected Care

Turning Point is a social enterprise concentrated on improving lives and communities and offers specialist and integrated services across England and Wales focusing on substance misuse, learning disability, mental health and employment.

Connected Care is Turning Point’s model for community led commissioning that integrates health, housing, and social care service delivery. It is based on the voice of the community being central to design and delivery of all services. It helps health and service commissioning by using a research and audit process to identify gaps in local provision and community needs and designs long term services for integrated care.

The organisation has run a dozen projects, from Swindon to Liverpool, that are mapping the needs of communities and the assets they already have on the grounds. A key part of the mapping exercise is identifying community groups and other organisations that could play a bigger role in supporting people. An action plan is then drawn up to guide commissioners of services to make changes that better meet people’s needs and use local resources. In its first ‘award winning’ Connected Care scheme at Hartlepool, Turning Point recruited a network of community navigators who supported people helping them access personalised services and information.

Community Involvement

Participle is a social enterprise that develops solutions to social challenges. Life was originally developed in a partnership between Participle and Swindon Council and its partner agencies. The Life Programme focuses on the relationship between family members and staff from across different agencies handpicked by the families themselves. Multi-disciplinary teams work intensively face-to-face with families with entrenched problems. The programme is credited with making substantial savings. In 2009, more that £200,000 was saved based on changes already occurring within one family after twelve weeks of being in the Life Programme. Life is now in four local authorities in Britain.

The Circle scheme in Southwark is another Participle project. Southwark Circle is a membership group targeted at over fifties offering cheap, practical help and bringing people together for social events. It aims to combat the isolation and lack of practical support that the elderly find most damaging to their lives. Members pay £10 or £20 per year and have access to a wide range of social events organised by staff and other members. They can also buy £10 vouchers to exchange for small tasks, anything from computer lessons to help
planting a tree. These are carried out by ‘helpers’ from the community – who choose to be paid the London living wage or volunteer their time. Southwark Circle has over 800 members, and with initial funding from Southwark Council is on track to be self-sustaining after three years. The idea has been rolled out in rural and urban areas across the country.

Cooperative Council

Under Lambeth’s plans to become a ‘co-operative’ council, traditional council departments have been swept away, as the authority works alongside residents to commission council services. At its core the council says that this is about shifting power to people so they have more control over their lives. New ‘clusters’ oversee new ways of commissioning services. Councillors are ‘community facilitators’ talking to residents about their priorities. The Active Communities Team in Lambeth aims to develop third sector markets, co-produce prevention services and build resilience in local communities. Projects have included: The Gateway Consortia, Lambeth Accord, Lambeth Community Fund, and Black Heritage centre. New community trusts, such as the Young Lambeth cooperative has taken on the running of the budget and buildings for youth clubs and adventure playgrounds.

The Co-operative Councils Network now has 21 members, including Newcastle, Liverpool, and Rochdale. Councils are employing a variety of approaches to take cooperative commissioning forward.

VCS Profile

Larger Voluntary Organisations and Charities

The initiatives described above constitute a small number of the significant areas of VCS activity employed with varying degrees of success that have been reported on nationally over the last few years. But these have to be considered in the context of a wider VCS perspective and profile.

Key local authority VCS issues are the VCS role in fostering social capital, community engagement, and the provision of health and social care (care of the vulnerable, i.e. elderly, young, and all or those with learning, mental or physical health disabilities or needs). An emerging challenge for local authorities and the VCS is to support clients, residents and communities in reducing dependency, developing preventative services, and taking ownership of local services.

The budget deficit has resulted in reductions in local services for all local authority residents and local groups. It has also exacerbated the unsustainable financial arrangements associated with health and social care. The £43 billion social care sector’s contribution to the national economy comprises more than 1.6 million jobs carried out by 1.5 million people in England alone. Of the total number of jobs, 72 per cent are with private companies or voluntary organisations. The prize from integration is big – more efficient use of diminishing resources and better support for vulnerable people who, too often, languish in hospital beds or residential care when they could be at home. Personal budgets move power from institutions to individuals and force service providers to listen to what people want, focusing more attention upon coordinating care and support around an individual. This reinforces the messages of co-design and co-production that ‘The Big Society’ and localism makes in respect of the involvement of communities and the voluntary sector.

It also highlights the considerable scope for the evolution of existing services and the development of new ones. These changes would appear to fit well with VCS traditional strengths and patterns of activity. However, cuts are forcing the voluntary service to discontinue many existing services and are also impeding the development of new ones. In
addition, these cuts are impacting unevenly across the country. Local authority areas with higher deprivation scores say that they are facing larger cuts and VCS in those areas are more likely to be at risk of having their funding reduced or ended.

There are other challenges for the VCS. Over the last 15 years, many of today’s larger voluntary organisations have become closer to the establishment as politicians accepted their argument that their proximity to their beneficiaries and speed of response provided an effective, cheaper and more acceptable alternative to the state. But as charities have grown, the distance between the beneficiary and the management has also grown with it. Some charities have managed to embed client-centred responsiveness within their structures. At the addiction charity RAPT, two thirds of the staff are recovering addicts, guaranteeing a continuing focus on client need; and Mencap has many staff with learning disabilities. But for some charities, beneficiaries have become passive recipients of services and in the new public sector environment their needs jostle with the demands of other stakeholders.

The contract culture has driven efficiency. However, there is a temptation to measure success with reference to delivery of contract performance measures rather than value to the client. Many within the sector feel that the very virtues that the growth spurt has bought – professionalism, modern management techniques, etc. have begun to erode the distinctive look and feel of the sector. There are complaints that the VCS has become divorced from grassroots activism and that community work has been seduced by statutory funding. Many also feel that the relationship between councils and voluntary groups who receive grant for delivering public services may have distorted the sector’s original aims.

The new VCS environment has: multiple stakeholders; differing values, expectations and objectives; and significant financial pressures. The Government’s Payments by Results contracts/ commissioning has proved problematic for charities, which do not have the financial muscle and scale to mount bids, pull in social investment or attract business funding. This is a requirement of the government to reduce pressure on public sector finances but not everyone agrees that this attracts the service or organisations which are most needed. Sector representatives highlight that too frequently voluntary sector organisations end up acting as local sub contractors for larger private sector organisations, often absorbing all the risks.

A more conducive commissioning climate for VCS organisations may be developing as Whitehall has become aware of the dangers to taxpayers and public service users of heavily weighting contracts in favour of a handful of private companies with little transparency and accountability; and as the ‘Big Society’ and localism agenda of client and community involvement, social capital and local sustainability has begun to permeate national and regional discussions about commissioning.

The race for price cuts has tempted some charities to bid at levels they cannot in practice deliver, or to drive quality down below the point at which their services meet need. The Unison survey indicated that many front line VCS staff have to bear the brunt of these price cuts through lower pay and poor terms and conditions. And there appears to be less and less room for smaller VCS to compete. Indeed, some feel that the sector is now destroying social capital because competing against each other in a "winner takes all" fight for scarce funding and working in organisational silos exacerbates divisions within communities rather than bringing people together.

There is some evidence that these factors are impacting on the relationship with the coalition government. In January 2013, Sir Stephen Bubb, Chief Executive of the Association of Chief Executives of Voluntary Organisations (ACEVO), wrote to the prime minister warning that the ‘big society’ label is dead. Not only were charities facing crippling spending cuts but the government had lost its way without a clear narrative to deliver the big society.
Conversely, some conservative ministers scarred by battles with campaigners, have been critical of the VCS, saying it was too dependent on state welfare itself. They champion charities that are smaller and perhaps more censorious and paternalistic. The third sector, they reason, should deliver services that produce results and affect change in people’s behaviours. These differences have recently consolidated into a controversy focused around two issues, ‘food banks’ and the proposal to restrict the right of charities to lobby within the ‘Lobbying’ Bill. The tensions between central government and the VCS are, of course, not new (and to a lesser extent perhaps between the VCS and local government) – in particular the need for voluntary organisations to be seen as independent from the state whilst receiving grant funding or delivering public services through contracts - but the tensions became greater over the last decade or so as increasingly parts of the voluntary sector relied more on state funding and less on donations.

Faced with financial pressures, there has been renewed VCS interest in establishing more links with the private sector. There are some long standing good examples of sound innovative relationships like Network Rail’s partnership with Samaritans – where railway staff receive training to recognise and avert suicide attempts. There is also ‘the shwopping partnership’ between Marks & Spencer and Oxfam (an initiative launched in 2007) which involves the company’s customers donating their unwanted clothes to local stores when they buy items. Oxfam sells the clothing through its shops, or distributes items in developing countries.

Small Voluntary Organisations and Community Groups

If anything, these are suffering even more than their larger partners, as community groups are more likely to be funded by the award of one off grants. In practice, these are far easier for local authorities to cut as part of budget saving exercises because they are usually awarded on an annual basis.

But cutting contracts or grants to such organisations can result in a disproportionate amount of damage, because the investment is more often in direct service provision provided by front line staff, rather than back office support or buildings. There is a more immediate, direct impact on vulnerable clients or communities and there are often knock on effects as social infrastructure evaporates such as community and volunteer networks. A great deal of ‘added value’ can be extinguished.

Despite this, community organisations can display an extraordinary capacity to keep afloat and maintain self-help within their communities. In Lynemouth, Northumberland, the closure of the Rio Tinto Alcan Aluminium smelting plant in 2012 resulted in thousands of jobs disappearing across a region already characterised by high long term unemployment and low wages. Lynemouth community trust has been supporting local people despite limited finances. With the help of seed funding the trust set up a small chocolate factory on its premises, employing a few local people.

Such organisations can have a unique place within their communities to meet head on the difficulties austerity policies create. These organisations often know their communities intimately. They can respond effectively to local needs. They can be agents of change. Above all they have the characteristics to arise spontaneously and contrary to all expectations in the most unlikely circumstances. Indeed, like faith and religion groups (which are often essentially community organisations) some may only materialise or thrive in a particular climate of social need or deprivation. We can sometimes forget that there is a long tradition of such community activity in this country because it has been less prevalent in recent times. Many large organisations eg. Halifax Bank, started out as small self-help, voluntary or community groups.
However, there is little sign yet of emergence of such organisations on a large scale. Arguably, it is still early days as it is only within the last twelve months or so that the real impact of budget cuts, particularly welfare reform, has begun to filter down to poor communities. So far, there is little evidence to suggest that community infrastructure groups are having much success in encouraging local people to get involved. Volunteering rates remain static and there appears to be little understanding or interest in the new Localism Act powers on the ground within communities, especially in the most deprived areas.

Comment

The problems facing larger VCS organisations might be considered to be of only general interest to some local authorities, although the VCS initiatives described in this briefing, and others, might suit local circumstances in some authorities.

In general, local authority members and officers should be aware of the substantial financial pressures small and large VCS organisations are experiencing. The sector has been obliged to bear the brunt of disproportionate spending cuts from national and local government and its differing groups now live in an environment which often presents challenges to their traditional culture and values. Local authorities need to be sensitive to the difficulties that many VCS organisations currently have.

The VCS continues to experience falls in income from local government, the wider sector and from voluntary fundraising. Yet demand for their services is growing. The pressures under which they are operating have many similarities with those being faced in local government.

The perception – and, often the reality – of disproportionate local authority cuts to VCS funding has created tensions between the two sectors.

The most recent research (NAVCA’s Quarterly Survey in January 2014) indicates that while local charities feel that relationships with local health boards and local police authorities are improving, the best that can be said of their relationship with local government is that it is neutral (with 24 per cent of NAVCA’s membership indicating that relationships are getting better and an identical percentage indicating that relationships are getting worse).

Local government and the local VCS both seek to promote the interests of the same communities and citizens. They should seek to find a common cause.

Progressive and far-sighted local authorities and their leaders recognise both the challenges faced by the VCS sector and its potential. The traditional strengths of VCS organisations are well documented: closeness to customers; speed of response; innovation, dynamism; low cost service provision, volunteering.

The VCS can help local authorities to foster social capital, promote community engagement and self-reliance, reduce dependency, promote preventative services and early action, help integrate health and social care and implement the personalisation agenda.

Indeed, given many of the factors outlined in this briefing, some may draw the conclusion that in the longer term, the only realistic way to meet these challenges is to have a far closer relationship with the VCS, because they are key to the delivery of the agenda posed by the new financial realities.

For many years local authorities have been developing VCS strategies and integrating them with their longer term strategic needs and community requirements. The dynamic nature of the changes that have taken place over the last three or four years have resulted in hardship...
POLICY BRIEFING

on poorer communities, marginalised groups, and vulnerable people and placed financial pressures on both local authorities and the VCS that provide services to them. It is high time to review those strategies.

Some local authorities may wish to go further and involve the VCS in strategic planning, resource and budget decisions and strategic commissioning – with ultimate decisions being taken by accountable councillors, of course.

If not already existing, then arrangements need to be put in place to ensure appropriate governance, i.e. that VCS organisations genuinely represent communities, not just themselves.

And it is more important than ever to adhere to the principles of the National Compact when managing joint local authority/ VCS relationships. There is also a need to follow the principles highlighted within the joint Cabinet Office/ NAVCA Better Together Report when managing spending cuts. And in particular, the detailed guidance about communication, collaboration, transparency and strong leadership.

Without such disciplines, managing the relationship and enabling it to work to mutual advantage in very trying times may prove impossible.

Both local authorities and VCS might benefit from a frank and open dialogue about new and innovative ways of delivering public services using the VCS traditional strengths.

Local authorities need to think deeply about commissioning, about the co-design and co-production of services by service users, vulnerable groups and communities; about commissioning and considering social value ahead of procurement, and about the implications of integration of health and social care, and the personalisation agenda. Of course the VCS itself has equally to take stock – how can it demonstrate its effectiveness, how can voluntary organisations work together in the context of fierce competitiveness, how can organisations change how they work to improve effectiveness and value for money?

However, given the huge financial pressures on local authorities, strengthening the VCS needs central government support. Sir Stephen Bubb, head of the chief executives body, Acevo, has written to George Osborne, the Chancellor of the Exchequer, before next month’s Budget, calling on the government to create a “community recovery fund” to help voluntary sector organisations that have seen a “relentless upturn in the demand for their services”. He says the fund would have a similar function and structure to the Cabinet Office’s now-closed £100 million Transition Fund, which opened in 2010 to help voluntary sector organisations that face cuts in funding because of reduced government spending. The new fund would provide a source of investment for struggling voluntary organisations, including those affected by local spending cuts.

Bubb said in a statement about his letter: "The government must acknowledge that charities are a major contributor to the economy, as well as to society. Our sector has stepped up as the economy has seen the lows. Now, as things begin to improve, it is in society’s interest for government to work with us to support the sector to grow.

"We need a Budget that delivers on the promise of social justice. We need the government to ensure that we in the voluntary sector have the infrastructure in place to do our job."
External Links

http://www.compactvoice.org.uk/sites/default/files/the_compact.pdf

NCVO
Acevo

Related briefings

The Public Services (Social Value) Act 2012: One Year On – February 2014
Public procurement – latest developments
Coping with the cuts? Local Government and poorer communities
Connected Localism
Making it easier for civil society to work with the state – progress update – January 2013
Open public services: experiences from the voluntary sector

For more information about this, or any other LGiU member briefing, please contact Janet Sillett, Briefings Manager, on janet.sillett@lgiu.org.uk