Enter phase two of the big society

The voluntary sector received a lot of attention at last year’s Tory conference. Kaye Wiggins asks Minister for Civil Society Nick Hurd what’s happened since – and what’s coming next.

At last year’s Conservative conference, when the party was new to power, the big society was a hot topic. The voluntary sector was the subject of long debates, both on the conference floor and at an oft-naming series of fringe meetings, where politicians and people from the sector tried to hash out what its role would be.

This year, says the Minister for Civil Society, Nick Hurd, the atmosphere might be different. "I don’t think the importance of the sector will be diluted in any way," he says. "But I think we’re moving into a different phase. The big society is moving from the speeches phase to the gritty detail of implementing what the government has got to do, on the Localism Bill and public service reform.”

Hurd stresses that charities attending the conference will still be able to contribute to the sector’s thinking. "The two main themes of the conference are likely to be the economy and social reform, and I would argue that the sector has an important part to play in both," he says.

It is certainly true that the big society agenda has taken on a more concrete feel since the early days: an almost labyrinthine set of new policies and funds, summarised below, has emerged from the Office for Civil Society over the past year in particular.

Some observers have pointed out that it is difficult to keep track of the announcements, questioning whether there is a clear guiding strategy and whether funds are quickly put together as soon as someone has a new idea. "It is definitely not the case that when a minister has a bright idea in the shower one morning, that becomes policy," says Hurd.

"But I’m very conscious that there have been a lot of initiatives and announcements, and we could usefully pull this together into a clear message and make it easier for the sector to understand what we’re trying to achieve. I’m drafting an open letter that sets out the strategic framework and should help to do this.”

The sector is likely to welcome this, although many would also appreciate the publication of the responses to major consultation exercises on infrastructure and commissioning that took place this year. Charities and umbrella bodies say it is increasingly difficult to persuade their members to give their thoughts on government policy because they cannot tell how far these are taken into account.

Hurd insists, however, that they are. “I make no apologies for consulting a lot,” he says. “Those consultations have been entirely genuine and we have listened. The infrastructure fund and the technical assistance fund, for example, sprang directly from consultation responses.”

Taken together, Hurd’s initiatives indicate a vision of a voluntary sector able to work closely with banks and businesses, demonstrate clearly its social impact and be paid by results. The Transitio Fund, the Transforming Local Infrastructure Fund and the Investment and Contract Readiness Fund are designed to help charities restructure and adapt.

According to the latest Cabinet Office accounts, the Office for Civil Society’s spending will fall from £232m in the current financial year to £74m in 2014-15 – a fall of 68 per cent over three years, writes John Plimmer.

The number of OCS initiatives shows no sign of a corresponding decline, even though Francis Maude, the Minister for the Cabinet Office, explained before the election that was Labour that had a “tendency towards initiativeitis”, with many small schemes sprouting in an unfocused way.

Since his party came to power, there has been an announcement period and the autumn promises to be busy too.

A busy summer...

The Open Public Services white paper, published in July, calls for more private and voluntary organisations to bid to run public services. It also proposes a reduction in the bureaucratic burdens on public sector workers and a review of the VAT barriers that impede them. The government will say in November how each department plans to respond to the paper.

The £30m Transforming Local Infrastructure fund offers grants of £250,000 to £400,000 to consortia of infrastructure organisations from each English upper-tier local authority area. A total of 153 of 194 eligible areas have submitted expressions of interest – only the Isles of Scilly did not. Applications must be submitted by the end of next month.

The big society bank has been established under the name Big Society Capital to fund social lenders and social finance projects. It is funded by money from dormant bank accounts and £250m of loans from high-street banks. An initial £2m investment was awarded to the Private Equity Foundation.

In August, the OCS announced it would be asking private and charitable investors to purchase social impact bonds worth up to £40m for schemes to help local authorities support “problem families”. Charities and social enterprises will bid to local councils for the contracts and find private and social investors to provide finance.

A consultation on the future of the Big Lottery Fund, which was previously controlled by the Department for Culture, Media and Sport, opened in August. It ends on 31 November.

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The Social Action Fund, announced in May, will open for applications on 3 October and close 25 days later. It will provide more than £20m to large scale projects that develop social action.

Community First, a successor to Grassroots Grants, will run for four years until 2015 and fund local community projects in England. It consists of a £10m fund for local endowments awarded on a matched fund basis and £30m of grants for community groups.

The Charities Act 2006 includes a provision that it must be reviewed after five years. The OCS has until November to appoint someone to lead the review.

A giving summit is due to be staged this autumn. Charities, philanthropists and businesses will be invited to “set the course for future giving.”

The first year...

The Transition Fund, which was announced in the comprehensive spending review in October 2010, awarded grants of up to £500,000 to charities that had suffered cuts in public spending. Initially worth £107m, it was increased to £107m but is now closed. More than 900 charities have benefited.

The Big Society Deregulation Taskforce, chaired by the Conservative peer Lord Hodgson, was established to examine what could be done to prevent bureaucracy stifling charities. Its report, Unshackling Good Neighbours, was published in May.

Three months later, motor insurers responded by pledging not to charge extra premiums for drivers who transport volunteers.

A Mutuals Taskforce, chaired by Professor Julian Le Grand, has started a review of obstacles to the formation of employee-run organisations and cooperatives.

A shorter version of the Compact was published in December along with a pledge that the National Audit Office would review the effectiveness of the public voluntary sector agreement. The investigation has been delayed.