



The Independence of the Voluntary Sector in the South West

Notes from a workshop discussion hosted by South West Forum with the Panel on the Independence of the Voluntary Sector - 4th November 2013, Exeter

*The discussion was facilitated by **Stephen Woollett**, Chief Executive, South West Forum and introduced by **Sir Roger Singleton** (Panel Chair) and **Caroline Slocock** (Panel Head of Secretariat). Twenty two people participated representing a range of interests and organisations. This is a brief note capturing some of the key points of discussion and debate.*

Sir Roger Singleton explained that the Panel on the Independence of the Voluntary Sector had been established in 2011 by the Baring Foundation and had sprung out of its Strengthening the Voluntary Sector programme of grants made over many years to largely small voluntary sector organisations to help them maintain their independence. The Panel consisted of eight experts and people like himself with long-standing experience of the sector. It aimed to raise awareness of these issues but also to crystallise recommendations that could strengthen independence. An important part of its work was to hear from organisations first hand about the challenges they were facing and this fed in to its annual reports, which assessed the state of independence across the sector. The last one, ***Independence Under Threat***, was published in January 2013 and the next report is due in January and views from this meeting would feed into it.

Caroline Slocock explained that the Panel had broken down independence into three elements: independence of purpose, voice and action. It was concerned about six challenges:

1. threats to independence of voice, including gagging clauses in the Work Programme and, more recently, proposed restrictions to the ability of the sector to campaign and to take judicial review
2. lack of consultation and involvement by the public sector about the design of services and contracts, particularly now that the 12 minimum for consultation had been removed
3. statutory funding and contracting arrangements that do not support independence of purpose, action or voice
4. ineffective safeguards and regulation, with a Compact that was often not being followed and a weakened Charity Commission
5. a loss of the sector's distinctive identity, with it often being treated as interchangeable with the private and voluntary sectors in contracts and increasingly regarded as a service deliver that should be seen and not heard
6. threats to independent governance, with local authorities, for example, sometimes demanding to have their representatives on voluntary organisations' boards.

GAVCA (an infrastructure organisation) reflected that its **members were often afraid to speak out** - fearing that doing so would affect existing relationships and funding. This made it **difficult to provide hard evidence** of reducing independence. Organisations were less fearful in better financial times. Also in Gloucestershire a new “voice” organisation for the VCS had been established, specifically in relation to the LEP, in place of the previous VCS Assembly although the independence of this new mechanism was questioned.

Some participants felt strongly that there was a “**fourth sector**” of very locally community based groups “*getting on with it*” which were not necessarily well represented by support organisations and networks and in some cases might even be undermined by the activities and behaviours of the more professional and commercial “third sector”. Some felt that the actions of **large national charities were often predatory and exploitative**...feeling that these organisations can secure large contracts but cannot always deliver.

It was felt **tendering processes often went against local, specialist provision** which as a result can be lost forever. It was noted that grants were often a more effective funding mechanism, for both sides, than contracts. (**Cornwall Council** being cited as a good example in this context.)

It was highlighted that **funding distorts freedom of action** and that contract terms could mean an incentive not to work with the most disadvantaged. “*Creaming and parking*” remains an issue.

Cornwall VSF runs a **Compact Mediation Service**...which has been difficult but has had some success, included amended contracts in relation to adult social care.

One participant reflected on a “thinning out of the VCS”..perhaps “*no bad thing*” given the apparent need for rationalisation in some fields. He also highlighted the **funding “cliff face” facing local authorities** and their desire more actively to engage the community sector in delivery..and to have a conversation about co-design leading to co-delivery. **Engaging in co-design does have implications for independence**. Co-design is OK if the VCS has confidence but there is a risk of being treated as bid candy.

There was a strong emphasis in discussions around **the effectiveness of the VCS in prevention** - generating better social outcomes and potentially reducing costs if more expensive interventions are avoided.

The shift from grants to contracts was bringing more **organisations into the scope of VAT**.

Payment by results contracts expected VCS providers to cash flow the work yet reserve levels were reducing. Some contracts required bidders to have the equivalent of a year’s working capital available.

One leader of an infrastructure organisation echoed the views of many in fearing the VCS loss of independence. She said that **VCOs have been the “bellweather of social concerns”** – citing a local **CAB** feeling unable to speak out on the impact of policy changes. There was a real concern about loss of voice.

The SW Regional Secretary of the **TUC**, noting that Trades Unions are voluntary organisations, said there was a threat to TU volunteering. TUs traditionally could access (some) public money, for example for learning and training, but this was now threatened. He wanted to see **closer collaboration between TUs and the VCS** on these common issues.

The proposed government sell off of woodlands was cited as an example where some large national organisations had a vested interest and appeared not to challenge government policy – the eventual U turn fuelled by local, grassroots and political reaction. **The accountability of such large national organisations was questioned.**

Concern was expressed at how the sector moves forward and the distance between small and large. There is a need for **creative ways to take this forward and more of a debate within the VCS**. It was suggested that the sector talks to some of the new players – some nationals have been converted to being less predatory.

One participant acutely commented”***why do we need to worry about independence when we have the Social Value Act***”. Participants observed that commitment to and implementation of the Act was variable but that in general a **“deeper conversation” with commissioners was required.**

One local authority officer reflected that his Council did have a willingness and desire to involve smaller local groups and wanted to try and get the VCS to work together and be more collaborative. But he hadn’t considered the concerns about independence but recognised that the messages from this workshop were important. As local authorities have got to save lots of money they have got to have lots of conversations. He felt that **“both sides” were wrestling with some of the common issues.**

The need for some form of coherent **“ecological framework”** was articulated, embracing human rights and other key principles. Mixed capacity was needed and decision-makers needed to be held to account.

Final Round Up

In a final “round up session” participants were asked to summarise their key messages and observations arising from the discussion. These were the key points made:

- The proposed Lobbying Bill may catch small local organisations and would play into the relatively conservative attitude of many trustees.
- Focus should be on helping members (of networks, forums) support their own users and members to have a voice and develop campaigning skills, use social media etc.
- Authentic voice is important and crucial barometer if linked to service users – but sector needs to avoid depiction by government as whingers
- Concern at gagging clauses in contracts
- VCS needs to look within itself ...needs to reinvent itself and avoid internal competition
- Independent representative voice of local infrastructure is very important
- Need to understand who is listening to and will listen to the Panel

- Need to be more opportunities for VCS to work together
 - Need to keep talking about funding...and recognise value of small pots of funding supporting voice and influence
 - Need to address equality of access in relation to voice (eg people with hearing impairment)
 - Re-designing infrastructure in Devon provides a golden opportunity to develop an effective framework around voice and influence
 - Need to articulate social value and move towards demonstrating outcomes
 - Big threat in being wrapped up with prime providers...and need to look at opportunities outside of tendering and commissioning processes
 - Need to be better at managing risk within contracts
 - Need to consider rural weighting in service delivery, reflecting higher rural costs
 - Importance of smaller groups having voice...the role of local infrastructure critical
 - Importance of measuring our impact more effectively – need tailored approaches
-

Stephen Woollett
steve@southwestforum.org.uk
www.southwestforum.org.uk