

Chapter 11 – *The Role of the Voluntary and Community Sectors*

“...the policy context is now one in which significant expectations are entertained by government about the roles for the sector and significant investments are being made in support and development for the sector to fulfil these roles. In one sense, therefore, the future prospects for the sector are both positive and extensive. But in practice the complexity of the sector and the tensions within the policy process make these future prospects rather more contradictory.”

[P.Alcock & D.Scott, *Voluntary and community sector welfare*, in M.Powell (edit), *Understanding The Mixed Economy of Welfare*, Bristol, The Policy Press, 2007, p99]

Legislation

The major piece of legislation directly relevant to the VCS is the 2006 Charities Act. By far the most important aspect of this Act is the statement that there should be no presumption of public benefit ('Pb') when assessing the claims of organisations to be registered as charities (whether on a continuing basis or for the first time).

Accordingly, the Charity Commission conducted a Consultation (March – June 2007) from which it produced Draft Guidance on public benefit. Organisational statements about 'Pb' should be

- clearly identifiable
- prioritising low income populations
- regulating private benefits to a minority status
- detailed where annual incomes of organisations are over £½ million.

Chief among those affected are 80% of private schools, which are estimated to gain £100 million per annum through charitable status. Critics of the legislative detail point out that the Charity Commission has agreed to accept aggregate or group reports from organisations such as the Independent Schools Council. (P. Curtis, *Private schools prepare to face tests on keeping their charity tax breaks*, *Guardian*, 29.10.07). The Charity Commission believes that spot checks will encourage truthful reporting.

After further consultation on the Draft Guidance, the new definitions of charity and public benefit requirements are expected to come into force by late March 2008.

Policy

The 2007 Comprehensive Spending Review (2007 CSR) has allocated over £515 million to the newly-established office of the Third Sector in the Cabinet Office; this investment covers 2008-2011. At a national level, such a commitment is important symbolically and administratively at least as much as financially, because it endorsed a Third Sector Review run jointly by the Treasury and the Cabinet Office, overseen by a large cross-departmental ministerial group, in turn advised by a third sector advisory panel. ([The future role of the third sector in social and economic regeneration: final report](#), London, HM Treasury/Cabinet Office, July 2007 – see hm-treasury.gov.uk)

Four key goals form the backbone of the report; these are

- i) Encouraging campaigning
- ii) Promoting community-based infrastructure
- iii) Transforming public services
- iv) Stimulating social enterprise

Each of the goals is integrated within a three-year action plan (ibid, pp99-102). Critics would question the usefulness of such a 'calendar' when the 'key milestones' only reach to 2008. Nevertheless, the ambition and commitment are impressive.

Central to the further development of the Third Sector on the ground are its relationships with local government. Key terms here are 'Compacts' and 'partnerships'. The former have initially been embodied in a series of guidance notes, backed up by web-based materials and an annual meeting. During 2005 a consultation produced a 'Compact Action Plan' and a 'Commission for the Compact', launched in April 2007 and operational in Birmingham with a staff of 11 since November 2007. (<http://www.thecompact.org.uk/>). Two concerns persist i.e. i) that the initiatives remain over-centralised, dominated by statutory departments and larger voluntary organisations, and ii) that local responses are very uneven and inconsistent – Ambition exceeding reach.

'Partnership' is probably (along with 'Community') the most (mis) used term in contemporary discussions about the policy significance of the voluntary sector.

Reinforcement of the term, underpinned by references to 'Empowerment', 'Local Area Agreements' and 'Neighbourhood Charters', took place in the Local Government White Paper 'strong and prosperous communities', Department of Communities and Local Government, London, October 2006. Whilst the White Paper mixes talk of citizen empowerment with an improved (= simplified) performance framework for voluntary sector involvement in service delivery, the latter dominates. (See also 'Partnership in Public Services: An action plan for third sector involvement', London Office of the Third Sector, December 2006). At local level, explicit responses to the White Paper appear to be more service-orientated than focused on innovations in political structures and processes.

Research

Perhaps the greatest irony associated with increased government enthusiasm for the Third Sector is an increased awareness that the relevant research can be characterised in terms of

"Poor coverage in official statistics ...limited resources, contested methods... third sector research 'community' (which) is poorly defined and networked."

[NCVO's response to the Office of the Third Sector consultation on a new Third Sector Research Centre', London, NCVO, 21/11/07]

The OTS has made two responses to research needs: Firstly, it established (from October 2006) a Centre of Research Excellence to better understand charitable giving and philanthropy. Secondly, it has begun a process of consultation (from October 2007) which will lead to a Third Sector Research Centre (see <http://www.ncvo-vol.org.uk/policy/index.asp?id=2777>). Even as these centres are being fully established, it is worth noting that the OTS provides access to a range of research reports. For example, the national survey of volunteering and charitable giving. [N.Low et al, 'Helping Out', London, OTS, September 2007] One of the central findings of this survey was that 59% of respondents claimed to be volunteering. Commentators are cautious about such a high figure; subsequent discussion has centred on the fact that the interviewee sample may be skewed, because it was based on respondents of a 2005 Citizenship survey, who agreed to be re-interviewed.

More applied research has begun to emerge from different components of the 'change up' programme, established in 2005. (see Ch 11 pp 321-2). One recent report, from the Workforce Development Hub, identifies the characteristics of the voluntary sector workforce and how this has changed over the period between 1996 and 2005. (J. Clark, 'The UK Voluntary Sector Workforce Almanac', London, NCVO, 31/10/07. See also www.ukworkforcehub.org.uk/almanac. Key findings centred on increased numbers of paid workers, more than two thirds of whom are female. Apparently contradictory data identified, on the one hand, a highly qualified workforce (signifying increasing professionalisation), and increased numbers in small organisations delivering social care on the other (signifying weak systems of training and support). More speculatively, it is worth noting that the existence of two Hubs, dealing with workers and volunteers relatively separately, may artificially reinforce distinctions between the 39% who are part-time workers on the one hand and volunteers on the other. Future research may more usefully consider overlaps between these two categories.

The deepening interest in linkages between Compacts, Partnerships, Professionalisation and service-delivery roles for the Third Sector, may displace attention from campaigning and advocacy. (Alcock & Scott, 2007 op cit, 94). One major contribution to redressing such a displacement is the Carnegie UK Trust's 'Democracy and Civil Society Programme', launched in 2006. (<http://www.carnegieuktrust.org.uk/>). Two important publications associated with the programme are firstly a study from the London School of Economics, which makes important conceptual distinctions between relatively formal VCS organisations (often associated with Compacting, Contracting and Partnership) and those less institutional groups (often associated with protest) such as environmental direct action; c.f. the Countryside Alliance with anti-motorway movements. (S.Daly with J.Howell, *For the Common Good? The Changing Role of Civil Society in the UK and Ireland*, Dunfermline, Carnegie UK Trust, June 2006). A companion report has been produced from the Think Tank, the Young Foundation, whose director (Geoff Mulgan) is chairing the Carnegie supported 'Commission of Inquiry into the 'Future of Civil Society'.' (See P.Hilder, et al, 'Contentious Citizens: Civil Society's Role in campaigning for social change', London, The Young Foundation, 2007. <http://www.youngfoundation.org/>).

Connections between Legislation, Policy, Research and organisational behaviour will be shaped by the sheer complexity of these new demands, as well as tensions within the

Third Sector itself. In turn, a crucial role will be played by ambivalence, even resistance, within sections of government and local public sectors. After all, what is being proposed is that voluntary organisations increasingly play roles once taken up by arms of the central and local state. Many local politicians and their professional staff may not yet be ready to concede sufficient ground.

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