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The logo for The Centre for Social Justice, featuring the text "THE CENTRE FOR SOCIAL JUSTICE" in white, uppercase letters on a dark red background.

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PRESS RELEASE FROM THE CENTRE FOR SOCIAL JUSTICE

Red tape holding back the Big Society, warns new report

Red tape and regulation are holding back the Government's Big Society, according to a major new report to be published on Britain's voluntary sector.

Rules intended to protect workers' rights are inadvertently deterring small charities from competing for government contracts when services are put out for competitive tender.

They mean that the Government is being held back in its drive to ensure a greater variety of providers of public services and to encourage new ideas and approaches in their delivery. They represent a further blow to the Big Society agenda initially championed by David Cameron but downgraded in recent years.

Regulations – such as TUPE (Transfer of Undertakings (Protection of Employment)) and the COSOP (Cabinet Office Statement of Practice on Staff Transfers in the Public Sector) – mean that when, for example, local government outsources its services to a charity, the local government staff, many of their terms and conditions and their pension liability move across with contract.

The Centre for Social Justice has heard from that charities that they cannot afford to take on pension liabilities and often do not always want to take on staff who might not share their ethos and approach.

The report from the Centre for Social Justice warns that the financial crash of 2008 has cast a long shadow over the voluntary sector.

A survey of members of the CSJ's 350-strong Alliance of small, community-based charities found that their very survival is at stake. One in five of the charities polled said that they were at risk of closing their doors.

"At a time in which they are badly needed, many grassroots, community-based initiatives feel that their survival is under threat. State funding to the sector has had to tighten and charitable giving remains low. Meanwhile, demand for services has continued to grow," the report says.

It has been produced by an expert working group chaired by Danny Kruger, chief executive of crime prevention charity Only Connect and a former speech writer for

the Prime Minister. Mr Kruger says in a foreword to the report *Something's Got to Give: The state of Britain's voluntary sector*:

"Sadly, the Government has also begun to retreat from speaking about society itself as the locus of social change.

"Important steps have been taken towards [achieving the Big Society's] goals yet there is still further to go.

"Volunteering seems to have risen slightly and some Government initiatives are attempting to build this further, but there has certainly not been a radical upsurge in community action. Power has indeed been devolved to local government; but not - as intended - from there to local communities."

Christian Guy, CSJ director, commented: "Small charities are the lifeblood of social action in Britain - but the financial climate has made life very difficult for many of them. There are cost-free practical steps Ministers can take to help them step in and run local services.

"The Government should make changes so that small charities can be confident that they won't be stuck with unaffordable deals or staff that will compromise their ethos when they bid to run public services. These obligations deter charities from replacing public bodies as the deliverers of services. This ultimately stifles innovation and cramps the labour market."

The report also shows that small community charities are losing out to larger voluntary sector organisations. Charities with an income of £100,000 or less account for just 3.5 per cent of the total £38 billion income of the voluntary sector - down from 5.4 per cent in 2006. In contrast, charities with an income of over £5 million (only 1.2 per cent of all charities) attract 68.9 per cent of the cake.

The plight of the voluntary (or social) sector is further damaged by the tendency of local authorities to turn to the private sector when they outsource services such as care for the homeless or elderly. Freedom of Information requests to 152 councils revealed that among the minority that actually kept the necessary records, 55 percent were giving a smaller proportion of their contracts to the voluntary sector in 2011/12 than in the previous year.

The report also identifies a number of voluntary sector "cold spots", areas where charitable efforts to deal with social breakdown are thin on the ground. It finds that charities are far more numerous in the relatively prosperous south than in the disadvantaged post-industrial north. Rural areas fare far better than urban ones. Eden in Cumbria has 7.2 registered charities per 1,000 people, compared with only 0.8 per thousand in Blackpool.

The report concludes: "Immediately after taking office the Coalition Government made some strong decisions to try and open up local involvement in government services and to try and enable the state to work meaningfully with the voluntary and community sector.

"The Localism Act, the Commissioning Academy and specific programmes designed to involve the voluntary sector in government reforms were all excellent news for the sector. On the ground, the impact of these initiatives has varied.

"In some places the culture of commissioning has shifted and the voluntary sector is playing a meaningful role in service delivery, but in too many places the sector continues to battle with contracts that are too prescriptive, too short and unworkable.

"Yet despite the challenges, opportunities remain. The Government has rightly recognised the unique and critical part the voluntary sector has to play in addressing social breakdown. Change must occur in commissioning practice if that potential is to be unleashed."

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Copies of the full report will be available on the Centre for Social Justice website from Sunday 22nd December (<http://www.centreforsocialjustice.org.uk/>) or, alternatively, by contacting one of the individuals above.

NOTES TO EDITORS

The Centre for Social Justice (CSJ) is an independent think tank established in 2004 to put social justice at the heart of British politics. In June, the CSJ was awarded UK Social Policy Think Tank of the Year 2013 at Prospect magazine's Think Tank Awards.

In 2007 the CSJ published its landmark report, Breakthrough Britain. This publication, which set out 190 evidence-based policy recommendations to tackle poverty in Britain, transformed the social policy and political landscape and was awarded Publication of the Year by Prospect Magazine in 2008.

Since Breakthrough Britain the CSJ has published over 40 reports which have shaped government policy and influenced opposition parties. This has included the seminal paper Dynamic Benefits, which led the Coalition Government's welfare reforms.

Further to this, the CSJ manages an Alliance of more than 350 of the most effective grass roots, poverty-fighting organisations. The CSJ is able to draw upon the expertise and experience of Alliance charities for research work and media inquiries. Journalists wishing to conduct grass-roots research into social problems can be put in touch with front-line charity directors and staff. \x