

Analysis Conservative Party Conference

INTERVIEW

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 often-flashing 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 party'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 Transition Fund, the Transforming Local Infrastructure fund and the Investment and Contract Readiness Fund are designed to help charities restructure and adapt

Policies and programmes *The government's agenda for the voluntary sector*

According to the latest Cabinet Office accounts, the Office for Civil Society's pending will fall from £192m in the current financial year to £74m in O14/15 - a fall of 61 per cent over three years, writes *John Plummer*.

The number of OCS initiatives shows no sign of a corresponding decline, even though Francis Maude, the Minister for the Cabinet Office, complained before the election that it was Labour that had a "tendency for initiative-itis", with many small funds "spraying money in an unfocused way".

Since his party came to power, barely a month has passed without an announcement. The pace has been hectic over the traditionally quiet summer 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 Type burdens for organisations taking 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 154 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 £200m of loans from high-street banks. An initial £1m 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 total of 8,500 young people took part in the first pilot programmes of the **National Citizen Service**. Eleven thousand places were available, so almost a quarter went unfilled. This month the OCS named the initial 19 organisations that will provide places in 2012.

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 11 November.



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Nick Hurd Minister for Civil Society

to this environment. So does Hurd feel he has been successful in reconfiguring the way the sector works?

"To be honest, my plan is not to reconfigure the sector," he says. "The world in which charities are operating is changing and the role of government is to signpost the change where necessary, but also to help the sector adapt. There is a need to encourage the sector to do things in a different way or to open up new opportunities to it.

"So the Transition Fund had an explicit purpose, which was not to fund business as usual but to help charities manage a transition to a more sustainable future. The infrastructure fund is for organisations

that see what we see, which is that the infrastructure layer is arguably inefficient and crying out for some rationalisation and reorganisation."

Hurd is confident that his approach will make for a healthier sector in the long term, but accepts that there are challenges in making some of the flagship policies work. He is excited about the potential of social impact bonds to bring more money into the sector, for example, but warns: "The frank truth is that they're highly complicated and, although there is much talk about them, only one has been set up to date."

He says there is strong interest in the bonds from banks and some charitable foundations, but the bigger challenge is finding charitable projects that present good investment opportunities. "We thought there was a role for government in facilitating more social impact bonds, which is why we are working with four local authorities to put them in place," he says.

Another flagship policy that has posed its challenges, Hurd says, is the National Citizen Service, which allows school leavers to spend their summer holidays on volunteering projects. He spent much of the summer visiting projects across the country, and speaks highly of their quality.

He says, however, that more work needs to be done. "I'm not going to pretend at all that we got it entirely right," he says. "The frank truth is that the social mix is extremely hard to achieve."


Critics of the NCS have asked whether it is cost-effective, pointing out at an all-party parliamentary group meeting this month that it costs £600 for a young person to go to scouts for a year but about £1,200 for a teenager to take part in an NCS pilot.

"There's a debate to be had about that," Hurd says. "A judgement has to be made about whether it represents good value for the taxpayer. That's why it is very much contained at the moment as a pilot process, because we have a responsibility to the taxpayer." ■

* See Editorial, page 14

The £10m **Innovation in Giving Fund**, which will give grants to projects that use technology to increase giving and volunteering, is announced in early September. The deadline for awards, which are expected to be between £100,000 and £200,000, is the end of next month.

Autumn initiatives...

 Training for the £15m **community organisers programme** is due to begin next month. The scheme, run by Locality, aims to involve local people to take action on issues that matter to them. Five hundred organisers will be paid; other 4,500 will be volunteers.

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 £50m 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 £100m, 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.