

Community Action

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Community and voluntary provision of public services is likely to increase in the United Kingdom in the years ahead. Paul Gosling examines where expansion is most likely, and foresees a changing relationship between local government and this new breed of service providers.

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Overcoming barriers

Community groups have been identified by the UK-government as key providers of public services. Their intended central role became clear in September 2002 with the announcement of the results of a crosscutting review of relations between government and the voluntary sector. This made 42 recommendations to overcome barriers preventing voluntary and community groups from delivering more public services.

Just days later, a potentially even more important report was published *Private Action, Public Benefit*, by the Strategy Unit (formerly the Performance and Innovation Unit) within the Cabinet Office. The overall thrust of its findings is to assist charities and social enterprises deliver services without compromising their charitable objectives, relieving them of the need to set up trading subsidiaries. Increasingly, the definition, which separates charities and community groups on the one hand from social enterprises – businesses, which seek to achieve social objectives through trade – is blurring.

Some commentators say this policy development represents the implementation of Tony Blair's famed commitment to the *third way*. "It's finally as if New Labour rhetoric has got a meaning to it," says Peter Hunt, general secretary of the Labour-linked Co-operative Party, which promotes co-operatives and other types of social enterprises.

Hunt believes the Strategy Unit report could be a massive boost to community groups wanting to deliver public services. Some councils have handed over capital assets to

community groups and social enterprises, to enable them to run services on behalf of the councils. But most statutory bodies have been reluctant to do this in case the groups *demutualise* –in the style of the former building societies – and use the gifted assets to pay off members. The Strategy Unit report recommends an extension of protection of mutual organisations, which would prevent this and could lead, to a big increase in asset transfers.

Mutually beneficial?

Already community groups across the country are involved in running many social services for local authorities. Hunt believes that as well as seeing an acceleration in this contracting-out and handing-over – with more elderly people’s homes being transferred to social enterprises, for example – there could also be more pre-school childcare and regeneration projects led by the voluntary sector, while housing associations might be converted into tenant-controlled bodies. He believes that community control of primary health care trusts could lead to democratic management of GP’s practices, which could see patients, decide which hours surgeries are open.

In particular, Hunt hopes that many community centres and other public buildings will be handed over to locally controlled mutuals to run. This, in turn, might see previously separated local and central government services run from the same premises. The local job centre, post office and library, for instance, could all be based in the same community building, which might happen to be the community-owned football club.

The charity Age Concern is just as enthusiastic about the government’s latest moves. It already has a subsidiary company which sells insurance policies to the over-50s, while many of its local groups run social services on contract for local authorities, involving meals on wheels and elderly people’s homes.

Age Concern is also involved in PRIME – the Prince’s Initiative on Mature Employment – which delivers training and work services for the over-50s, including through the New Deal. With the encouragement of the latest government reports, PRIME is likely to move into more ambitious work and training schemes, such as intermediate labour market projects which could help unemployed people between 50 and 65 gain skills and work experience.

The key groups representing the voluntary sector similarly welcome the government’s moves, particularly the National Council of Voluntary Organisations and the Community Development Foundation. But some activists in the sector have serious reservations.

Involuntary reaction

Dr Jill Mordaunt, lecturer in voluntary sector management and social enterprise at the Open University, says, *“I think this is a complete co-option of the voluntary sector. One of the roles of the voluntary sector is not to deliver services for the government, but to challenge the government.”* She adds that there is already experience to show

that contracting out services to voluntary groups can be driven by cost cutting, with volunteers replacing paid workers.

Neil Churchill, communications director of Age Concern England, dismisses this view. *“We would hope to add value where we run a service,”* he says. Bringing in volunteers to provide additional services – such as mentoring of the unemployed may represent that added value. A group representing service users may also be able to provide a more responsive service, or a more innovative one. *“There is always a point at which voluntary organisations have to consider why they are taking on a service,”* argues Churchill. *“Typically, they only want to do so if they are adding value.”* He adds that money donated by the public would not be risked in any of its social enterprises.

It is highly likely that the involvement of the voluntary sector will focus more on taking over services from local authorities – and possibly from the National Health Service (NHS) – than from Whitehall. It is implausible to see a social enterprise taking over part of the Ministry of Defence, though the Co-operative Party’s Peter Hunt speculates that the Crown Estate might be a possibility.

Agent of reform

But at local government level – where the government remains frustrated at the sometimes-slow pace of reform and improvement – there is likely to be a major expansion in the number and range of services provided by voluntary groups and social enterprises. This could range from the small scale – Surrey County Council handed over its village halls years ago to local community groups to own and manage – to the large, such as networks of leisure centres.

Greenwich Leisure is a *multi-stakeholder social enterprise* – its board contains representatives of the local authorities, service users, the workforce and the executive directors – which runs sports halls in six local authorities. In doing so it has cut costs, raised standards and expanded service provision.

David Evans, project officer responsible for community and voluntary sector development at the Local Government Association, says councils have come to realise that some services are simply better run by the community themselves. *“There is a strong argument that the voluntary and community sector is better positioned to meet the needs of minority groups,”* he says.

The question is whether that sector is able to move beyond the niche markets of social services, such as those for the elderly, ethnic minorities and gays and lesbians. Evans thinks they can, from historical societies taking over small museums, to larger environmental groups perhaps running waste management contracts. He predicts the development may come as much by voluntary groups bidding against the private sector for existing contracts, as from local authorities seeking to transfer services.

This, in turn, implies a cultural challenge for councils, suggests Evans. Can local authorities, which are used to an often-hostile relationship with service providers, based on the old compulsory competitive tendering, move to a genuine partnership with organisations with which they share social objectives?

“This is a serious procurement issue for local authorities,” says Evans. “It depends on the capacity of a local authority to develop relationships with the community and voluntary sector. Local authorities will need to move away from specific contracts, towards arrangements, which are much more flexible and partnership based. I think a lot of local authorities have yet to get their minds around this.”

Further information

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