



Big Society – A briefing

An overview on the themes, policies, structures and people driving the Coalition's big idea

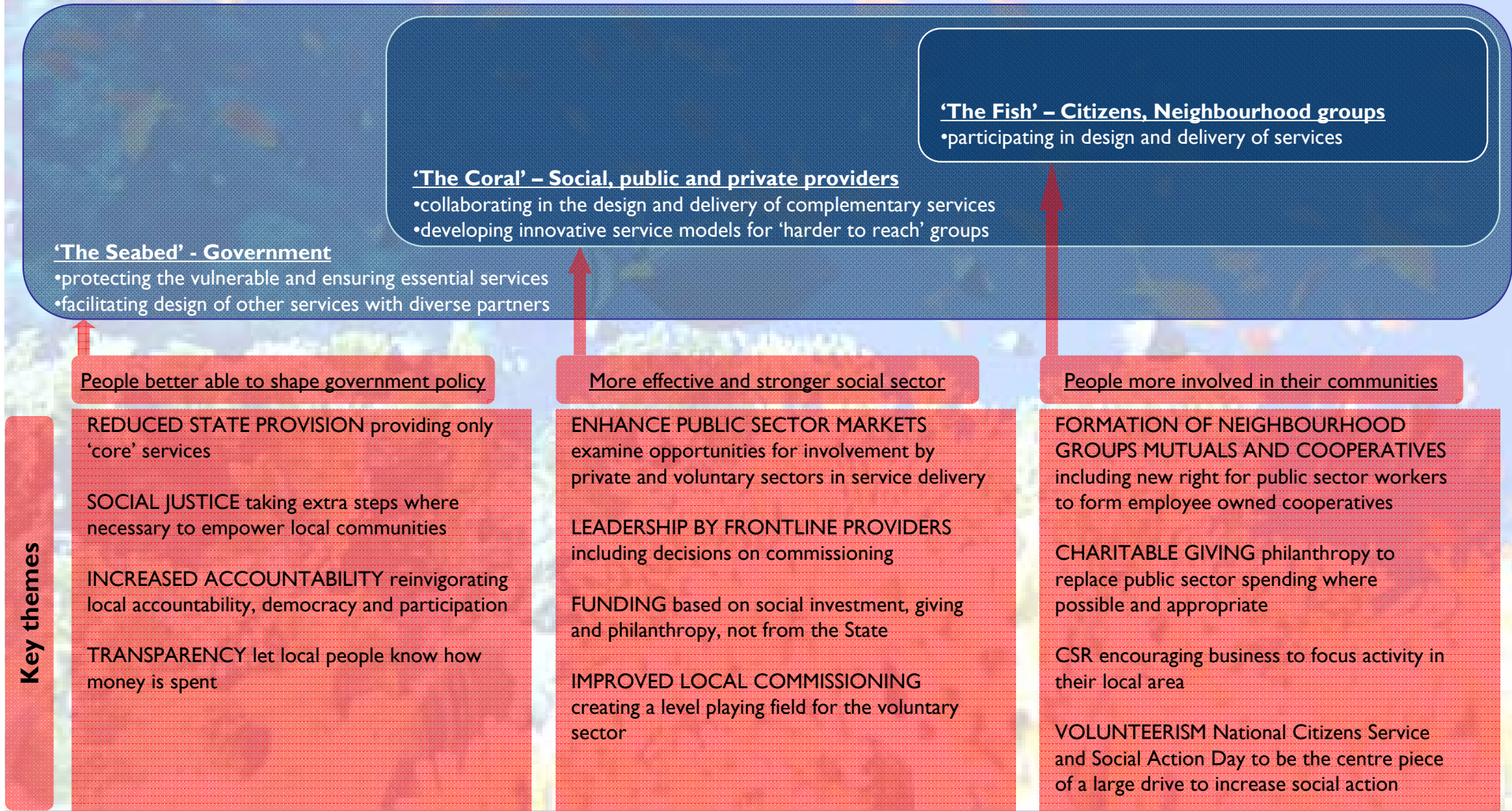


The Big Society – the coalition’s big idea

The Government’s ‘Big Society’ is a radical new vision for the delivery of public services. Schools, hospitals, police forces and welfare providers will be given greater freedom from central control and become more accountable. Public services will be run by the private sector, new mutuals, charities and social enterprises with providers rewarded for the outcomes they achieve.

This is a huge challenge for those wishing to be involved in the delivery of services. Organisations must understand what the politicians are asking of them, and the frameworks that are being put in place to support implementation. At the same time providers need to increase the capacity of the services they provide, access capital to enter this new market, and form partnerships and alliances which allow them to compete. This briefing is designed to help organisations understand the Big Society, and the measures being taken forward by this Government to make it happen.

The Government’s Big Society “guru”, Lord Wei, describes this using the analogy of an “ecosystem” of 3 levels where no one player dominates another:-



The Coalition has already begun redefining the role of the State as a provider of public services. Measures in the Coalition Agreement, Budget, Queen’s Speech and other policy statements have set out how central government will facilitate the Big Society by increasing localism, democratic accountability and transparency.

REDUCED STATE PROVISION

•Iain Duncan-Smith and Lord Freud have already ditched the Flexible New Deal, Future Jobs Fund and cut Housing Benefit. They have launched a review of the welfare system to ensure it targets only the most vulnerable, areas of persistent poverty and the long term unemployed.

SOCIAL JUSTICE

•Recognition that measures are needed to support the creation of neighbourhood groups in the most deprived areas. A new Communities First Fund will be introduced to be targeted towards the most disadvantaged areas in the county. This micro-funding will go to existing charities and social enterprises to work with new community groups. “The market will not necessarily provide a hidden hand to meet these deep-seated social needs”. [Francis Maude MP]

INCREASED ACCOUNTABILITY

•Localism is an important theme of the Big Society, moving power away from Whitehall and closer to communities. “The default is no longer Big Government but Big Society, where family and social responsibility plus civil liberties create a stronger society. A rebalanced and smaller state will improve people’s lives, encourage innovation to flourish and draw people together”. [CLG Draft Structural Reform Plan]

•The Localism Bill will give local communities the right to bid to take over state run services. It will also introduce directly elected Mayors in the largest 12 cities in England. The Bill is expected to become law in November 2011.

•Ring fencing of government grants to local Government will be phased out by October 2010, to allow more creative approaches towards service design and commissioning.

•An important part of the commitment to promote devolution and financial autonomy for local government is the ‘full review of local government finance’ which, perhaps surprisingly given the pace of other reforms, isn’t due to report until 2012.

TRANSPARENCY

•“There has got to be a new era of transparency, accountability and openness. What I’ve been saying to councils is “Show me the money”. Getting spending online, getting information out there so that the public can make up its own mind about what their council tax is being spent on”. [Eric Pickles MP]

•A new ‘right to data’ will be created which will enable the public to request government-held datasets and force Government organisations to publish the requested information on a regular basis.

•Combined Online Information System (COINS) will publish all new central government tender documents above £10,000 on a single website.

•Francis Maude MP is leading the Government’s Arms Length Body review which will abolish/ bring into departments the majority of quangos with the aim of making policy making and delivery more accountable.

The third sector is being handed a central role in the delivery of public services. Funding may take the form of government procurement contracts, payment-by-results frameworks, or choice, meaning that the public can choose which service provider to use, with state funding following the individual. It is recognised that the way in which services are commissioned needs to change dramatically, and reforms are expected by the end of this year.

ENHANCING PUBLIC SECTOR MARKETS

- Welfare-to-work, prisons and health services are seen as particular areas for third sector involvement as part of the Big Society. “No reason why voluntary sector can’t deliver services at heart of healthcare, not just at margins”. [Andrew Lansley MP]
- The ‘Work Programme’ will simplify the existing workforce programmes into a single welfare to work programme which will be tendered out to private and third sector providers as well as to mutuals formed by staff from existing state providers. The department has set out a regional commissioning framework for this programme with entire regional contracts between £10-15m. These will require partnership working, joint ventures and mergers by charities.

FUNDING

- Focus is very much on social investment, charitable giving and philanthropy, not from the State.
- The Coalition recognises that access to working capital and finance is an issue. The ‘Big Society Bank’ will begin providing capital to mutuals, cooperatives, voluntary sector and social enterprises from dormant bank accounts from April 2011.
- It is expected that one of the purposes of the Big Society Bank will be to provide funds to intermediary bodies with a track record of supporting and growing social enterprises. These intermediary bodies will use these funds to support the next generation of social entrepreneurs, and help more social enterprises to win government contracts and receive revenues from our payment-by-results public service frameworks.

IMPROVED LOCAL COMMISSIONING

- The Coalition has committed to reforming the commissioning framework so that it helps increase the voluntary sector’s involvement in delivering services. “This is a fundamental issue and we expect the third sector to hold our feed to the fire” [Francis Maude MP]. Implementation of changes to commissioning processes is expected in January 2011.
- Want to ensure professional commissioning and stream-lined procurement which doesn’t shut-out organisations, and will look at the Pre-Qualifying Questionnaires (PQQ). “We will not expect you to be able to spend weeks filling in procurement forms”. [George Osborne MP]
- Commissioning must avoid a situation where organisations go for the “low hanging fruits”. Accept some candidates are harder to reach and will require “differential pricing”. [Oliver Letwin]
- Procurement will define outcomes and not processes, with payment on results and full measurement against the outcomes. Long-term contracts will be introduced to ensure stability of funding (Work Programme is proposing five year contracts).
- There is recognition that a change in approach from commissioners is required (“narrow-mindedness of those who do commission”), and certain re-engineering in ways of working. “We will soften them up to innovative approaches” [Philip Hammond MP]. Commissioners will be forced to engage voluntary sector and service users for evidence-based input before tendering.
- The Coalition wants commissioning which makes qualitative judgements on awarding contracts – not just the cheapest bid.

As the established, formalised part of the ‘social sector’ Government is expecting charities to help communities organise so that they can more effectively participate in the governance, design and delivery of services in their communities. An important part of the drive to increase social action will be the introduction of the flagship National Citizen Service for 16 Year Olds.

FORMATION OF NEIGHBOURHOOD GROUPS MUTUALS AND COOPERATIVES

- The Coalition has pledged to make it easier to set up and run a charity, social enterprise or voluntary organisation. A joint Cabinet Office and Department for Business, Innovation and Skills taskforce has been set up to investigate the barriers in place, and provide recommendations on how to reduce them. It will report by the end of the year.
- The new right for public sector workers to form employee-owned co-operatives is designed to ensure that those who deliver frontline services, particularly in work and learning services will be given the freedom to innovate.
- Neighbourhoods will be able to bid to take over the running of community amenities, such as parks and libraries. It is also expected that a right of first refusal will be given to local groups to take over and run commercially owned assets when they shut down – for example post offices, pubs and shops.

CHARITABLE GIVING

- Alongside the pledge in the budget to look at the Gift Aid system, Government will look at bringing in legislation before the end of 2010 which will replace the current rules on substantial charity donors and encourage charitable giving.
- Ministers believe that the key role for Government is to get individuals to think more locally about where to carry out activities and to connect more regularly with a mix of neighbours both online and offline. This is likely to include a campaign to encourage local action including persuading people to join local time banks, or other means of local association.

CSR

- Business is being asked to target employee activities where they live and to find ways to interact with small providers.
- The Government is hoping to encourage more private sector organisations to increase community involvement by leading by example. Regular community service a key element in civil service staff appraisals.

VOLUNTEERISM

“Our ambition for the UK is clear: *we want every adult in the country to be an active member of an active neighbourhood group*” [Conservative policy document – *Building a Big Society*]

- Charities expected to play a major role here, as the more formalised part of the sector, empowering communities and making complex tasks easier, such as setting up and running local community centres and other opportunities for neighbourhood action.
- National Citizens Service will be rolled out from September 2010 to give 16 year olds the chance to develop the skills needed to be active and responsible citizens. A Social Action Day will be announced at around the same time as the centre piece of a large drive to increase social action and volunteerism.
- Based on the US community organising endowment established by Saul Alinsky new National Centres of Community Organising will train 5,000 independent community organisers over the lifetime of this Parliament. It is envisaged that these organisers will be self-funding, having gained the skills needed to raise funds to pay for their own salaries.

A number of new bodies, committees and reviews have been set up to ensure that the Big Society is embedded across Government. All Departments are expected to have Structural Reform Plans in place which will drive localism, community activism and reduce the role of the state in the provision of services.

OFFICE FOR CIVIL SOCIETY created with an important role coordinating Big Society across Government, and supporting community organisers.

MINISTERIAL COMMITTEE with Francis Maude MP in the Chair, the Ministerial Committee on the Big Society will comprise ministers from government departments with remits affecting the voluntary sector. It has been set up to think about the impact of spending cuts on the local and voluntary sector, and to make sure the state minimises the damage to it. The Chair has already written to ministers with responsibility for the Big Society agenda to ask them to consider the Compact – the conduct agreement between the public and voluntary sectors - as decisions on in-year budgetary savings and efficiencies are taken.

STRUCTURAL REFORM PLANS introduced to make departments accountable for implementation of the reforms set out in the Coalition Agreement. They are set to ensure that all civil servants are working to deliver reforms which support localism and the Big Society.

THE BIG SOCIETY NETWORK led by Martyn Rose and Paul Twivy is providing the opportunity for input into this policy initiative from all sectors and the public.

HMT EFFICIENCY AND REFORM GROUP will oversee cross cutting implementation of efficiency savings, and the implementation of spending review decisions.

ENHANCED DEPARTMENTAL BOARDS comprising Ministers, senior officials and non-executive members from the private and voluntary sectors. Will meet every six weeks to advise on strategy and monitor progress against departmental objectives.

THIRD SECTOR TASKFORCE joint Cabinet Office/BIS group to investigate the burdens on third sector organisations and provide recommendations on how to reduce them. The chair of the taskforce will be announced shortly and the work will be completed by Spring 2011.

SELECT COMMITTEE FOR CIVIL SOCIETY Parliament invited to create a Select Committee for Civil Society in November 2010.

HEALTH AND SAFETY REVIEW led by Lord Young, is looking at reducing the impact of health and safety legislation and compensation culture on the social sector.

The emerging Draft Structural Reform Plans demonstrate that the roll out of the Big Society is happening across Whitehall and has buy-in from Liberal Democrat and Conservative Ministers. However, implementation is being led by a small number of important Conservative thinkers based in the Cabinet Office and Number 10.



Lord Wei



Francis Maude MP
Cabinet Office



Nick Hurd MP
Minister for
Civic Society



Oliver Letwin MP
Cabinet Office



Nicholas Boles MP



Greg Clark MP
Localism Minister



Andrew Lansley MP
Health



Eric Pickles MP
CLG



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Martyn Rose, Big Society Network
Camila Batmanghelidjh, Kids Company
Lord Adebawale, Turning Point
Jamie Thomas, Red Foundation

Uncertainty about working capital and the shape of commissioning frameworks has caused unease amongst third sector providers. Many of whom are increasingly looking to Government for reassurance that the current round of public spending cuts will be matched by equally enthusiastic support for third sector organisations who deliver vital services.

- With our audit culture in public services, how do you get commissioners to take risks and innovate?
- How do voluntary sector organisations survive when being paid on a PBR basis? “The new scheme involves payment by results. There is no third sector body, not one, who has the current capital to take part in the Work Programme. The Big Society Bank is two years off. The Futurebuilders Loan Scheme has been closed. There is no evidence (indeed lots of pointers against) that the banks will make commercial loans. What will the DWP do to provide a new capital pot to support bids?” [Stephen Bubb, ACEVO]
- The coalition has made a conscious decision that local variation in services is an acceptable price to pay for better community involvement in the design and delivery of services, but will they be able to change the political and media culture on postcode lotteries, and stand up to the inevitable onslaught when variations in service quality begin to arise?
- How can commissioners be ‘softened up’ to innovative approaches? The coalition government suggests that incentives will be used to promote new approaches, but will this be enough?
- How will commissioners make qualitative judgements when there is downward cost pressure?
- Early user involvement may break down the ‘producer interest’, but how do you ensure there is co-design of services with full user involvement?
- How do you pay by results when some outcomes can’t be measured – for instance with public health benefits? Sometimes things can’t only be attributed to one source – how do you build this into PBR?
- How do we educate GPs so GP-based commissioning considers the merits of the voluntary sector?
- How do we decommission services?
- If the voluntary sector is expected to capture social impact, how can social impact assessment be part of the tender process?

DOCUMENTS

- 'Big Society, Not Big Government – Building a Big Society' Conservative Party policy Document <http://tinyurl.com/y3unxl9>
- 'Building the Big Society' Lord Wei's Presentation to the Institute for Government <http://tinyurl.com/28xs2qw>
- 'Big Society Briefing' by NCVO <http://tinyurl.com/3xmsf6a>
- 'Building the Big Society' Cabinet Office Document <http://tinyurl.com/34cnvxv>
- Cabinet Office Draft Structural Reform Plan <http://tinyurl.com/36ofzzw>
- CLG Draft Structural Reform Plan <http://tinyurl.com/29uuodg>

BLOGS

- 'Bubb's Blog' by Stephen Bubb, CEO of ACEVO <http://bloggerbubb.blogspot.com/>
- The Big Society Network Blog <http://www.thebigsociety.net/>
- The Red Foundation's i-volunteer website <http://www.i-volunteer.org.uk/>

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