



Civil Society Strategy Engagement Exercise: our response

Our definitions:

VCS/voluntary sector: *Charities, voluntary organisations, community groups, social enterprises and the community work of faith organisations*

Local infrastructure/sector support organisations: *the place based organisations (traditionally but not always Councils for Voluntary Service) that support, develop and represent at local level the multitude of small, local, charities, voluntary sector organisations and community groups that function at grass roots level. The majority of local infrastructure organisations have paid staff and operate on income levels of between £100k and £600k pa; some are much smaller, only a handful are larger.*

NAVCA *is the national representative body for local infrastructure in England. We have 196 members, who between them support over 150,000 small, local, charities, voluntary organisations and community groups. The vast majority of these organisations and groups have annual income of below £10k pa, and frequently operate without any paid staff at all.*

Summary:

- **The strength of civil society is in the bonds between individuals, communities, the state and other participants. However, in recent years the relationship between civil society and the state has become fundamentally unbalanced, particularly as a result of models of commissioning that require the voluntary sector to carry the majority of risk while leaving the balance of power in the hands of the state agencies.**
- **The relationship between citizens and the state, and also between citizens and civil society, is currently based on outdated and unhelpful models of ‘doing things to and for’ citizens, without recognising individual and community capacity to do things for themselves, with the support of other agencies.**
- **As we prepare for a post-Brexit Britain, it is more important than ever that those relationships are attended to, rebalanced and reinvigorated – for the sake of resilience, cohesion and equality in our society.**

Civil society is about collective activity by individuals to improve society, with those individuals bringing their collective resources to help tackle a specific issue. However, with a general focus on an organisational response to community issues rather than a personal one, individual citizens often see their role as a customer rather than an active participant/organiser.

The focus of the consultation seems to be about dealing with society’s problems. However, there is a large tranche of civil society which is simply about fun and celebration, the arts, creativity and learning – things that build and bind healthy communities, but that are the first places to suffer reductions in investment.

The public sector's commitment is to meeting the basic needs of its citizens, and commissioned services are now a big part of doing this.

Civil society is and should be about going beyond these basic needs and doing what the state could not. However, it has become a proxy for delivering the commitments of the state primarily because of the significant reduction in the state's resources.

Yet at the same time, the relationship between the state and civil society is still fundamentally unbalanced. In fact, it has almost certainly become increasingly unbalanced through the move to commissioning civil society to deliver the state's responsibilities, with the commissioned bodies carrying most if not all of the risk and the state retaining the power.

Meanwhile, it is essential that the independence of civil society is truly valued, respected and guarded. That independence is critical to any democratic debate about what sort of society we want; and the role of the VCS especially, is to drive independent social action not only by delivering direct benefits to beneficiaries but also by campaigning for the sort of changes in society that will tackle inequalities in health, wealth and wellbeing. It must not be confined to the role of service provision or encouraging volunteering, valid and essential though those things are.

There is need to regain what has been lost. Geographical communities were a mutually supportive space where people tended to look after each other; the reshaping of "society" has led to the breakdown of these communities and a focus on meeting our own individual needs.

And whilst the context of geographical communities may have changed radically in the 21st century - with dispersed families, diverse cultural and faith groups, the benefits and dangers of technology (particularly in social media), loss of social mobility, greater inequalities and radically different employment patterns - these factors drive an even greater need for strong, local, place based connections and community building. It is the local voluntary sector that can play the biggest role in responding to that need.

Above all, it is time to completely redefine the relationship between citizens and the state, and even between citizens and the voluntary sector. Activity is delivered in four basic ways – TO citizens, FOR citizens, WITH citizens or BY citizens. The Victorian paternalistic model of the state and its agencies still very much holds the principle of doing things TO people and FOR people. To build a truly diverse, dynamic, successful and sustainable Britain for the future we need to shift the balance much more towards the BY and WITH areas of activity.

And perhaps now more than ever before, in preparation for a post-Brexit world, we will need the benefits such a shift would bring – resilience, cohesion and equality within our society.

Partnerships

Summary:

- **In the best examples, some truly creative, innovative and sustainable partnerships between the VCS and statutory partners at local level are delivering tangible, long term benefits for their communities.**

- In other places, though, relationships between the VCS and the statutory sectors (especially local authorities and health) are too often unbalanced by commissioning arrangements, with tensions, misunderstandings and misperceptions on both sides.
- Local infrastructure organisations can play an invaluable role in brokering and supporting these relationships; are crucially important in the effective leadership and enabling of the local voluntary sector; and can be a highly effective strategic partner for statutory bodies at local level. However, their role is widely undervalued by their state partners – not just financially, but in terms of trust and understanding of their role.
- There is a fundamental imbalance of power in the relationship between the state and the voluntary sector; and as a result communities do not receive the best, most sustainable outcomes for their needs.
- At national level there is often a lack of understanding of the different context for small or micro, local, charities and voluntary organisations compared with the largest, national or international charities. An investment in that understanding, underpinned by the development of a new Compact that takes account of the wide range of contexts within both the state and the VCS, would be welcome.
- Partnerships with the private sector are too often superficial and (unintentionally) unhelpful. Investment needs to be made in breaking down barriers of perception on both sides; and in enabling the exchange of strategic and operational skills between the two sectors.

The development of the strategy is very much seen as a move in the right direction by local infrastructure organisations, who welcome the opportunity for close collaboration with government, local authorities, other sectors, individuals and community groups.

Some concern was raised by local infrastructure organisations on the term ‘impactful partnership’ within the consultation, which was felt to be somewhat vague and subjective. NAVCA members stressed the need for context, outlining that government should provide some clarification on the definition as well as some useful illustrative examples of what this looks like in practice.

Partnerships at local level

We have many excellent examples from within NAVCA membership of strong, positive partnerships at local level bringing huge benefits to the community.

- The £10m [Ways to Wellness programme](#) in the west of Newcastle upon Tyne was launched in April 2015. Over six years it will help up to 8,500 patients with long-term conditions to manage their health better and thus reduce costs in the health service.

The CCG, Big Lottery Fund, Cabinet Office and social investors work in partnership to support and fund the project.

- Working with 1600 voluntary and community groups, the [Rotherham Social Prescribing Service](#) helps people with long-term health conditions to access a wide variety of services and activities provided by voluntary organisations and community groups in Rotherham. Funded by the CCG and managed by Voluntary Action Rotherham, the NHS five year forward view published in October 2014 quoted the Rotherham Social prescribing service as an 'emerging model for the future'. More information here:
- York CVS's [Ways to Wellbeing Project](#) works in partnership with private GP practices in York to help reduce use of GP appointments for social issues, reduce social problems such as loneliness and help people stay safe and well at home for longer. More information here:

And beyond the relationship between the public sector and the wider VCS, there is a key role for local infrastructure to be a strategic partner at local level, acting as a conduit between statutory bodies and the grass roots VCS serving the local communities, and supporting a strong, vital, healthy VCS with all the benefits that can bring to civil society. By investing time, confidence and energy into the relationship with their local infrastructure organisations, statutory bodies can find a 'fast track' to effective, deliverable, meaningful and sustainable solutions to the problems and challenges their communities face.

Local infrastructure can also play a critical role in partnership with local authorities and other statutory bodies when a community is facing a crisis.

- Hackney CVS and Barking and Dagenham CVS offer just two examples of the critical role a trusted local infrastructure body can play bringing together community leaders and local VCS organisations when the local statutory bodies are politically or presentationally in a challenging place with their local communities. In the Hackney riots it was the CVS that the local authority turned to to host public meetings and start to rebuild public confidence in the statutory bodies; and following the arrests that ensued after the London Bridge bombing in 2017 it was Barking and Dagenham CVS that actively stepped up to bring together community leaders, to calm local nerves and to act as a communications channel, ensuring miscommunication, rumour and community anxieties were alleviated.
- Equally, initiatives such as those led by York CVS and Cumbria CVS in the aftermath of major flooding or other natural emergencies, have played a critical role in the recovery, rebuilding and regaining of resilience in their communities. Both of those CVSs would be very clear that they were not alone in making those initiatives work; equally, though, they have been, as one NAVCA member put it, 'the essential glue' that holds a variety of partnerships (often with competing priorities and agendas) together in tricky times.

Finally, on a less publicised level, a number of NAVCA members have supported the IPCC, helping to communicate with specific local communities in the aftermath of an incident under investigation.

However, effective collaboration is highly dependent on the state of existing relationships between sectors. Many local infrastructure organisations, and the voluntary and community organisations they support, have long-established relationships with local government and health organisations; however, relationships with the private sector are significantly more difficult to foster.

At times voluntary sector relationships with local government and health can be strained due to issues around capacity, commissioning, procurement, resourcing or differences in organisational culture. Despite this, the voluntary sector's historical relationship with local government and very nature of its role in supporting and delivering services in local communities lends itself to close working.

Despite the longevity of the connection between the voluntary and statutory sector it is felt that the relationship can sometimes be very one-sided. Increased trust between the voluntary and statutory sectors is vital to fostering more effective partnerships and collaboration.

Austerity measures over the past eight years have seen cuts to local authority budgets resulting in turn in cuts to the VCS at local level and to core funding for local infrastructure organisations. Local infrastructure organisations play an absolutely critical role as enablers and leaders, supporting the wider sector to meet these challenges. In spite of a decrease in financial resourcing, local infrastructure and the wider voluntary sector have continued to reach and support the most vulnerable and in need in local communities.

But despite demonstrating resilience in the face of dwindling resources and a commitment to supporting communities in the most challenging of circumstances, local infrastructure organisations still say that the statutory sector is lacking trust in and recognition of the value of the work of the VCS.

As one member put it, *"...we have had to learn to do a lot with very little but they need to trust us enough to invest in us."*

Alongside the issue of trust, the way that services are commissioned does not bode well for partnership working. Too often 'partnerships' are driven by position, not by equality of contribution, and there is a strong sense in many parts of the country that the involvement of the VCS in the development of place based services, strategies and approaches is at best lip service and at worst non-existent – demonstrating a failure of the public sector to respect and value not only the skills, knowledge, understanding and ability that the VCS holds around its local community but also the benefits of a truly equal partnership between sectors each with their own strengths to bring to the table.

The focus is primarily on the needs of the statutory party, and the power imbalance damages not only the communities supposedly being served but also, ultimately, those statutory organisations. And too frequently the quality of relationships – for good or bad – between individual officers on either side of the equation steer the success or otherwise of the partnership.

"It is so dependent on the person who understands the local sector. Our person has now got it and it has made a huge change. You have to have the right people in the local authority that

want to make that difference, they create an enabling environment. You hope to create such a strong relationship that the next person in line inherits it.”

Partnerships with government

We recognise and welcome the number of initiatives and forums that bring the VCS around the table with government, but we believe these relationships still operate largely on a basis of a power imbalance and a generalised lack of respect from government for the contribution offered by the wealth of truly diverse skills, abilities and understanding held within the VCS.

Government also frequently fails to understand the difference in context, capacity and resource between large national/international charities and those operating at the small/micro end of the sector. As one very specific example, setting the deadline for this consultation in the same week as the implementation of GDPR implies an expectation of capacity well beyond that of most small, local charities with minimal (if any) staff teams – and as GDPR compliance is regulatory and the consultation is not, is likely to have had significant impact on the level of response from the smallest VCS organisations.

It is noticeable that the strategy consultation themes don't point towards any future Memorandum of Understanding between government, national infrastructure, local infrastructure and the wider voluntary sector. This is felt to be a key gap, and addressing this is central to developing more effective cross-sector collaboration.

The consultation also makes no reference to governmental means of addressing issues on which the VCSE sector is focused.

We call for the building of a shared agenda – preferably one beyond the vagaries of political cycles – on which the VCS and the Executive and Legislative branches of Government can work together; or at the very least have a means of working together.

Partnerships with the private sector

It is noticeable that in setting the context for the strategy, government hints at a significant role for private sector business as part of civil society, and the strategy consultation draws links between partnership working with the private sector (cross sector collaboration/funding models/ investment etc).

Local infrastructure organisations generally talk about a lack of relationship between themselves and the private sector, although they recognise the value of developing relationships between private sector businesses and the voluntary sector.

At present however, there is an inherent lack of understanding in the private sector about what the voluntary sector does and about how partnerships can work effectively. It should also be acknowledged that in many parts of the VCS there is a level of scepticism and even suspicion of the ways in which the private sector operates, its motives and the likely outcomes of any partnership; and that this is not always helped by a narrative that suggests that social enterprise is the answer to all VCS issues.

There is also a strong tendency for the relationships between the VCS and the private sector, other than those founded on financial donations, to focus on provision of volunteer support as part of a corporate CSR programme.

Many local infrastructure organisations have told us that from their experience, some businesses tend to view working with the voluntary sector as a CSR tick-box exercise and there is a lack of will to develop and maintain meaningful and long-term relationships.

Although generally well intentioned, many businesses fail to understand the complexity and level of organisation required to arrange corporate volunteering. Key problems include businesses wanting to/attempting to arrange staff volunteering initiatives or capacity building events (such as team building plus volunteering at a third sector organisation) with very little notice, or with an expectation that highly stretched VCSE organisations can/should take time out of their usual work and accommodate whole teams of staff free of charge.

There also appears to be a lack of acknowledgement of the staff and time costs for voluntary sector organisations when it comes to planning and managing volunteering schemes/events.

Numerous NAVCA members have highlighted that corporate volunteering can be problematic. For example, we have received several accounts of well-intentioned companies sending staff volunteers to paint buildings on behalf of voluntary sector organisations but doing so badly, resulting in the use of staff time and financial resources to rectify the damage. On the other side of the coin, we have also heard accounts of a lack of interest amongst some local business to get involved in volunteering on any level.

There is consensus amongst NAVCA's local infrastructure members that they, and the voluntary sector as a whole would benefit from businesses sharing *relevant* capacity on a pro-bono basis.

There is also a widespread failure to acknowledge that as major local employers and contributors to the economy, the local VCS has much to offer the private sector in terms of shared experience around recruitment, staff and volunteer management, development and operational management. For example, [Salford CVS's 'State of the Sector' survey 2017](#) reported that the total income of the VCSE sector in Salford in 2014/15 was £165 million; the sector in their area employs 5,300 people (3,500 full-time equivalent paid staff) and those contribute £111.2 million to the local economy.

"We are part of the economy, but no-one notices!"

Significantly high value lies in the exchange of strategic and operational skills between the private and voluntary sectors. Providing skills and capacity in areas such as governance, financial management, income generation, planning, and staff capacity building would all help to strengthen voluntary sector organisations and create a better equipped, resilient and more collaborative civil society.

Suggestions

The common thread in all the strong examples of partnership between NAVCA members and statutory partners is of relationships of trust. Trust is not immediately won or given; however, a willingness to explore the possibilities, an openness to the benefits that might be generated, and an approach that is willing to sacrifice apparent power on the side of the 'bigger' partner in favour of an equal, vibrant relationship are key to making such partnerships viable and sustainable.

- We call on government to address its own issues in its partnerships with the VCS; in particular, to actively work with relevant national infrastructure bodies to develop understanding amongst policy leads and others within government around the very different context of small, local charities and voluntary organisations, and the local infrastructure organisations that support them, rather than relying on their interactions with large national and/or international charities to feed their view of the VCS.
- We feel that developing terms of reference for national roll-out, along the same lines as the Compact, would serve to strengthen the relationship between the VCS and the government as well as helping the sector to become more sustainable. We feel there is a key opportunity here for central government, local government, national infrastructure, local infrastructure and the wider voluntary sector to work together to co-design terms of reference to help foster these important cross-sector relationships.

NAVCA would be keen to work with government and other statutory and voluntary sector partners in the development of this work. Key to the success of such work would be the involvement of the LGA and frontline government departments with a current remit that crosses voluntary sector delivery (DCMS, MHCLG, DWP and DHSC) alongside the national representative bodies of the VCS.

- Relationships between the VCS and the private sector should be predicated on three principles:
 - Understanding of each other's actual capabilities and need
 - Education on both sides of the strengths of the opposite sector, to overcome myth and prejudice
 - Recognition of mutual benefit in genuine collaboration and partnership

Funding and Finance

Alternative models of funding

We support the development of new models of funding, including those that use current and future-proof technology, as part of a diverse menu of options available to the voluntary sector.

However, it must be recognised that no one single model of funding provides all the answers, and indeed many of the new models currently on offer are in fact exclusionary to the smallest local voluntary organisations.

For example, crowd funding is likely to produce the best results for organisations that already have a strong supporter/donor base and those in areas with more social capital. Social enterprise is a difficult model to deliver effectively in places where the intended beneficiaries have little or no money to spend on the services offered.

Local Authority lotteries are growing in number and are presented as a means of providing resources for the local VCS; however, consistently evidence from our members in areas where such lotteries have been tried is that the income from such lotteries falls far short of that promised, that it is not and cannot be seen as any sort of replacement for core funding from the Local Authority, and (perhaps worst of all) that it increases disadvantage. *“It costs the council £3,000 a year to purchase and allows them to say they are investing in the sector, without realising that they are in actual fact asking some of the most vulnerable to pay for services and gamble”.*

One NAVCA member has reported successful results from their Local Authority lottery; it is almost certainly not coincidental that they represent the wealthiest areas of the country, with a digitally confident, pre-existing, supporter base.

Suggestions

- The development of new funding models should continue to be encouraged. However, they must be subject to effective evaluation and careful consideration, including good consultation with local infrastructure organisations to identify any unforeseen consequences for the smallest and/or local voluntary organisations and their beneficiaries, before being widely promoted as ‘the answer to all your funding problems.’

Place: Devolution & Localism

Summary:

- **We are committed to the key priorities of devolution that we published with Locality in 2016. However, the experience of our members is that they are rarely involved at a strategic level in devolved structures and that where they are, such involvement carries a substantial burden on resource. But without the involvement of local sector support organisations, and through them the local VCS, devolution will struggle to work effectively for local communities.**
- **The traditionally paternalistic role of civic society in delivering services to local communities is outdated and generally unhelpful. We call for a paradigm shift in thinking and ethos to one that recognises and encourages an asset based community development approach in order to truly address issues of inequality and support a sustainable future for our country in a post-austerity, mid-21st century era. Such an approach balances power and places trust in the community, moving the state to the role of facilitator and enabler rather than decision maker and commissioner.**

Devolution

Across the board, what local infrastructure organisations are most concerned about in relation to devolution is what this means at local and community level. NAVCA members tell us that the devolution landscape is difficult to negotiate, and some local infrastructure organisations feel that this lack of strategic leverage is due to a transactional relationship with local government (i.e. that the voluntary sector are seen as providers and are reimbursed for their time, rather than being an equal partner). Most feel that they do not have the means or position to influence devolution.

Most local infrastructure organisations have not had any strategic involvement in devolved structures once their local deals are in place, and those that have found that it makes considerable extra demands on their time and capacity with no additional resources.

NAVCA believes that devolution offers an opportunity to reimagine our economy, public services and democracy. It has the potential to revive local economies, use economic growth and new investment to support social justice, and give people the power to transform their public services and improve where they live.

Voluntary and community sector organisations across the country have a key role to play in helping make sure devolution works for people and communities. The failure of devolution to engage at local level is clear from the feedback we have received from local infrastructure organisations: Most have not had an opportunity, despite their role as community representatives, to play a part in decision-making and delivering devolution priorities. For some, devolution has been remote and abstract from the valuable work they do on the ground.

Suggestions

- Without true devolution from government of money and power to local level, everything else under discussion in this area is secondary.
- Devolution is supposed to be about localism with the autonomy and the budgets to target services to local communities. e.g. health in a community setting. Working with the VCS at a hyper local level should help better targeted funding and improved outcomes for communities. Working with local infrastructure as a point of contact enables this process.

There are occasions of local infrastructure and the wider VCS being successfully involved in local decision-making. In Sefton, for example, the CVS is involved in initiatives with Sefton Council and the Liverpool City Region Combined Authority around the local growth strategy, social inclusion and the development of the City Region's Justice & Fairness Plan.

The Fairness and Social Justice Advisory Board is made up of representatives from across all elements of society and is the first of its kind in the country. Whilst other local authorities have established commissions to look into justice, fairness, poverty and related areas, all of these have produced a one-off series of recommendations and then been disbanded.

The Fairness and Social Justice Advisory Board will be the first to exist as a permanent body, providing an independent sounding board, to ensure that issues of fairness and social justice are considered by the Liverpool City Region Combined Authority as part of its decision-making and policy development process.

Sefton's model of devolution could be championed and rolled out nationally, factoring in support schemes that include inclusive growth.

- NAVCA is still wholly committed to the key priorities on devolution that we co-produced with Locality in 2016, which were developed in response to missed opportunities to involve people and communities – from initial deal stage, to implementation and beyond.

We continue to call for local and combined authorities to work in closer partnership with the voluntary sector to implement and enact these:

1. *Creating a social economy.* Devolution is an opportunity for creating an economy that works for the people in it, strengthening communities and prioritising social justice.
2. *Representation of the voluntary and community sector within new leadership structures.* Devolved structures should give local people a strong voice through their voluntary and community groups.
3. *Ensuring accountability through effective community engagement.* Strong and identifiable accountability to ensure power structures are responsive to the needs of communities.
4. *Decisions taken at the most local level appropriate.* Decision making and spending powers should be at the most appropriate local level, with devolved rights and responsibilities on managing budgets.
5. *Working with local organisations to transform public services.* Devolution is a key opportunity for public service innovation through local commissioning and delivery.

Localism

In common with many of the specific responses we are providing to this consultation, at the heart of the Localism agenda lies the need to build genuine, robust and meaningful trust between the traditional, paternalistic models of **civic** society and the vibrant, knowledgeable, communities, capable of self-determination, that function within **civil** society.

Whilst many of those communities need support and resourcing to enable them to enact the best solutions for their particular issues, NAVCA takes the view that they are the best possible source of identifying those solutions for themselves (and indeed the problems that need to be solved.)

In the spirit of truly local social action, we would like to see a paradigm shift away from the assumption that nationally, regionally or locally centralised organisations (in government, local

authorities and health economies) are the guardians of all relevant and necessary data and knowledge about the challenges facing the communities they serve. We would strongly support a move towards an asset based community development approach that acknowledges and puts at the forefront of local decision making the ability of local communities to self-identify what they most need.

To do so would lead to a radical shift in power at local level, and as such is inevitably seen as highly risky within existing power structures. However, it would not only be culturally more appropriate for a diverse, modern, 21st century Britain, it may also be the only way to effectively move forward from austerity, in a time when many of our traditional local power structures are themselves struggling to deliver their purpose for local communities.

And at a time when, for example, the NHS is proactively championing the concepts of the personalised care model, with all the evidenced benefits to both the patient and the system, we believe that the parallel concept applied to local communities is an idea that's time has come.

Suggestions

- To successfully make the paradigm shift we seek requires vision, action and determination. It will take a long time to make the necessary culture shifts – and not only within the current power structures, but also within communities that have grown up believing that those structures ‘must know best’.

There must be political will, and actual resourcing, put in place to lay the necessary foundations for new relationships, and then those relationships must be supported and maintained until they become embedded and self-sustaining. This will take years to achieve.

- We would like to see the Strategy that emerges from this consultation process specifically and definitively looking ahead not just a year or two, or even a decade, but a generation or more. This is an opportunity to re-set the relationship between the state and the population that could be a legacy of government comparable to the original establishment of local civic society.
- The role of the VCS in providing skills, understanding, brokerage and mediation of the relationship between the state (in its various forms) and the local community cannot be underestimated.

However, there is a real risk that the short term impacts of austerity, particularly in the commissioning relationship and the effect on financial stability in the sector, will undermine the ability of the local VCS to be in a position where it will be able to make its vital contribution to such a paradigm shift.

We therefore urge government to take seriously the challenges facing the sector at local level not just in relation to its short term survival, but as a key plank for long term, fundamental societal change.

Public Services

Summary:

- **Current models of commissioning and procurement are damaging the voluntary sector and the relationship between the sector and the state. The mechanisms for contracting are inappropriate for small local VCS organisations (or sometimes are just inappropriately applied). Increasing number of VCS organisations at local level are making the decision to move away from bidding for contracts.**
- **The knock-on impacts of system failure, such as in Northamptonshire County Council, are enormous, and put the sector at local level at very real risk – impacting not only on those organisations directly contracted but others in the area and, above all, the people they serve.**
- **Local infrastructure organisations have seen major changes in the sources of their funding, and have been imaginative and innovative in response. However, continued pressure on their resources lead to a lack of capacity to fulfil their essential role of supporting the VCS in their area. This raises real risks within the local VCS – around governance, safeguarding, skills and capacity to bid for funding opportunities.**
- **We support the development of new models of funding, but it must be recognised that no one model fits all and too often those areas of greatest disadvantage and communities carrying the greatest inequalities are those left behind or actively damaged by alternative approaches to funding. The essential role of grant funding must not be ignored.**

The austerity measures that have been in place with local councils since 2010 have led to severe cuts to grants and the core funding for the voluntary sector. Yet the local voluntary sector has shown exceptional resilience and has continued to deliver key services in some of the most difficult times in recent history. Whilst key sources of funding have diminished, local charities and voluntary organisations have been under immense pressure to deliver more with less as demand for their services increases, and NAVCA members have played a critical role in their local areas supporting and continuing to develop the sector whilst themselves under equally challenging pressure.

Many local infrastructure organisations have talked about how, in the face of public sector cuts, “core funding is always the first to go”. There is some feeling that when local authorities are under pressure to rationalise their budgets cuts to the voluntary sector are seen as a “quick win”. As a result, the voluntary sector as a whole is having to generate alternative streams of income to resource itself.

Current models of commissioning

Current models of commissioning and competitive tendering mean a strong element of marketisation exists in the provision and delivery of services, moving voluntary organisations into a difficult space where they are forced to compete with the private sector (and sometimes each other) and in effect, become subcontractors to the public sector. Voluntary sector organisations are using their expertise, their deep connections with communities and their unique skills to deliver services under contract for the public sector in a way that private sector providers often cannot; however, tendering and commissioning processes can be highly problematic for a variety of reasons:

- The tendering process is resource intensive, often complex or drawn out. Voluntary sector organisations have become experts in the procurement process, but for some smaller or less well-resourced providers this can be exclusionary;
- Although we recognise that evidencing the outcomes of commissioned work is part of the contractual process, voluntary sector organisations are often constrained by evidencing requirements as part of the tendering and monitoring process that do not reflect the intended nature or outcome of the work being produced. Time and resource, that could be better spent in delivery, is often used up in the completion of a monitoring process that does not appear to benefit the commissioner, deliverer or beneficiary.
- Contracts are often short term (delivered over 1 – 2 years) which means the delivery of some community based services are short term and insecure. It also highlights a fundamental assumption that social action can be created overnight. Longer term contracts would better serve communities and to allow voluntary providers to work in a more sustainable way.

The emergence of increased competitive tendering has put local infrastructure on the back foot by contributing to a widening commissioner-provider division between the statutory sector and voluntary providers.

Problems have also been repeatedly flagged with the way in which public sector tenders are advertised, and the interpretation (perhaps even mis-interpretation) of commissioning rules.

“We have had to structure our entire organisation around the risk that we don’t win the tender but have to pass our work (and our staff under TUPE) to another provider – causing churn for the sector. Imagine local chambers of commerce being faced with this!”

There is also evidence from within our membership that the model of commissioning is failing at a more structural and fundamental level.

A [Local Commissioning survey](#) carried out by Action Hampshire in November 2017, for example, found that while 60% of respondents currently had contracts with statutory bodies, 34% said they had stopped bidding for any further statutory contracts and a further 30% said they were considering doing so. The reasons given ranged from ‘the complexity and time consuming nature of the process’ to ‘being expected to adopt unsafe or unethical practices to save money’.

Meanwhile, the impact of the failure of Northampton County Council on the VCS in the county demonstrates starkly the loading of risk onto the VCS through the contracting process. The immediate withdrawal of agreed contracts and funding has had a massively detrimental effect

on the local VCS directly; whilst indirect impacts include increased demand on services due to the failure of local council-run provision, plus the loss of local infrastructure support for the VCS due to funding cuts to Northampton CVS. And the potential knock on effects therefore are of greater risks to communities from the failure of services, the failure of appropriate risk management and governance support within the sector, and the loss of jobs and volunteering opportunities within the sector.

The importance of local infrastructure and the benefits of resourcing it

Local infrastructure across England has seen enormous change in recent years in the sources of its funding, and the traditional view that funding core infrastructure services is the sole responsibility of the Local Authority is largely gone. The vast majority of NAVCA members gain their funding from a wide range of sources, including income generating activities such as delivering training or renting out office space, funding from grants and trusts, contracts with CCGs and other bodies, and direct delivery of services. They have been imaginative, innovative and brave in reshaping their offer and their operating models.

However, that increasing diversity of business operation is inevitably having an impact on the capacity of local infrastructure to deliver its central function of supporting and developing local voluntary organisations and charities.

“I know that if we can offer good infrastructure support to the local organisations that need us we will have a thriving and sustainable voluntary sector in this area, and that the organisations we support will be better equipped to cope with all the hurdles they have to overcome. That means local people will benefit and that all the issues like safeguarding will be properly managed. But how do I make sure we do that when our staff are being paid to deliver a contract that doesn’t include anything for core support services? It’s like asking a business to make all the widgets you’ve ordered without expecting to pay anything towards the costs of running the business.”

It is widely and fully accepted that small and growing businesses benefit hugely and become more successful, more sustainable and more valuable when they have infrastructure support (indeed, any new entrepreneur is clearly advised that they should take up every opportunity of support in their planning, development and growth if they are to reach their full potential); yet it appears not to be seen as equally relevant to small and growing voluntary sector organisations that they should have access to equal support in their own sector.

Given the resulting risks to charities and, even more importantly, to beneficiaries – around poor governance, poor safeguarding practices, failure to comply with regulatory requirements and simple inability to run their organisations effectively – this seems remarkably short sighted.

A lack of local infrastructure capacity also impacts on the ability of the local VCS to access funding opportunities. We have received several examples of NAVCA members reporting that voluntary organisations in their areas have failed to win, or even bid for, potential funding because the local infrastructure organisation did not have capacity to support them in preparing their bid.

“We’re the not-for-profit version of a Chamber of Commerce. It would really help if people would realise that.”

Suggestions

- NAVCA is a member of the Grants for Good coalition, and we believe firmly that the time has come to revitalise appropriate grant making as an accepted part of the funding mix for the local VCS.
- We would also call on funders of all types to recognise and acknowledge that there is an essential value in resourcing the infrastructure that supports the local VCS.
- We would like Government itself to address issues within its own procurement processes, and to thereby model improvements in other parts of the public sector procurement environment.
- At a strategic level, we call for a genuine and tangible commitment to the principles of co-design, co-delivery and true equality of risk when commissioning the voluntary sector.
- We would also encourage much greater awareness of the actual implications of current procurement law as opposed to the received wisdom as it applies to competitive tendering in the sector; and of the Social Value Act.

21st May 2018