

## More Useful Stuff



*A “think piece” on the role of the voluntary and community sector in the midst of cuts, riots and odd statements by ministers.*

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There are practical and ethical issues for the voluntary and community sector as budget cuts in the public sector continue to bite. The practical ones are easiest to define and, unfortunately, the easiest to solve. Sometimes there is just no alternative to closing services which people still need and losing valuable staff. It's been curious that we've seen rather less of this than might have been expected at the start of the year: this is because groups have either been awaiting funding decisions or because they're able to get by for the time being. Next year, when further cuts are implemented, may prove the tipping point for many and the number of closures of services and organisations will rise.

What makes it worse is that we're being told that it's partly our own fault. Apparently, say ministers, we've become “dependent” on grants from the local or national government. But wait, they say, the shiny future is close at hand! The future is contracts. We can all bid to deliver services under contract. We won't be “dependent” we'll be “entrepreneurial”!

It could be argued that it's the same money coming from the same source so what's the difference? When a grant stops or a contract ends, the net result is the same: painful. There's not really any reason why a contract should be any more or less secure than a grant agreement. The major difference (apart from VAT implications) seems to be that there is a huge additional burden of administrative work attached to a contract – both in preparing to bid but also in being the contract manager (PQQs, tenders, etc.). This produces high “transaction costs” i.e. the cost of all the administration just to put the contract in place, irrespective of the value of the contract itself and the actual work.

Because the public sector is under pressure to deliver more with less money, one way for them to make savings is to reduce these transaction costs. Increasingly commissioners are looking to have larger and larger contracts and to award them to larger providers who can then subcontract to smaller organisations. This works on the assumption that

- a) there are providers around who are large enough to undertake all the work and bear all the risk
- b) there are smaller groups around who have good relationships with the larger providers in all the areas and communities

- c) the larger providers actively understand and work with the smaller ones

In that sense, it does look uncannily like the commissioning activity is simply moving from the public sector to a new layer of intermediary organisations: “prime contractors”. It doesn’t change the work, the services or the people who might benefit although it does begin to be rather complex in terms of accountability. Who do you complain to when something goes wrong? The provider? The prime contractor? The commissioner? The other difficulty is that it assumes that community activity can be boxed and sold in fixed quantities. That’s true of some of the things the voluntary and community sector does, especially where there’s a nice clear measurable result, but the vast majority of what we do is much less formal.

For example, following the recent riots there were a lot of stories about the groups which sprang up overnight to help with the clean-up. It was almost inevitable that David Cameron would describe the events in terms of the rioters being “Broken Britain” and the clean-up volunteers as “Big Society”. It was great to see people turning out to help: it engaged lots of people and helped promote a sense of community. But it’s the social equivalent of an adrenalin rush: it’s an extra boost to help cope with unique circumstances. The evolutionary point of adrenalin is that it’s there to help you when you need it such as to run away from a lion. However, you can’t live on it the whole time: too much adrenalin starts to damage the body.

So, we might ask, has the riot cleanup has shown there is no need for refuse services: after all if people will clean up on a voluntary basis one day, why not another? If anyone has been so foolish as to suggest that that, I’ve managed not to hear about it! The point of the riot cleanup was that people wanted to help out on this occasion because it was an extraordinary situation but the rest of the time they would not turn out in such huge numbers. It was right at the middle of the biggest news story of the moment: everybody knew about it. You could point to something, describe it and see the impact. Job done. Adrenalin levels back to normal.

Yet the rhetoric of the Big Society sees exactly this kind of effort as day-to-day responsibility. It’s true for some aspects of voluntary activity – but then we already knew that. People have been volunteering for years in all kinds of roles: befrienders, trustees, at events, fundraising, etc. It would be great if more people got involved and perhaps they will, but we need to be careful about what can be sustained through voluntary effort and what needs proper investment of public money. Nobody is suggesting that refuse collection should be done on a voluntary basis, so there’s one example. The reason most people got involved with the cleanup was not because of the untidy streets but because they wanted to make a statement about commitment to

their community. Once they'd finished, the purpose of the activity was achieved and their motivation fulfilled.

Most public services are about providing necessary but not particularly exciting things. Community activity springs up where people have something they get passionate about and can see themselves doing. The history of the voluntary and community sector is people coming together to tackle a problem (e.g. education of poor children, if you want to go back hundreds of years) and then using that to get the state to pick it up as a role. In more recent times there has been a change of emphasis: the state takes responsibility for funding but not necessarily for delivery. So getting public sector funding for a voluntary sector project was actually a recognition that this activity was something for which the public sector should take some responsibility. In fact, according to NCVO, about 80% of charities have no financial relationship with the state at all. So how can ministers justify calling the sector "dependent" on the state?

Instead they want us to be "entrepreneurial" and that includes bidding to deliver services under contract (but not in a dependent way, presumably?). This brings us back to some long-standing difficulties in the way voluntary and community activity relates to public sector commissioning processes.

Commissioners frequently labour under the impression that if only they had more information, the better their commissioning process would be. The logical conclusion is that only some omniscient being is capable of getting it right. Thanks to the unthinking use of bits of economic theory by policy makers and politicians, we now have a public sector culture which seeks to define its world in terms of hard data and to commission only that which can be measured. If life were like that statisticians would rule the world: but they are the first to realise that numbers are very good for measuring clear cut things like diamonds... unfortunately reality is made of mushy peas: there are some things you can count but if you ignore all the other stuff, then you've missed half of it.

Most of the work done by the voluntary and community sector is much harder to define and comes together through informal means. Curiously there is no culture of investment within commissioning. Most investors work on a longer term basis: looking as much at the potential of an activity as its current form. Commissioning seems focused entirely on buying things off the shelf rather than making social investments.

How to solve this is a difficult problem. I think it's significant that even in the Big Society rhetoric, there's a curious focus on legal structures and sectors: the public and private sectors are still there but "civil society" is made up of charities and social enterprises. Why the emphasis on organisational form

and putting people in sectors? I would like to see a new emphasis on stimulating the “socially useful”. Legal status is simply a practical detail: surely the difference should be that the sum total of all the effort and activity that goes on in an organisation has made things better for its beneficiaries. It may or may not involve money and may or may not involve some individuals making a profit – but that is tempered by the final balance which must be a social “win”. Perhaps the way to solve the ethical dilemma for the sector is to come up with a way to define what this is.

I must admit I’m still thinking about this one and I daresay someone else has already solved it and I’m probably treading over old ground. But it seems to me that if we’re to avoid falling into the trap of trying to fill gaps in public services with voluntary and community activity sustained by less and less month then we have to build things which are locally owned, environmentally sustainable and where the financial impact remains in the area of benefit. Not new ideas in themselves, but we have to be much firmer and more creative about how we implement them.

We also need to challenge the idea that we are dependent on the public sector and instead show how much the public sector depends on a flourishing voluntary and community sector.

Alongside this we need to be reducing the number of activities which are socially destructive (poor or negative value for society): a much bigger cleanup operation than the one after the riots. But what we can do in the meantime is find new ways to build more useful stuff.

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