

THE BIG SOCIETY AUDIT 2012



**CIVIL
EXCHANGE**
Strengthening Society's Connection to Government

Acknowledgements

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The principal author is Caroline Slocock, Director of Civil Exchange, with contributions and research assistance from Stephen Crone, Democratic Audit, expert advice from Stuart Wilks-Heeg, Executive Director of Democratic Audit and editing by Daniel Harris, Managing Director, DHA.

Design by David Casey, DHA.

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Foreword

Two years ago, the Coalition Government announced the Big Society as a flagship policy. This Audit is the first ever attempt to take a comprehensive look at what is happening, drawing together over forty different sources of data. Its finding should be of interest to policy makers and commentators and anyone who would like to engage in their communities, take part in social action or help shape better public services.

It is early days for the Big Society but not too early to consider the impact of successive Government policies in this area. The Audit sets out the broad direction and flags up where changes might help.

The Audit finds a genuine seam of public interest in community empowerment and high degrees of involvement in social action through giving and volunteering. The growing reach and influence of the voluntary sector is in striking contrast to the decline of public engagement with national political parties and trust in national politicians. If the Big Society is to succeed, the Government must do more to work with the voluntary sector to build a common vision and goals. Far from being strengthened in the first two years of the Big Society, the voluntary sector is now facing an estimated cut in statutory funding of £3.3 billion between 2010-16, a gap which is unlikely to be filled by increased donations.

The Audit also finds that the UK already has one of the most developed public service industries in the world, after many years of opening up public services under previous Governments. The private sector has been by far the greatest beneficiary, although the voluntary sector has also played a role. However, the implicit bias in government tendering practices toward the private sector should be corrected in the light of the Big Society. Small, local voluntary and community groups find it particularly hard to compete, despite the value they bring.

Most notably, the Audit finds a 'Big Society gap' in performance against key indicators between younger and older people, affluent and disadvantaged communities, rural and urban areas and white and ethnic minority people. In the light of the riots in 2011 it is particularly interesting to note that younger people are far less likely than older people to believe that people in the neighbourhood pull together to improve it or that many people locally can be trusted; and there is a similar gap in views on these points between disadvantaged and affluent areas. Targeted support to reduce this gap is needed but voluntary sector capacity in key communities is likely to have been undermined by cuts in public funding, which have fallen particularly heavily in disadvantaged areas.

Looking ahead, there are opportunities for the Big Society to succeed in its goals if it reaches out successfully to those groups and communities that might benefit the most and works more effectively with civil society to achieve a genuine shift in power from government to every part of civil society.

Caroline Slocock

Director

Civil Exchange

May 2012

One Big Society, many authors?

“Of course, there are things that need the full power and force of government. But governments don’t create societies. A society is a community of people, who share common values and purpose....And if we do succeed in making a more active community, I’m convinced that there will also be other benefits - less anti-social behaviour; less crime; less of the corrosion of values that worries so many people - and a better understanding that every community rests on how much people give as well as what they take.”

Tony Blair, 2000¹

“Call it community, call it civic patriotism, call it the giving age, or call it the new active citizenship, call it the great British society – it is Britain becoming Britain again.”

Gordon Brown, 2007²

“The first step must be a new focus on empowering and enabling individuals, families and communities to take control of their lives so we create the avenues through which responsibility and opportunity can develop. But I also want to argue that the re-imagined state must actively help people take advantage of this new freedom. This means a new role for the state: actively helping to create the big society; directly agitating for, catalysing and galvanising social renewal.”

David Cameron, 2009³

“We need to think radically about how we improve our public services. Change funding systems so there’s fair access for everyone. Deliver services efficiently, instead of wasting money on massive centralised systems that do more harm than good. And devolve control to councils, communities, families, parents, patients and pupils.”

Nick Clegg, 2008⁴

Executive Summary

Introduction

1. The Big Society Audit, which is supported by the Joseph Rowntree Charitable Trust and the Calouste Gulbenkian Foundation UK, is the first ever audit of the changes that successive governments have been seeking to empower communities; promote social action; and open up public services. The Audit does not seek to pass judgement on the success of the Big Society. It is too early to do so. Indeed, much of what the Audit captures reflects the work of the previous Government, as well as the impact of wider social changes. However, it does attempt to identify the broad direction of travel and provide a baseline against which to measure future success. The Audit also highlights areas where particular attention is needed if the Government's goals are to be delivered.

2. Aspects of the Big Society programme have generated real interest and engagement from some, demonstrated by the parents prepared to give their time to set up free schools or by the 18 million 'hits' in a single hour as the Government opened the website giving local crime and policing information. At the same time, elements have generated less support, even cynicism and hostility, with widespread controversy surrounding, for example, two initiatives that open up public services to new providers: the NHS reforms and the contracting process for the Work Programme.

3. Despite the controversy the Big Society provokes, the concepts behind it have long roots that spread across political parties. For example, strikingly similar objectives, under different titles, have been pursued under Tony Blair's 'Third Way' or under what Gordon Brown called 'civic renewal'.⁵

4. This cross party interest suggests that political action in this area is more than just a passing fashion, even if the phrase, Big Society, will, as some maintain, have to be dropped because of its unpopularity. Whatever the label's fate, the genie is already out of the bottle, with numerous initiatives and plans in train in pursuit of its objectives, from the Localism Act, to free schools, to the National Citizens Service. Furthermore, despite reports of its demise, David Cameron continues to give speeches about the Big Society, for example in February 2012,⁶ and announced Big Society Capital in April 2012.

The overall findings of the Audit

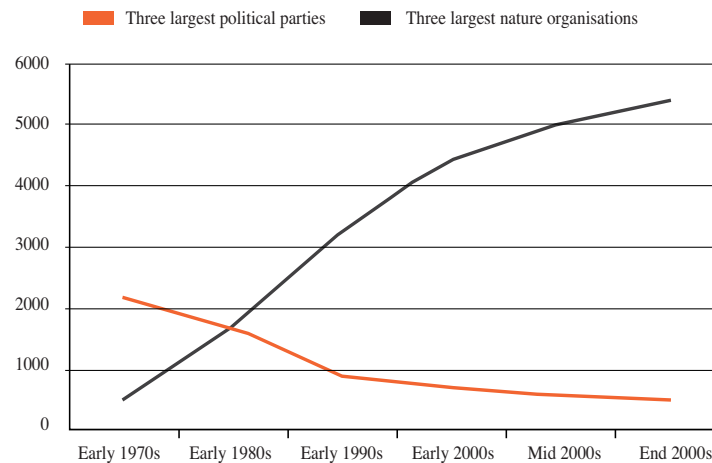
5. The Audit shows that there are wider forces at work that are leading politicians to seek to reach out to people in new ways. First, there is the decline in participation and trust in national politics and the relative rise in the potential power of civil society. Only half a million people are now members of the three main political parties, compared to over 2 million in the 1970s, and 40 per cent of people almost never trust Governments of any party to place the needs of the nation above their own party, compared to 10 per cent in 1987.

6. By comparison, public trust and levels of engagement with civil society are very high, with nearly 60 per cent of people donating to charities in a typical month, 65 per cent volunteering in some capacity in the last year and over 5 million members of the three main green charities.

The Big Society has long roots across political parties

Politicians are responding to declining political participation, high levels of engagement in civil society and falling levels of social capital

Figure 1. Membership of largest UK political parties and nature organisations, 1970s - 2000s (000s).



Democratic Audit (undated) *Trends in Political Participation in the UK*, Liverpool: Democratic Audit.

7. There is an appetite for local involvement too: for example, 75 per cent of people think it is important they should influence local decisions and over 50 per cent believe that getting involved can change their area, compared to just 30 per cent who feel that getting involved in politics can change the way the UK is run.

8. Finally, a marked decline since the late 1950s in social capital – the extent to which individuals and communities trust and support each other – is also driving political thinking. The Big Society aims both to build social capital and is also reliant on cohesive and confident communities to take its initiatives forward. The Audit shows that disadvantaged and urban communities seem to have strikingly lower levels of social capital than rural and advantaged communities; and there is a major intergenerational gap. There is a gap of nearly 20 percentage points between those in urban and rural areas who report that people pull together to improve their neighbourhood; and over a 40 percentage point gap between people in the most deprived and most affluent areas who say that many people in the neighbourhood can be trusted, with the lowest scores in deprived and urban areas. On this indicator of trust, the gap between individuals under 35 and over 65 is also very large at around 30 percentage points, with young people being far less trusting. Furthermore, social action and activism is focused predominantly in a small civic core of older people from higher socio economic groups.

9. Two years in, the Big Society initiative still has the potential to successfully respond to these genuine social changes and result in a genuine and equal shift of power from government to every part of civil society. But challenges identified in the Audit put that success in doubt, crystallising around three key questions.

Urban and disadvantaged communities are not well placed to take up Big Society initiatives and there is also a striking intergenerational gap in attitudes

A common vision and strategy forged with key partners, particularly the voluntary sector, is lacking

The voluntary sector faces cuts in state funding of £3.3 billion which donations are unlikely to fill

Where is civil society in the Big Society?

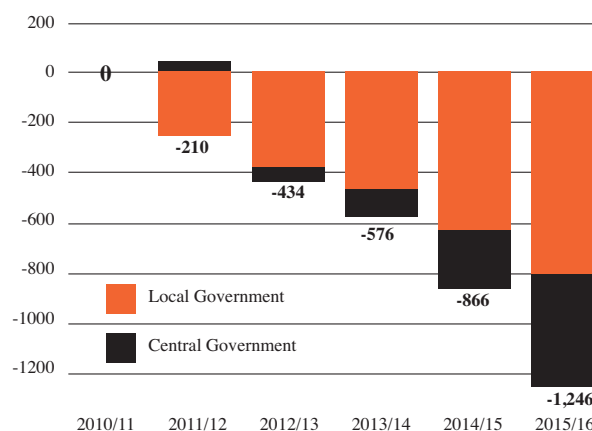
10. The paradox of the Big Society is that much of the change the Government seeks cannot be led by central government. Without genuine, local engagement with civil society, the initiative may, to some, seem hollow. Critically, a common vision and strategy for delivery forged with key partners, particularly the voluntary sector, is lacking. The lack of ‘buy in’ to the Big Society within civil society is a major potential barrier to the effectiveness of the initiative.

11. Despite the size, reach and potential power of the voluntary sector, and the Government’s commitment to partnership with the sector in the Compact,⁷ the sector seems to lack commensurate influence with Government. It is particularly hard for the small, community based organisations that are so important to the localism agenda to be heard. The National Audit Office has criticised central government for failing to monitor the Compact, and ensure that it is enforced.⁸ And the Audit has found little evidence as yet that Government is successfully shifting to the new role envisaged for it by David Cameron as an “enabler” of change.⁹

12. However, there are real challenges for Government in working with the voluntary sector, which is far from homogeneous; and the sector itself lacks sufficient capacity or will to bring together its many disparate members to create a collective vision and goals for a stronger civil society. But even if it did, it might be difficult for it communicate with the many different parts of central and local government. Lack of central coordination of the Big Society’s numerous initiatives has attracted criticism from Parliament.¹⁰

13. Far from being strengthened in the first two years of the Big Society, the voluntary sector is now facing a major potential funding gap as a result of an estimated £3.3 billion in cuts in statutory funding. Attempts to increase donations seem unlikely to fill that gap, especially as the UK already has the second highest level of giving internationally. The recent Budget announcement that put a cap on tax relief for philanthropic giving, without prior consultation with the voluntary sector, suggests a lack of appreciation of the challenge.

Figure 2. Estimated change in government spending on the sector (£m).



J. Clark, D. Kane, P. Bass and K. Wilding (2012) *The UK Civil Society Almanac 2012*, London: NCVO.

14. The Office of Civil Society may expect the gap in statutory income to be filled at least in part by the award to the voluntary sector of new contracts to deliver public services; and has provided a £100 million Transition Fund to help bridge the gap. The opening up of public services to new providers is a key strand of the Big Society. However, it is far from clear that the sector will be able to compete successfully with the private sector for work, for reasons explored below.

An implicit bias toward the private sector in tendering exists and it is particularly hard for small, local voluntary organisations to compete for contracts

The Big Society may struggle to reach disadvantaged and urban communities and younger people and cuts in public funding in disadvantaged areas may make this worse

Is the Big Society going to be led by the private sector?

15. One of the most controversial elements of the Big Society has been the opening up of public services to new providers, despite the fact that Britain already has one of the most developed public service industries in the world. In the reforms of the NHS, the Government has struggled to win support, with a perception that the NHS is being privatised. The Work Programme, which is described as a flagship programme for the Big Society on the Cabinet Office website, has also proved controversial. Requirements to have large amounts of working capital and high levels of annual turnover have contributed to the private sector winning 90 per cent of the prime contracts, with the voluntary sector acting primarily as sub-contractors; and various studies point to abuse by prime contractors of that relationship. In addition, the Programme has been dogged by controversy over perceived excessive private sector profits and alleged fraud in the case of one major private sector contractor, A4e, Action for Employment.

16. On the one hand, the Government is seeking to give more power to individual people in their communities, for example, through the 24 free schools already opened, and on the other there appears to be an implicit bias toward large, private sector businesses in tendering processes. The private sector is not only more likely to have the economies of scale and expertise to bid for the increasingly large and complex contracts that have been tendered under successive Governments. The current Government is now starting to link payments to the delivery of results across a range of areas, creating cash flow problems for the under-resourced voluntary sector. It is particularly hard for small, local voluntary and community organisations to compete, despite the specialist skills and knowledge they may bring, which could lead to better services. There is a need to revisit commissioning practices in the light of wider Big Society goals to ensure that they give fair access to every type of organisation, including the voluntary sector, so that those that genuinely provide the best value can win.

Will the Big Society be able to reach the communities and people that might benefit most?

17. Finally, a question mark hangs over the ability of the Big Society to reach those communities and individuals that might benefit the most. The Audit identifies a ‘Big Society Gap’ in levels of trust, engagement and social action between the most disadvantaged and affluent, urban and rural communities and younger and older people. This will make it difficult for those communities to take up the initiatives being offered to them. Most worryingly, public services delivered by voluntary organisations in disadvantaged areas are more likely to be at risk from public sector cuts and to provide services to disadvantaged people. More care is needed to address current inequalities if the Big Society is to be successful.

18. As the Government moves into its third year, the Audit concludes it is time for it to consider whether the many important initiatives it has announced really add up to an effective strategy for delivering what David Cameron calls “civil renewal” in every part of society.¹¹

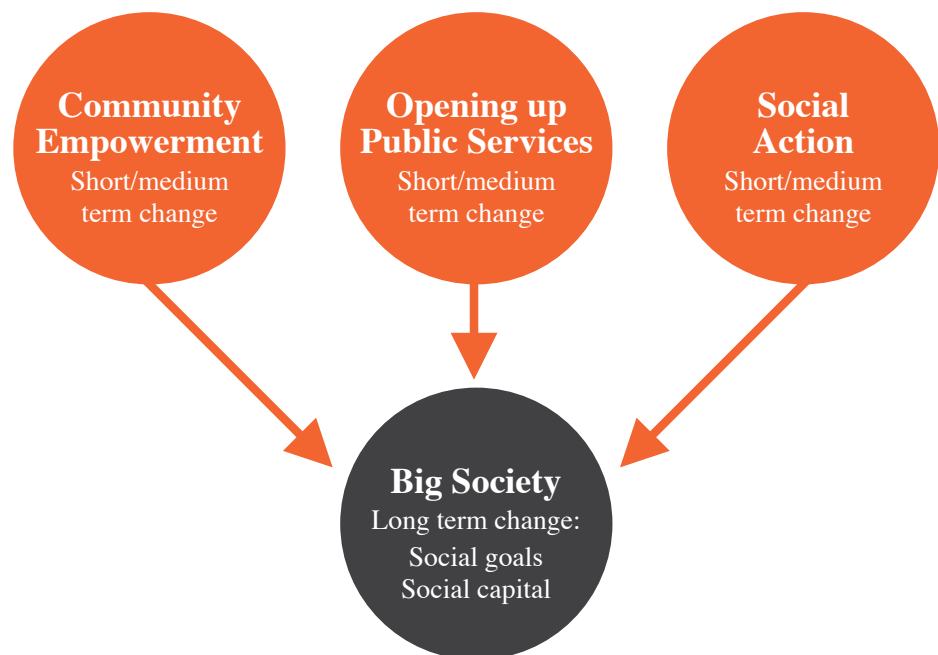
19. The following sections explain how the Audit is designed, look at the findings in more detail and conclude with recommendations about how to tackle these challenges.

The three pillars of the Big Society are community empowerment, opening up public services and social action

The design of the Audit

20. Social change takes decades and has many influences. For this reason, the Big Society Audit focuses predominantly on three intermediate goals or pillars: community empowerment, opening up public services and social action. Figure 3 sets out how these goals fit together. These goals are based on analysis of the current Government's statements of intent but they are also close to goals pursued by the previous Government, as explored further in the report. In addition, the Audit considers some wider indicators of social health which might change as a result of the Big Society initiative over the longer term, particularly focusing on how the UK compares internationally.

Figure 3. Big Society goals



21. The three intermediate goals or pillars, as defined by the Government, are:

- **Community empowerment:** local people taking control of how things are done in their area and being helped to do this by local government and others.
- **Opening up public services:** public sector organisations and individuals demonstrating innovative ways of delivering public services and charities, social enterprises and private companies showing new ways of delivering them.
- **Social action:** people being, and being encouraged to be, more involved in their communities through giving time, money and other resources.¹²

22. Each pillar is broken down into several component elements or indicators, drawing on objectives, priorities and principles set out in Cabinet Office publications, the Prime Minister's speeches, material published by the Department for Communities and Local Government on the six aspects to its localism agenda and the five principles for public sector reform given in the Open Services White Paper published in summer 2011. The Audit aims to capture all key elements and use these as indicators of the success of the Big Society.

23. The Big Society Audit considers the existing evidence relating to the three pillars in turn, followed by examination of important geographical, socio economic and demographic differences. It then looks at the wider indicators relating to social capital and international comparisons of 'social health' and concludes by considering how the Big Society is being delivered, making several recommendations.

Audit evidence in more detail

Community Empowerment

24. 'Community Empowerment' has five component elements, which we use as indicators, set out below, with an assessment which draws on the full range of factual evidence examined in the main report:

1. People feeling they can influence local decisions.

People are more positive about how things work locally than nationally and there is an appetite for local involvement but there is a gap between those who wish to influence decisions and those who feel they can, with only a small core of the population active in their communities.

2. More devolved decision-making and greater local control of local budgets and assets by local councils and neighbourhoods.

Against a background of devolution to Scotland and Wales, greater devolution at local level is still in its infancy, but various past and future budgetary and other initiatives, such as the Localism Act, are leading to change.

3. Greater transparency and accountability for decision making by elected officials.

Trust in national politicians has eroded significantly since the 1980s, though confidence in local politicians has been rising recently. There is a high level of interest in how things work locally but people have much lower levels of knowledge about how things work. Use of the Freedom of Information Act 2000 more than trebled in the 5 years to 2010 and has had an impact, for example on MP's expenses, and the new Government is extending transparency even further.

4. Greater sense of community, including increased integration and stability.

This is a broadly positive and improving picture, with a high and growing sense of community belonging and increased community cohesion in recent years, looking at the picture overall.

5. Strength and influence of the voluntary sector and community groups.

The voluntary sector grew considerably in capacity over the last decade and enjoys relatively high levels of trust and public engagement. Despite commitments by the previous and current government to increase partnership working with it, it lacks commensurate influence with government.

People are more positive about how things work locally than nationally but only a small core of people are active in their communities

The Government has committed to partnership with the voluntary sector but it is not being given a leadership role

The UK already has one of the largest public service industries in the world

Finance for civil society is a major problem area

Tendering for public services: the “Achilles heel” of the Big Society

Opening up Public Services

25. There are seven component elements which we use as our indicators under ‘Opening up Public Services.’ These are listed below, together with a summary of the assessment of the available factual evidence.

1. Diversification of delivery including through voluntary and community sector groups; new structures; public service employees forming new social enterprise and co-operatives; and effective consortia between the private and voluntary sectors.

The UK already has one of the largest public service industries in the world. The proportion of charities and social enterprises delivering public services has grown dramatically but the private sector appears to have been the main beneficiary of the opening up of public services, with recent experience in the Work Programme suggesting this trend will continue. ‘Spin outs,’ the splitting off of public functions or services to other delivery organisations, are already having an impact in the NHS and the number of Academies and free schools is increasing.

2. Civil society has access to funding to take advantage of opportunities.

Finance for civil society is a major problem area for the Big Society, despite Government initiatives such as Big Society Capital and the Transition Fund, which are dwarfed by projected cuts in statutory funding to the voluntary sector of £3.3 billion in the period up to March 2016, rising costs and falling reserves. Even before the cuts started to take effect, there was significant dissatisfaction from charities and social enterprises with national and local statutory funding arrangements.

3. More accountable public services which respond more effectively to user needs and deliver fair access to lower income and disadvantaged groups.

There has been a marked improvement in public confidence in major public services and a marked decline in the proportion of ethnic and religious groups who experienced or feared discrimination in how they were treated by public services. Proposals for further introduction of competition in the NHS by the Coalition Government have proved controversial amongst the public.

4. Effective partnerships in delivering services.

Successive Governments have been establishing partnerships with the private and voluntary sectors and encouraging new partnerships between sectors to deliver public services. Despite the partnership agreement between the Government and the voluntary sector, there is voluntary sector dissatisfaction with how Government works with it, including in funding arrangements, as well as with the way in which Government involves it in decision making.

5. Accessibility of commissioning and procurement to the voluntary sector and removal of entry barriers.

This is an ‘Achilles heel’ for both the current and the previous government, with widespread concerns about barriers to entry for the voluntary sector, particularly for smaller and community based organisations.

6. Decentralisation of control to the lowest appropriate level through community and personal budgets.

Recent attempts to decentralise control have received a largely positive response, but it is early days.

7. Civil society involved in designing services.

More needs to be done to involve the voluntary sector, which has raised concerns about poor levels of engagement by central and local government.

Giving is
already
relatively high
in the UK,
but levels of
volunteering are
relatively low

Social Action

26. Four component elements, used as our indicators, have been identified under ‘Social Action,’ as shown below, together with a summary of assessments against each from the main report.

1. Increased volunteering amongst existing groups, from currently underrepresented groups, and through corporate volunteering.

Levels of volunteering are relatively low compared to other developed countries and have been falling. Volunteering is currently concentrated in a small ‘civic core.’

2. Increased giving by the private sector and individuals to civil society.

Giving is already relatively high in the UK and current initiatives to increase donations and social investment look unlikely to be sufficient to fill the income gap for the voluntary sector left by the withdrawal of statutory funding.

3. More community organisers.

The Audit was unable to identify information on the number of community organisers but surveys suggest that most are funded by government; and this will continue with the new programme.

4. As one indicator of increased social action and responsibility, an increase in adoption.

Numbers of children adopted are at a ten year low.

The three pillars: the vital statistics

27. The main report considers a full range of statistical and other evidence against each of the three pillars. Figure 4 on pages 14 and 15 picks out some of the most striking ‘vital statistics,’ highlighting features which are predominantly positive or negative.

Figure 4. The three pillars: the vital statistics.**Positive/Negative**

Vital statistics on Community Empowerment	
<p>There's a belief among the public that change can happen by getting involved locally:</p> <ul style="list-style-type: none"> • 51 per cent say getting involved locally can change their area (compared to just 30 per cent who say getting involved in politics can change the way the UK is run).¹³ 	<p>There's a will but is there a way?</p> <ul style="list-style-type: none"> • 75 per cent of people think it is important they should influence local decisions in 2010-11 but only 38 per cent of people felt that they could influence local decisions.²⁰
<p>The voluntary sector's capacity and potential power has been growing:</p> <ul style="list-style-type: none"> • income grew by more than a third in real terms between 2000-01 and 2009-10¹⁴ • membership of the three main nature charities is at over five million;¹⁵ • 75 per cent of people thought most charities trustworthy.¹⁶ 	<p>Traditional political routes to influence decisions are declining:</p> <ul style="list-style-type: none"> • half a million people are now members of the three main political parties, compared to over 2 million in the 1970s.²¹ • 40 per cent of the public almost never trust British Governments of any party to place the needs of the nation above their own party,²² compared to 10 per cent in 1987.²³
<p>Trust in local democracy seems to be increasing:</p> <ul style="list-style-type: none"> • 59 per cent of people expressed trust in their local council in 2007, compared to 52 per cent in 2001.¹⁷ 	<p>Despite the potential power of the voluntary sector, it seems to have relatively little influence with government:</p> <ul style="list-style-type: none"> • In 2011, 70 per cent of charity chief executives polled disagreed that the "the Government respects and values the voluntary sector as a partner."²⁴ • Various surveys under the current and previous government pick up dissatisfaction with public sector arrangements for consultation and contracting, especially amongst smaller voluntary and community organisations.²⁵
<p>Communities are becoming more cohesive:</p> <ul style="list-style-type: none"> • There has been a marked increase in the percentage of people agreeing that people from different backgrounds get on well together, from 80 per cent in 2003 to 86 per cent in 2010-11.¹⁸ 	<p>10 per cent of the population are currently active in their communities, a proportion that has remained broadly constant over the last five years.²⁶</p>
<p>Government has become more transparent:</p> <ul style="list-style-type: none"> • Freedom of Information requests more than trebled from around 60,000 in 2005 to nearly 200,000 in 2010 and this has had significant impact nationally: for example, in relation to MP's expenses¹⁹ and a range of new transparency measures have recently been introduced. 	

Vital statistics on Opening Up Public services

New ways of delivering public services are opening up:

- The number of academies rose from three in 2002 to 200 in 2009 and 1,776 in April 2012,²⁷ with 24 Free Schools opened in September 2011.²⁸
- Social enterprises formed by former NHS staff through the Right to Request programme are estimated to be worth £886 million by 2012.²⁹

The UK already has one of the most developed and largest public service industries in the world, after years of growth, particularly in areas like education and health:

- In 2007-08, turnover of public service industries was 5.7 per cent of GDP - nearly double that of France and Spain.³⁰
- In 2009/10 the voluntary sector held 5.3 per cent of the value of central government contracts and 8.8 per cent of local government's.³¹

Estimates for cost savings from competitive tendering were put at between 10 per cent to 30 per cent in 2008.³²

Confidence in main public services has grown and is high:

- 70 per cent of people were satisfied with the NHS in 2011, compared to 34 per cent in 1997.³³
- Nearly three quarters of people thought schools taught basic skills well in 2008, compared to around half in 1996.³⁴

The goal of opening up public services further is proving controversial in some areas of Government policy making: 52 per cent of the public said the legislation reforming the NHS, including creating more competition, should be scrapped, compared to 33 per cent who thought it should go ahead.⁴⁰

The voluntary sector's financial situation is looking increasingly precarious:

- there is a projected income gap for the sector due to an estimated £3.3 billion of cuts in statutory funding between 2010 and 2016.⁴¹
- It is estimated that 42 per cent of 'operating' charities do not hold any free reserves now, with expenses increasing relative to income.⁴²

The system of public sector commissioning seems geared toward the private sector. 'Entry barriers' for the voluntary sector in delivering public services are getting worse as new 'payment by results' (PBR) contracts are introduced and PBR is being extended to other areas:

- 90 per cent of prime contracts in the Work Programme let in 2011 went to the private sector, with an estimated 20 per cent of the value of contracts going to the voluntary sector, mainly through sub-contracting, despite estimates in advance by Francis Maude that they would get 35-40 per cent.⁴³
- In 2009, over 80 per cent of government commissioners of public services thought procurement processes were difficult for voluntary organisations to get to grips with.⁴⁴

Vital statistics on Social Action

UK is 2nd out of 110 countries for the proportion of its population that gave to charity in any previous month.³⁵

There seems limited scope to fill the gap in statutory funding identified above through increased giving:

- Levels of giving in the UK are already at high levels by international comparisons.⁴⁵

Income from individuals was the largest source of income for the voluntary sector in 2009-10 at over £14 billion;³⁶ and around 60 per cent of the adult population donated to charity in the last month.³⁷

Volunteering has been falling:

- In 2010-11, 65 per cent of people said they had volunteered in some capacity at least once in the last year. This compared with 76 per cent in 2005.⁴⁶
- The UK was placed 21st out of 110 countries in its levels of volunteering in the previous month.⁴⁷

Ways are being sought to bring in new social investment for the voluntary sector through social impact bonds.

Business is already giving £1.55 billion to voluntary organisations.³⁸ There are over 800 corporate members of Business in the Community, which works to help transform communities by tackling issues where business can make a difference.³⁹

Deprived and urban communities and young people are far less likely to report that people in their neighbourhood pull together to improve it than affluent and rural communities and older people

Voluntary sector organisations supporting deprived groups in deprived communities is more likely to depend on state funding and face cuts

The Big Society gap

28. So far, the Audit has focused on the national picture. The Audit also finds important geographical, socio-economic and demographic differences across each of the goals or pillars of the Big Society. Our Audit finds that affluent and advantaged groups and communities are more likely to score highly against the Audit indicators. There are also striking differences between older and younger people and white and ethnic minority people. Areas of relative deprivation are also experiencing some of the greatest cuts in statutory funding and the voluntary sector working in those areas is especially reliant on statutory funding.

Community Empowerment

29. Certain groups and communities are significantly less cohesive and empowered:

Deprived versus affluent communities

- Between the most deprived and least deprived areas, there is a difference of over 25 percentage points in the proportion of people who say that people in the neighbourhood pull together to improve it and a gap of over 40 percentage points in those who say many people can be trusted in the neighbourhood, with disadvantaged communities scoring lowest.⁴⁸

Urban and rural communities

- 63 per cent of respondents from urban areas reported that “people in the neighbourhood pull together to improve it”, compared to 81 per cent in rural areas. Only 44 per cent of people from urban areas thought that “people in the neighbourhood can be trusted” compared to 71 per cent in rural areas.⁴⁹

White and ethnic minority people

- 52 per cent of white respondents agreed that “many people in the neighbourhood can be trusted” but only 27 per cent of respondents from ethnic minority backgrounds, as recorded in the same survey.

Young and old people

- There is a difference of around 30 percentage points between people under 35 and those over 65 who say that many people in their neighbourhood can be trusted, and young people are far less likely to agree that people in their neighbourhood pull together to improve it. A sense of belonging to the community is least strong amongst those under 35 and stronger in older age groups.⁵⁰

Different socio-economic groups

- Higher socio-economic groups are far more likely to be involved in some form of civic engagement than lower. For example, members of social classes A and B are twice as likely to have signed a petition as social classes D and E.⁵¹

Public Services

30. Public services delivered by voluntary organisations in disadvantaged areas, and those working with disadvantaged groups, may experience the greatest funding gap:

- In 2011-12, the local authorities with the highest levels of deprivation in England experienced greater cuts than local authorities with affluent areas and it is likely that the impact will fall most heavily on disadvantaged people.⁵²

A 'civic core' of volunteers is more likely to be middle aged and middle class

- Voluntary sector organisations working with deprived groups in deprived areas are more likely to depend on statutory funding and where it is received it is more likely to be important to them. For example, statutory funding was the most important source for 30 per cent of voluntary organisations in Knowsley and Nottingham, against a national average of 13 per cent.⁵³ Those working in deprived areas complain more frequently of lack of income, paid staff, and financial reserves.⁵⁴
- Voluntary sector organisations working with certain client groups, for example with the homeless or people with addiction problems, are twice as likely as the average to deliver public services.⁵⁵

Social Action

31. Our Audit has found that a key challenge will be to extend social action to a younger population and across socio-economic groups:

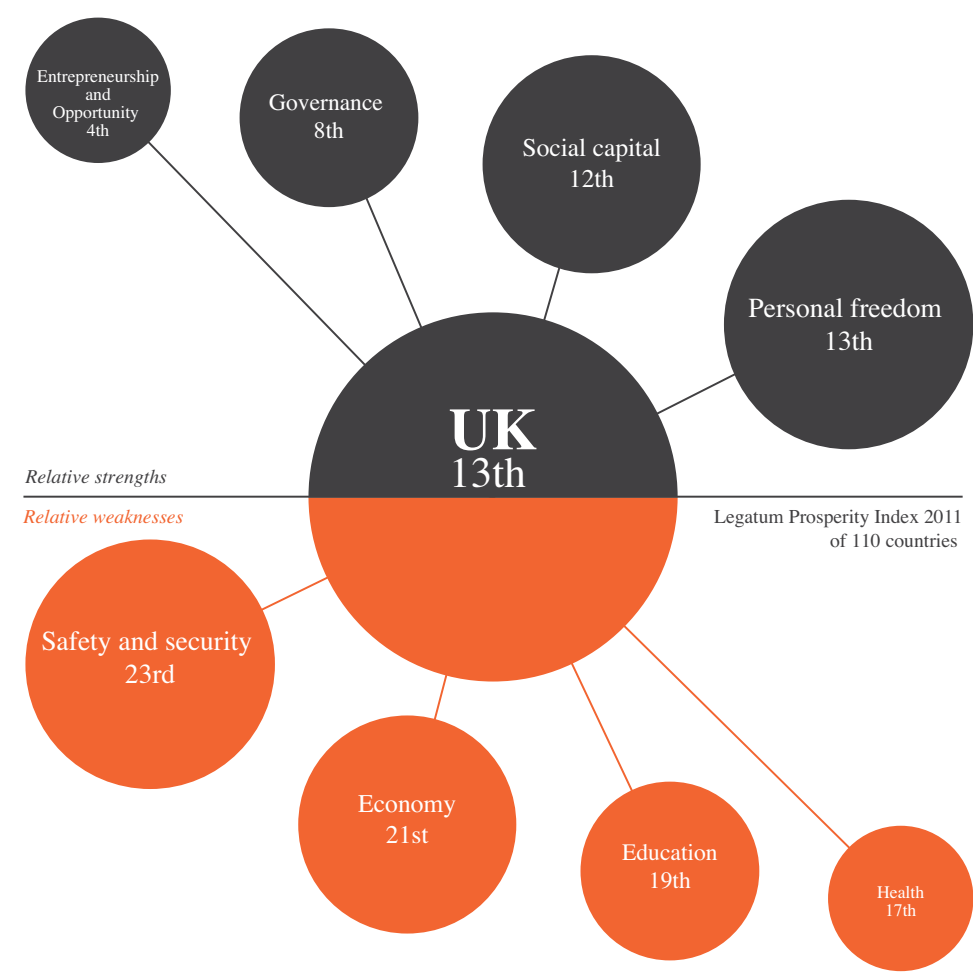
- Just over a third of the adult population provide nearly nine-tenths of volunteer hours, just over four-fifths of the amount given to charity, and just over three-quarters of participation in different civic associations.⁵⁶
- This 'civic core' of those who provide the majority of volunteering is more likely to be middle-aged, have higher education qualifications, actively practise their religion, be in managerial and professional occupations, and have lived in the same neighbourhood for at least 10 years.⁵⁷
- for every age group except the over 65s, the percentage of those giving has declined which means the voluntary sector is more reliant on older people for donations.⁵⁸

Social capital and international indicators

32. As well as using short to medium term measures, the report considers wider indicators of social health which may be expected to change over time; and particularly focuses on international comparisons. Social capital - the extent to which individuals and communities trust and support each other- is regarded by many as a key indicator of social health. It is believed to have declined dramatically since the late 1950s. It is measured in various ways. According to the Legatum Prosperity Index,⁵⁹ which looks at a basket of indicators, the UK is placed 12th out of 110 countries on social capital, in line with its overall international ranking of 13th. However, on the specific measure of the proportion of the population that trusts others, the UK does far less well, coming 17th.

33. According to the Legatum Prosperity Index, the UK's relative strengths are our system of governance, access to opportunities and personal freedom. Less strong in terms of relative ranking with other developed countries are indicators on the economy (including employment), safety and security, education and health. This suggests there may be scope to improve the impact of public services in these areas.

Figure 5. International indicators



We recommend closer working with key partners especially the voluntary sector, more support for disadvantaged communities and fairer access for the voluntary sector in tendering

Conclusion and recommendations

34. The Audit highlights both the opportunities and the challenges faced by the Government as it takes forward its Big Society initiative. There is a real impetus for politicians to seek change, as engagement and trust in traditional politics declines, and a potential force for them to tap in to, as the voluntary sector has grown in scale and reach and public interest in local issues is strong. There is also a potential need, as levels of social capital have declined over decades and are particularly low in certain communities and amongst certain groups, including younger people.

35. At the same time, a number of serious questions hang over the Big Society and potentially threaten its success, as explored in paragraphs 10 to 19. In response, the Big Society Audit makes the following recommendations:

- **The Government should develop and deliver a Big Society vision and goals with key partners.** It is essential that the Government works with others, particularly the voluntary and community sector, as well as business and local authorities, to develop a common vision, shared goals and a strategy for delivering them. This might focus on specific preventative goals such as reducing poverty and ensuring that everyone has equal life chances. We recommend further government investment in the infrastructure of the voluntary sector to co-ordinate the input of a diverse sector. Charitable foundations might also have a role.
- **Opportunities to deliver public services should be made equally available to the voluntary and community sector,** avoiding any bias toward the private sector in commissioning processes.
- **Central and local government's understanding of the voluntary sector and how best to work with it should be increased.** We recommend that Government work with the sector to increase mutual knowledge and understanding. There should be increased interchange of staff between the public and voluntary sectors; and joint training. Joint work to investigate how to improve the delivery of the Big Society should take place.
- **Big Society resources should be targeted on the most disadvantaged communities, including on building capacity to take advantage of opportunities.** We believe it particularly important that there is investment in voluntary and community activity in those areas most in need.

36. Finally, there is a need to improve the transparency of the Big Society itself by filling gaps in information as explored further in the report.

1. *The Long Roots of the Big Society*

Long roots, across political parties

“There is a strong case for saying that in the age of enlightenment, Britain invented the modern idea of civic society - rooted in what the Scottish philosopher Adam Fergusson called our ‘civil responsibilities,’ eventually incorporating what Edmund Burke defined as little platoons: two ideas we would today recognise as being at the heart not only of the voluntary sector but of a strong society.”

Gordon Brown, 2007⁶⁰

The Big Society
is grounded
in longer term
social and
political trends

The last
Government had
similar policies

1.1 The Big Society initiative has long roots, across political parties. Whatever happens to the particular label given to it by the current Government, elements of it are likely to endure because it is grounded in genuine social and political trends, not just political rhetoric.

The history of the Big Society

1.2 David Cameron first used the “Big Society” phrase when giving the Anthony Hugo Young Lecture at the Guardian in November 2009 but it had been a number of years in the making with inputs from a number of conservative politicians and advisers, including Iain Duncan Smith, Oliver Letwin, David Willets and Steve Hilton. Some of the thinking came from the USA and models of local engagement pioneered in New England.⁶¹ However, many commentators trace this focus on civic society back to the eighteenth century political philosopher, Edmund Burke and his little platoons, if not back even further, as acknowledged in the quotation from Gordon Brown at the beginning of this section. Big Society policies closely resembled initiatives and beliefs held by the Labour party and some were surprised to find these views being taken over by the Conservative opposition. As Lord Maurice Glassman, former adviser to the Labour Party and community organiser, remarked in a recent radio interview:

“In a way I was seeing my entire life’s work being stolen by the Conservative Party.”⁶²

1.3 Indeed, the Labour Government’s Third Way under Tony Blair and policy of “civic renewal” under Gordon Brown when he became Prime Minister had strikingly similar objectives, as illustrated by this extract from a Labour Government White Paper published in 2008.

What can I do?

- **Information is power.** Go to your council website, find out more about our local services. If information is not there demand an explanation!
- **Get your voice heard.** Petition your local council – it will soon have to respond and debate the issue in public if communities are unhappy with the answer.
- **Gear up your group.** Take your community group to the next level. Set up a neighbourhood council. Apply for a grassroots grant or ‘Communitybuilders’ funding.
- **Vote on spending.** You’ll be able to petition your council to have more say about spending decisions.
- **Take a stand.** Find out about being a local councillor, a Young Advisor, school governor or housing association representative. Your council should help you find out more.
- **Donate some time.** Become a volunteer for a good cause; mentor or read to children in a local school. Join a youth council.

Communities in Control: real people, real power, July 2008⁶³

1.4 The Big Society policy was adopted as a Coalition policy when the new Government was formed. A series of initiatives were then put in place to deliver it, many of them closely resembling those pursued by the Labour Government the Coalition had replaced, as illustrated by examples below, in Figure 6.

Figure 6: Spot the Difference between initiatives

Labour Government	Coalition Government
Grassroots Grant A £130 million government funded initiative to support the voluntary sector to build stronger more active communities through small grants.	Community First A £80m government funded initiative to provide small grants to community groups and local social action projects.
Advancing Assets for Communities £1m per annum programme to facilitate programmes to transfer assets from local authorities to the community sector.	Community Assets Programme £30 million programme to provide capital grants for refurbishment and to help develop the transfer of assets from local authorities to the community sector.
Total Place 13 pilots “putting the citizen at the heart of service design and working together to improve outcomes and eliminate waste and duplication.” ⁶⁴	Community Budgets “gives local public service partners the freedom to work together to redesign services around the needs of citizens, improving outcomes, reducing duplication and waste and so saving significant sums of public money.” ⁶⁶ Being tested in 16 areas in relation to support for troubled families.
National Community Service “the creation of British national community service: engaging and rewarding a new generation of young people from all backgrounds to serve their communities; demonstrating our practical commitment to a cohesive and strong society.” ⁶⁵	National Citizens Service A programme of activities for 16 years olds during the summer including community activities.

1.5 Although some regard the Big Society as a passing political fashion and think it will be quietly dropped now that the Prime Minister’s adviser and champion of the policy, Steve Hilton, has left No 10, there are wider social and political trends which suggest that politicians will continue to pursue the same themes in one form or another. As David Cameron said in a speech about the Big Society in February 2012:

“Now some people have told me I should ditch [the Big Society]. They say it’s not the right time, it’s not popular, it’s a distraction. I say that core belief – in social responsibility, not state control – is something we’re never going to change.”⁶⁷

Politicians are responding to declining engagement with politics, falling levels of social capital and a strong civil society

1.6 Indeed, the leader of the Opposition, Ed Miliband has shown signs of pursuing similar themes, as illustrated by a passage in a speech in 2011:

“Our communities came to see us as the people who put markets and commerce before the common good. And many citizens came to see us also as the people who did not understand that the state could be intrusive as well as empowering.”⁶⁸

1.7 Politicians across the political spectrum are being influenced by the decline in support for and trust in traditional politics and national government, which is explored further in section 3 of this report. Linked to this there is a view, as illustrated in the box below, that there are limitations to the state’s ability to solve social problems.

What is the Big Society?

“The size, scope and role of government in the UK has reached a point where it is now inhibiting, not advancing, the progressive aims of reducing poverty, fighting inequality, and increasing general well-being. We can’t go on pretending that government has all the answers.

“Our alternative to big government is the Big Society: a society with much higher levels of personal, professional, civic and corporate responsibility; a society where people come together to solve problems and improve life for themselves and their communities; a society where the leading force for progress is social responsibility, not state control.

“The Big Society runs consistently through our policy programme. Our plans to reform public services, mend our broken society, and rebuild trust in politics are all part of our Big Society agenda.”

The Conservative Party’s 2010 General Election Manifesto

1.8 As trust and engagement in national politics has declined, the capacity and potential influence of the not for profit sector has grown, as the Audit charts in section 3, with membership of the three main nature charities around 5 million, contrasting sharply with the membership of the three main political parties, standing at less than half a million.

1.9 Finally, as explored in section 7, it is believed that there has been a decline in social capital in the UK since the 1950s, leading politicians to want to pursue initiatives that will increase trust and cooperation within communities.

2.

The methodology of the Audit

“I think there will be lots of things you will be able to look at. You can look sector by sector; you can look at education. Are there more free schools being set up by communities? Is the academies programme expanding and is business still investing in it? Are organisations like yours thriving?”

David Cameron, Prime Minister, 2001, in answer to a question about how the success of the Big Society might be measured in its first five years.⁶⁹

The focus is on the three pillars of the Big Society where change may be seen more quickly

2.1 This first ever Audit does not seek to pass judgement on the success of the Big Society: it is too early to judge its lasting impact on society. As Nicholas Hurd, the Minister for Civil Society has been reported as saying in *Civil Society*, it may take ten to twenty years before those results are seen. Moreover, the Government has not outlined what that Big Society would eventually look like, perhaps understandably, as the focus on localism suggests that this could grow organically over time from the grass roots. This Audit therefore focuses predominantly on three intermediate pillars or goals where the Government has set out a relatively clear statement of what it is trying to achieve and where the previous Government was seeking similar results.

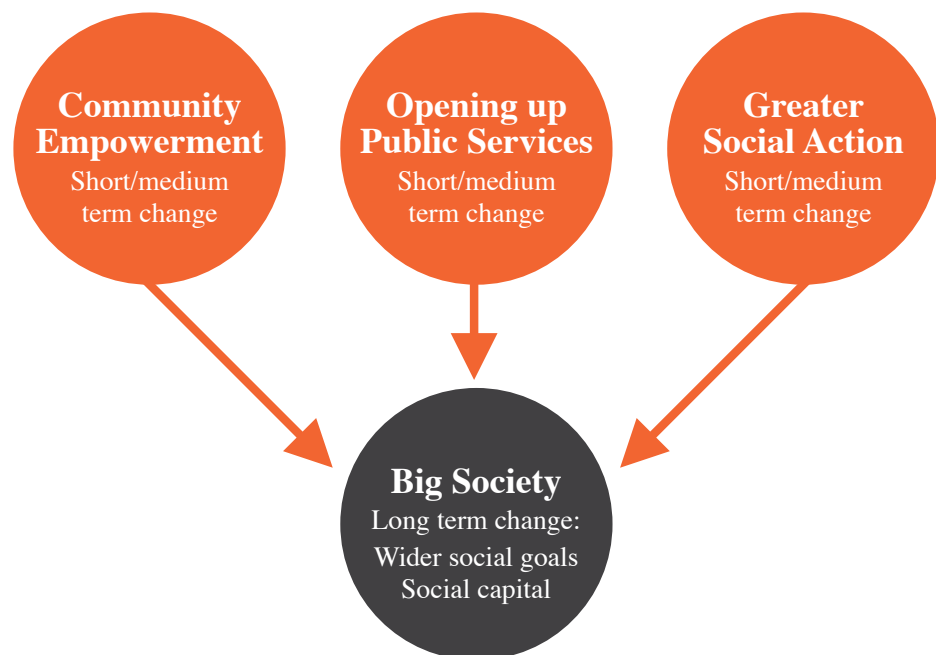
2.2 These three intermediate goals or “pillars” have been repeatedly identified by the Cabinet Office in policy statements and cited as core to the Big Society by the Prime Minister, as explained below:

- community empowerment;
- opening up public services; and
- social action.

2.3 The Audit also considers wider social indicators of social health, including looking at international comparisons, to create a perspective on relative strengths and weaknesses and to provide a baseline to measure longer term change. The Government has itself identified increased social capital as one outcome,⁷⁰ with wider social goals, such as a fairer society, eventually being achieved.⁷¹

2.4 Figure 7 sets out how these various elements fit together under the Big Society “umbrella.”

Figure 7: Measuring the Big Society



2.5 The box below provides one statement of the three components or “pillars,” which have appeared in successive Government statements including, most recently, the Minister for Civil Society’s open letter of 11 October to the voluntary sector.⁷²

The three “pillars” of the Big Society⁷³

1. Empowering Communities: giving local councils and neighbourhoods more power to take decisions and shape their area.

2. Opening up public services: the Government’s public service reforms will enable charities, social enterprises, private companies and employee-owned co-operatives to compete to offer people high quality services.

3. Promoting social action: encouraging and enabling people from all walks of life to play a more active part in society, and promoting more volunteering and philanthropy.

2.6 In the Audit, each of the three pillars is broken down into a number of sub elements, drawing on objectives set out in Cabinet Office publications, the Prime Minister’s speeches, material published by the Department for Communities and Local Government about the six aspects to its localism agenda and the five principles for public sector reform given in the Open Services White Paper published in summer 2011. Some further details are given overleaf. The aim is to capture all key elements. The exception is the promotion of strong family and interpersonal relationships, including gay marriage, which have been included by the Prime Minister in some of his speeches about the Big Society, but where the link to the wider goals is less clear. Adoption is however retained because it is an expression of community engagement.

The Six Actions of Decentralisation⁷⁴

Action 1: Lift the burden of bureaucracy

The first thing that government should do is to stop stopping people from building the Big Society

Action 2: Empower communities to do things their way

Getting out of the way is not enough, government must get behind the right of every community to take action

Action 3: Increase local control of public finance

Government must will the means, as well as the ends, of community power

Action 4: Diversify the supply of public services

Local control over local spending requires a choice of public service providers

Action 5: Open up government to public scrutiny

Public service providers should be subject to transparency not bureaucracy

Action 6: Strengthen accountability to local people

Public services shouldn't just be open to scrutiny, but also subject to the individual and collective choices of active citizens

The five principles for public service reform⁷⁵

Choice – Wherever possible we will increase choice

Decentralisation – Power should be decentralised to the lowest appropriate level

Diversity – Public services should be open to a range of providers

Fairness – We will ensure fair access to public services

Accountability – Public services should be accountable to users and taxpayers

2.7 The following sections look at each pillar in more depth.

3. *Community Empowerment*

“The Big Society is about helping people to come together to improve their own lives. It’s about putting more power in people’s hands – a massive transfer of power from Whitehall to local communities.”

Coalition Government, Cabinet Office⁷⁶

“Among my first priorities when I became Prime Minister were ... proposals to enhance the rights of citizens and to make our institutions more accountable. But we need to build on this by empowering communities and citizens and ensuring that power is more fairly distributed across the whole of our society.”

Gordon Brown, 2008⁷⁷

Local people taking control of how things are done in their area

3.1 ‘Community Empowerment’ is the first of three pillars of the Big Society programme and has been described by the Government as “local people taking control of how things are done in their area and being helped to do this by local government and others.”⁷⁸

Key indicators

3.2 Drawing on government statements, the following component elements or indicators have been identified:

1. People feeling they can influence local decisions.
2. More devolved decision-making and greater local control of local budgets and assets by local councils and neighbourhoods.
3. Greater transparency and accountability for decision making by elected officials.
4. Greater sense of community, including increased integration and stability.
5. Strength and influence of voluntary and community groups.

Initiatives and policies

3.3 A number of initiatives have been launched to deliver this objective under the Coalition Government. These include:

- The Localism Act.
- The transfer of community assets.
- Proposed new elected mayors for England’s major cities.
- A new “right to data” for the public on government expenditure.
- Community First, which is channelling £80m of government funds and endowment funds to grass roots organisations.
- Community budgeting, which is pooling local resources to help troubled families in a number of pilot areas.
- Initiatives to provide social investment, including the £600m Big Society Capital and the creation of social impact bonds.
- Transitional support for the voluntary sector through the £100 million Transition Fund.

3.4 Under the last administration, there were a number of well established programmes in similar territory, including the Freedom of Information Act to increase transparency; the community asset transfer programme; the Grass Roots programme which is very similar to Community First; and Total Place, which has been replaced by community budgeting; and the Compact with the voluntary sector, which the current Government has re-launched.

Assessment against the indicators

3.5 A range of relevant facts is given below under the five indicators identified in paragraph 3.2.

1. Individual influence over local decisions

Key points: People are more positive about how things work locally than nationally and there is an appetite among the public to get involved in local decisions, a greater confidence about how things work locally than nationally, and a belief that it can make a difference. However, there is a major gap between those who wish to get involved and those who felt they could. A small but constant proportion of the population are currently active in their communities, for example as school governors, but there has been a decline in individuals participating in decision making, for example by attending public meetings.

- Just under half of people were satisfied in 2011 with the ways things work locally, compared to just over 30 per cent who were satisfied with the system of governing Britain.⁷⁹
- 51 per cent say getting involved locally can change their area (compared to just 30 per cent who say getting involved in politics can change the way the UK is run).⁸⁰
- In 2010-11 nearly three quarters of people thought it important that they should influence local decisions but only 38 per cent of people felt they could.⁸¹

Figure 8: How important it is for people to feel that they can influence decisions in their local area, 2007-08 to 2010-11⁸²

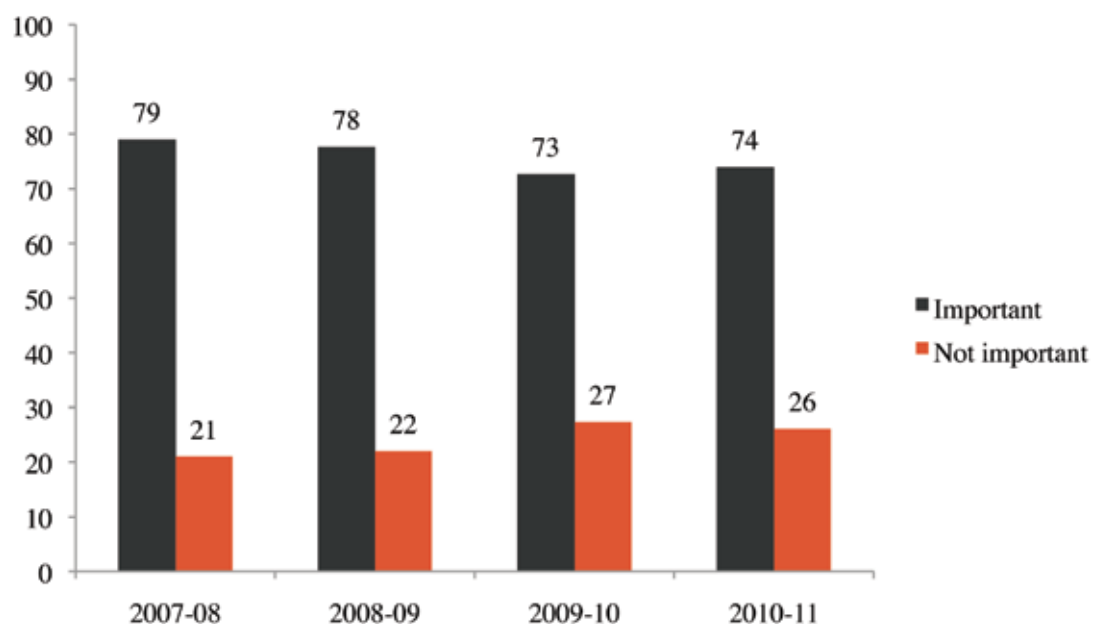


Figure 9: Percentage of people who feel that they can influence decisions affecting their local area and Britain, 2001 to 2010-11⁸³

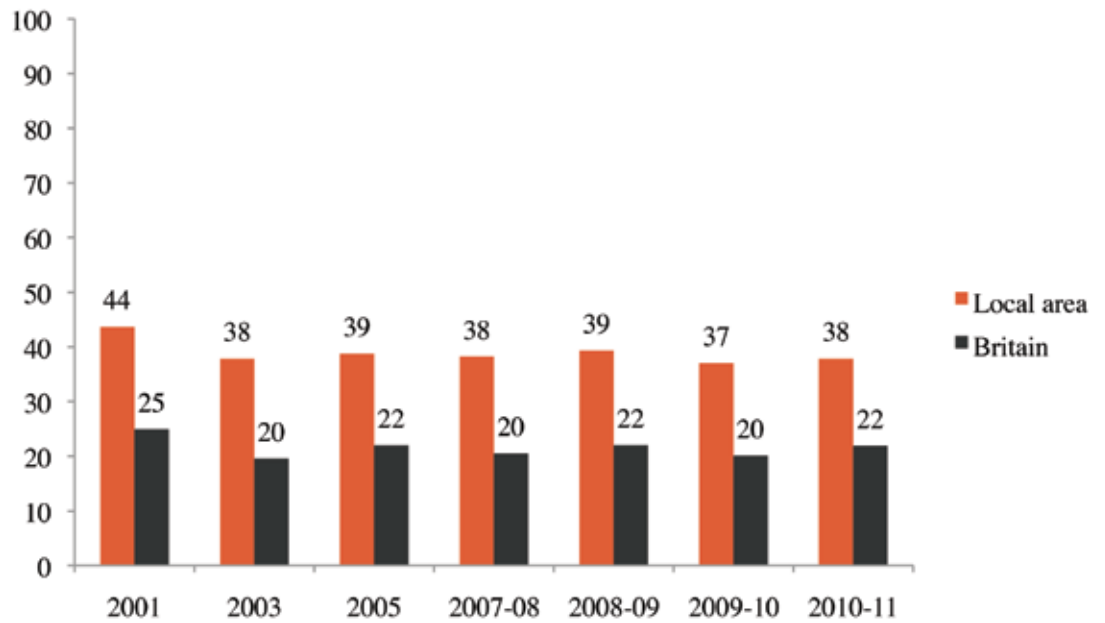
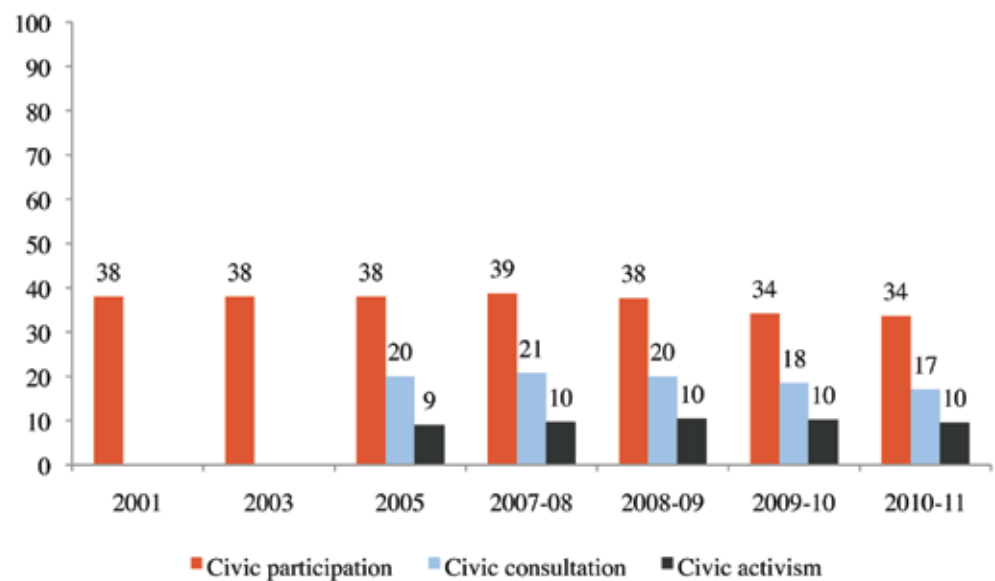


Figure 10: Percentage of public reporting having participated in an act of 'civic participation' (which includes contacting an elected representative or signing a petition), 'civic consultation' (active participation in a consultation) or 'civic activism' (involvement in delivery of or decisions about public services) at least once in the last year, 2001 to 2010-11⁸⁴



2. More devolved decision-making and greater local control of local budgets and assets by local councils and neighbourhoods

Key points: Against a background of devolved decision making in Scotland and Wales at the end of the last century, greater devolution at a local level is still in its infancy with successive pilot schemes to devolve budgets, and a programme of transferring assets to communities which seems to have been primarily driven by local authorities seeking to cut costs, as well as experiments in Participatory Budgeting. A new Localism Act passed in 2011 introduces new rights to help communities shape local development and take over local assets.

- Total Place was introduced by the last Government which gave greater flexibility over use of government funds across a range of functions in 63 local authorities and received a positive evaluation by the Treasury.⁸⁵ It was replaced by the Coalition with Community Budgets for use with troubled families in pilot areas and this approach is to be extended, including into Neighbourhood Budgets.
- Participatory Budgeting introduced by the last Government involves local people in making decisions on public spending priorities. A recent evaluation suggested it could lead to greater community and political engagement and more responsive services.⁸⁶
- A programme of transferring assets from local authorities to community organisations has been pursued by the last and current government but has received mixed reviews:
 - o Nearly 60 per cent of local authorities reported transferring physical assets to community based organisations in the two years prior to 2010 survey and local authorities reported that community asset transfer was a stable or growing priority for them. The principal reason behind asset transfers has been the need for local authorities to save money, followed by the national drive on the community empowerment agenda. Pressure from the local community for asset transfer comes third.⁸⁷
 - o An independent evaluation by the Joseph Rowntree Foundation in June 2011 suggested that benefits could flow from asset transfer but that the right mixture of financial and other support needed to be in place, especially in disadvantaged areas.⁸⁸

3. Greater transparency and accountability for decision making by elected officials

Key points: Public trust in decision-making by national politicians has eroded significantly since the 1980s but trust in local politicians has grown in recent years. Use of the Freedom of Information Act 2000 trebled in the five years to 2010 and has increased accountability on issues like MP's expenses.⁸⁹ Other initiatives to increase transparency have attracted public interest and received some positive evaluation; and the Coalition is extending the amount of information available. Nearly 7 in 10 people say they are interested in how things work locally but less than half say they are knowledgeable about how things work, showing room for improvement.⁹⁰

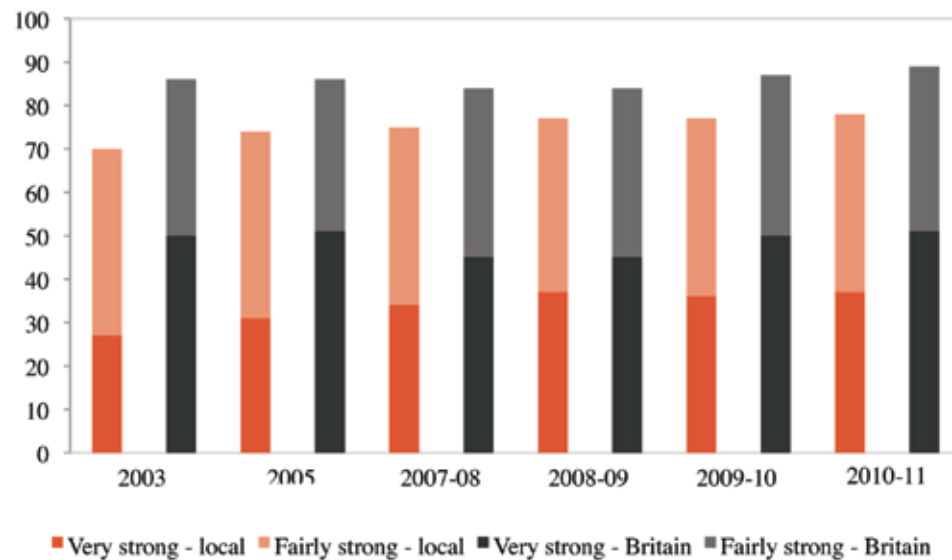
- 40 per cent of the public ‘almost never’ trust British governments of any party to place the needs of the nation above the interests of their own political party,⁹¹ compared to around 10 per cent in 1987.⁹²
- 64 per cent of people expressed trust in their local council in the 2010-11 Citizenship Survey, compared to 52 per cent in 2001.⁹³
- The Freedom of Information Act (FOI) introduced by the last Government in 2000 has had significant impact nationally: for example, in opening up MP’s expenses to public scrutiny.
- FOI requests more than trebled from around 60,000 in 2005 to nearly 200,000 in 2010. Most of these requests were to local government.⁹⁴
- The release into the public domain in 2011 by local authorities of information on all public spending items over £500 has had “a very variable impact to date.” Some authorities have reported no public interest; whilst some newspapers have exposed controversial spending.⁹⁵
- The Government claimed that a new website giving street level crime maps for England and Wales had 18 million hits in a single hour when it opened.⁹⁶
- Initial evaluation suggests that crime and policing information improves public attitudes to the local area and the police, and could potentially be used to enhance police accountability.⁹⁷
- 7 out of 10 people are interested in how things work locally and around half believe things work well locally compared to just 30 per cent who believe things work well nationally. But only 46 per cent say they are knowledgeable about how things work locally, compared to 53 per cent who say they are knowledgeable about politics in general.⁹⁸

4. Greater sense of community, including feeling of belonging and increased integration and stability

Key points: This is a broadly positive and improving picture, with a high and growing sense of ‘community belonging,’ increased community cohesion and a reduction in the proportion of people who think racial or religious harassment is a big problem, although, importantly, people from minority groups think there is a bigger problem than white people.

- Nearly 80 per cent of people reported a strong sense of belonging to their neighbourhood in 2010-11 compared to nearly 90 per cent reporting a strong sense of belonging to Britain; but ‘community belonging’ has increased since 2003.⁹⁹

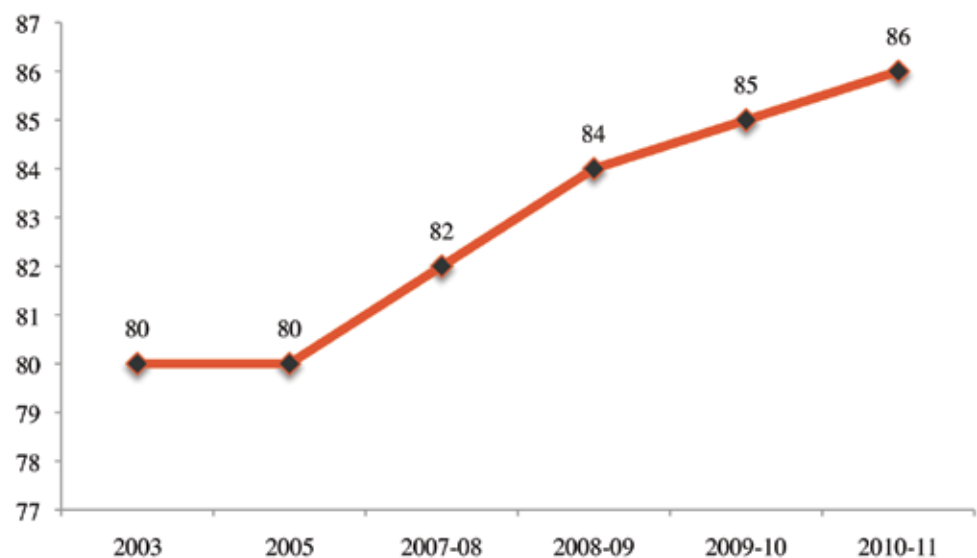
Figure 11: Percentage reporting strong sense of belonging to their neighbourhood and Britain, 2003 to 2010-11¹⁰⁰



Note: These figures exclude those who answered 'don't know' and those with missing answers.

- There has been a marked increase in the percentage of people agreeing that people from different backgrounds get on well together, from 80 per cent in 2003 to 86 per cent in 2010-11.¹⁰¹

Figure 12: Percentage agreeing that their local area is a place where people from different backgrounds get on well together, 2003 to 2010-11¹⁰²



Note: These figures exclude those who answered 'don't know' and those with missing answers.

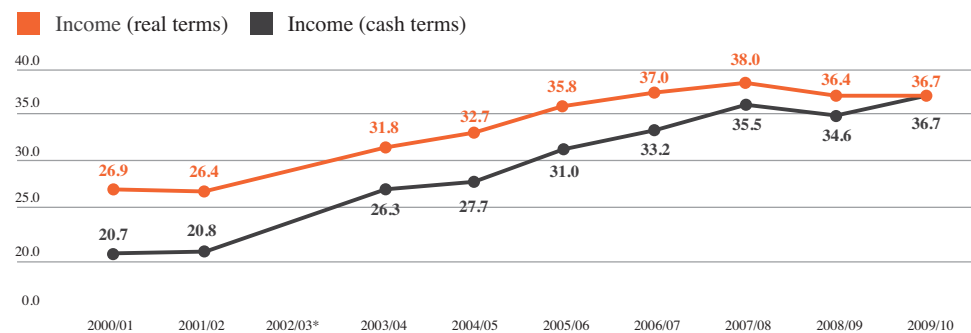
- Reported rates of community cohesion in the Citizenship Survey were strongly linked to the confidence of local citizens that they could influence local affairs (89 per cent amongst who thought they could; 79 per cent who thought they could not).¹⁰³
- A lower proportion of people reported that racial and religious harassment was a “very” or “fairly” big problem in their area in 2010-11 (7 per cent) than in 2007-08 (9 per cent) but people from ethnic minorities were up to three times more likely to consider it to be a major problem.¹⁰⁴

5. Strength and influence of voluntary Sector

Key points: Dramatic contrasts mark this indicator, with the voluntary sector as a whole potentially enjoying greater influence - growing in capacity and enjoying high levels of trust and public engagement - but still experiencing relatively low levels of influence with central and local government, despite commitments by the current and previous government to partnership working.¹⁰⁵

- The total income for the voluntary sector rose by over a third in real terms between 2000-01 and 2009-10 as shown in Figure 13 below but, after more recent falls in income, employment in the sector fell by 8.7 per cent over the year to the end of 2011, compared to a fall of 4.3 per cent in the public sector.¹⁰⁶

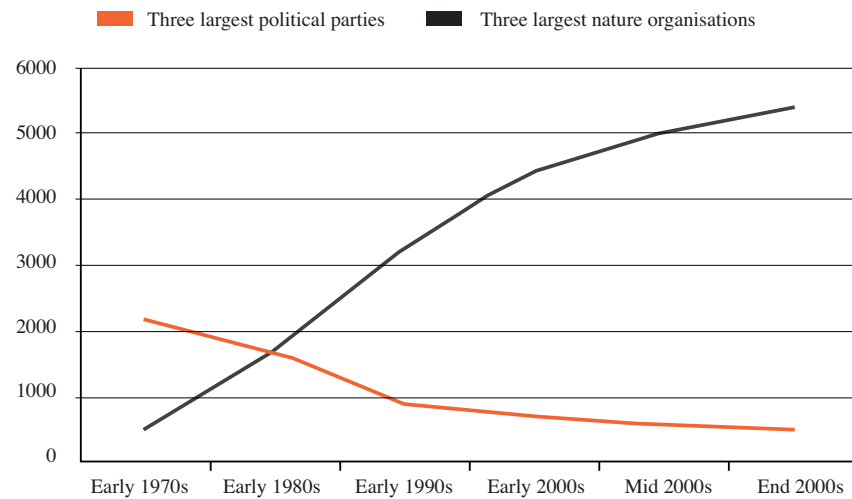
Figure 13.



Note: 2002/03 figures are inferred.

- Membership of the three main nature charities in the UK is over five million, compared to membership of the three main political parties which is half a million, a major reversal in trends since the 1970s.

Figure 14: Membership of political parties and the three main nature organisations¹⁰⁷



- Nearly 9 in 10 of voluntary sector chief executives disagreed or strongly disagreed that “the Government has a good understanding of the voluntary sector” whilst 7 out of 10 disagreed or strongly disagreed that “the Government respects and values the voluntary sector as a partner.”¹⁰⁸
- 75 per cent of people think most charities are trustworthy and act in the public interest and charities are the third most trusted group by the public, just behind doctors and the police.¹⁰⁹
- A higher proportion of voluntary organisations working with local and national government are more likely to disagree than agree that: they are consulted on issues affecting them; action is taken on the views they express in consultations; and they are involved in developing and carrying out policy which affects them.¹¹⁰

Community Empowerment: the ‘vital statistics’

3.6 Taking the picture as a whole, there are both, positive and negative features that stand out on when considering the pillar of community engagement, as shown in Figure 15 below.

Figure 15.

Vital statistics on Community Empowerment	
<p>There's a belief among the public that change can happen by getting involved locally:</p> <ul style="list-style-type: none"> • 51 per cent say getting involved locally can change their area (compared to just 30 per cent who say getting involved in politics can change the way the UK is run).¹³ 	<p>There's a will but is there a way?</p> <ul style="list-style-type: none"> • 75 per cent of people think it is important they should influence local decisions in 2010-11 but only 38 per cent of people felt that they could influence local decisions.²⁰
<p>The voluntary sector's capacity and potential power has been growing:</p> <ul style="list-style-type: none"> • income grew by more than a third in real terms between 2000-01 and 2009-10¹⁴ • membership of the three main nature charities is at over five million;¹⁵ • 75 per cent of people thought most charities trustworthy.¹⁶ 	<p>Traditional political routes to influence decisions are declining:</p> <ul style="list-style-type: none"> • half a million people are now members of the three main political parties, compared to over 2 million in the 1970s.²¹ • 40 per cent of the public almost never trust British Governments of any party to place the needs of the nation above their own party,²² compared to 10 per cent in 1987.²³
<p>Trust in local democracy seems to be increasing:</p> <ul style="list-style-type: none"> • 59 per cent of people expressed trust in their local council in 2007, compared to 52 per cent in 2001.¹⁷ 	<p>Despite the potential power of the voluntary sector, it seems to have relatively little influence with government:</p> <ul style="list-style-type: none"> • In 2011, 70 per cent of charity chief executives polled disagreed that the "the Government respects and values the voluntary sector as a partner."²⁴ • Various surveys under the current and previous government pick up dissatisfaction with public sector arrangements for consultation and contracting, especially amongst smaller voluntary and community organisations.²⁵
<p>Communities are becoming more cohesive:</p> <ul style="list-style-type: none"> • There has been a marked increase in the percentage of people agreeing that people from different backgrounds get on well together, from 80 per cent in 2003 to 86 per cent in 2010-11.¹⁸ 	<p>10 per cent of the population are currently active in their communities, a proportion that has remained broadly constant over the last five years.²⁶</p>
<p>Government has become more transparent:</p> <ul style="list-style-type: none"> • Freedom of Information requests more than trebled from around 60,000 in 2005 to nearly 200,000 in 2010 and this has had significant impact nationally: for example, in relation to MP's expenses¹⁹ and a range of new transparency measures have recently been introduced. 	

3.7 Section 6 looks at differences between communities on community engagement and Section 8 looks further at some of the delivery challenges faced by the current Government.

4.

Opening up public services

“The right were guilty of focusing too much on markets. The left were guilty of focusing too much on the state. Both forgot that space in between – society.

And having watched, absorbed and learned from all this, I believe this coalition has a once-in-a-lifetime opportunity to transform our public services. From schools to the NHS, policing and prisons, we have developed a clear plan for modernisation based on a common approach. A Big Society approach, which empowers not only services users, but professionals, that strengthens not only existing providers, but new ones in the private and voluntary sectors too.”

David Cameron, 2011¹¹¹

“It’s not reform that is the enemy of public services. It’s the status quo. Part of that reform programme is partnership with the private or voluntary sector.”

Tony Blair, 2001¹¹²

Innovative ways of delivering public services by charities, social enterprises and private companies

4.1 The second of three pillars of the Big Society is ‘Opening Up Public Services,’ described by the Government as being “public sector organisations and individuals demonstrating innovative ways of delivering public services and charities, social enterprises and private companies showing new ways of delivering them.”¹¹³

Key indicators

4.2 The goals and indicators of success in relation to opening up public services are derived from government statements. These goals and indicators are:

1. Diversification of delivery, including through voluntary and community sector groups; new structures; public service employees forming new social enterprises and co-operatives; and effective consortia between the private and voluntary sectors.
2. Civil society has access to funding to take advantage of opportunities.
3. More accountable public services which respond more effectively to user needs and deliver fair access to lower income and disadvantaged groups.
4. Effective partnerships in delivering services.
5. Accessibility of commissioning and procurement to the voluntary sector and removal of entry barriers.
6. Decentralisation of control to the lowest appropriate level through community and personal budgets.
7. Civil society involved in designing services.

Supporting the voluntary sector

“We want to help the [voluntary] sector take full advantage. In this context our work is focused on three objectives:

Making it easier to run a charity or social enterprise;
Making it easier to work with the State; and
Getting more resources into the sector. “

Letter from Minister for Civil Society to voluntary sector¹¹⁴

Initiatives and policies

4.3 Like the pillar of community empowerment, this is an area where much of the activity of the current Government bears a striking similarity to that of the last Government, which in turn was embarking on a process of ‘contracting out’ begun under previous administrations. The result is that the UK is already a world leader in the area known as public service industries, which includes all forms of ‘contracting out.’

4.4 Some flagship initiatives, such as the creation of Academies, which are directly funded by Government and independent of local authority control, have continued under this administration although the idea has been further developed to allow local people to set up their own Free Schools from scratch. Similarly, the Coalition has retained the guidelines for working with the voluntary sector, known as the Compact, although reissued it in a simplified form. Various programmes of support for the sector existed under the previous Government and support programmes continue, albeit in a different form, including:

- Big Society Capital, launched in April 2012, which has £600m available to pay out as loans to social enterprises and charities.
- The £100m Transition Fund for voluntary and community organisations experiencing hardship.
- The £30m Transforming Local Infrastructure Fund to improve local support.

4.5 The biggest single contextual factor impacting on the opening up of public services has been the spending cuts to public services, including those delivered by the voluntary sector, as a result of the Government's austerity programme. As Section 6 shows, the decision to 'front-load' cuts to local authorities seems to have resulted in a particularly severe impact on the voluntary sector receiving statutory grants from this source, with cuts being especially high in some areas, such as Nottinghamshire and Liverpool. In 2011, the Government issued Best Practice guidance stressing that the voluntary sector should not be cut disproportionately and that contracts should take into account 'social value.' However, it is unclear whether this guidance will be effective in changing practice, although the early signs are not positive.

Assessment against the indicators

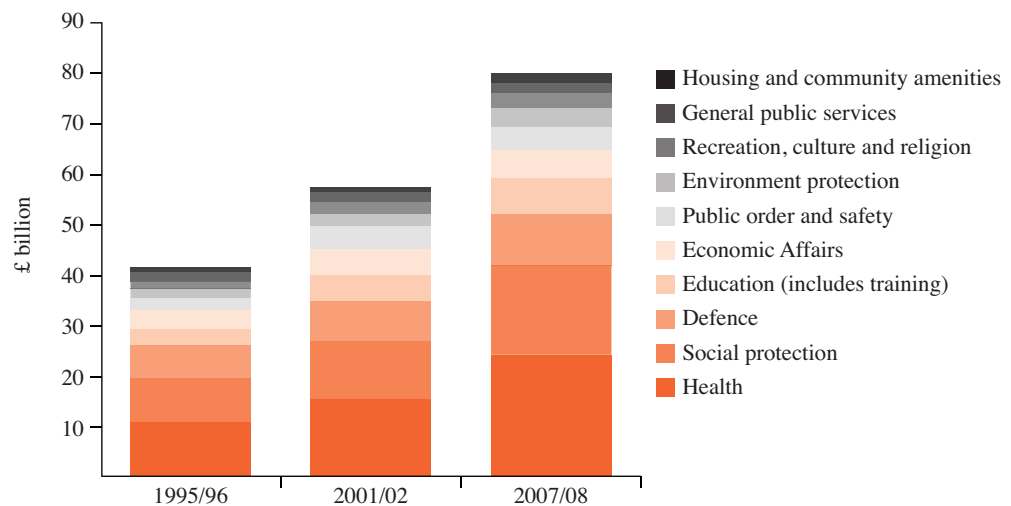
4.6 The following sets out the available information against the seven indicators identified above.

1. Diversification of delivery, including through voluntary and community sector groups; new structures; public service employees forming new social enterprises and co-operatives; and effective consortia between the private and voluntary sectors

Key points: The UK already has one of the largest public service industries in the world, and the proportion of charities and social enterprises delivering public services has grown dramatically. However the private sector appears to have been the main beneficiary with the voluntary sector holding only a small proportion of central and local government contracts. Spin outs from the public sector are a relatively new development and are already having an impact in the NHS and the number of Academies in the education system is increasing.

- The UK already has one of the most developed and largest public service industries (PSI) (which includes all contracted out services and not just services direct to the public) in the world after years of growth, particularly in sectors like education and health. In 2007-08 turnover of PSI was £79 billion, 5.7 per cent of GDP, compared to six per cent in Sweden and Australia and nearly double that of France and Spain.¹¹⁵

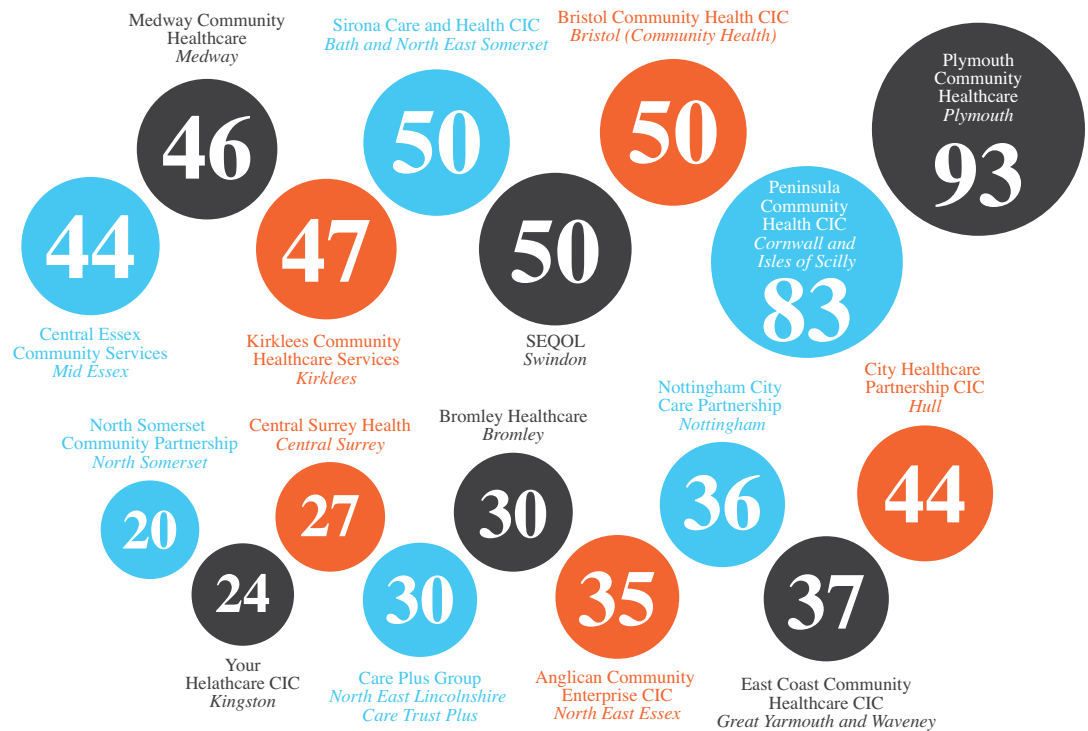
Figure 16: Growth in the sectors that make up Public Service Industries (2007-08 prices)



Source: Oxford Economics:PESA

- The proportion of charities and social enterprises which said they deliver public services increased from 20 per cent in 2008 to 31 per cent in late 2010.¹¹⁶
- In 2009/10 the voluntary sector held only 5.3 per cent of the value of central government contracts and 8.8 per cent of local government's.¹¹⁷
- The voluntary sector represents a significant percentage share of the UK workforce in a number of key public service delivery areas: 29% of "social work without accommodation" and 16% of the residential care activities workforce.¹¹⁸ In the decade to 2010, the share of dwellings in the social rented sector controlled by housing associations rose from less than a third to over a half.¹¹⁹
- The number of academies rose from three in 2002 to 200 in 2009, 1,776 in April 2012,¹²⁰ with 24 Free Schools opened in September 2011.¹²¹
- Social enterprises formed by former NHS staff through the Right to Request programme are estimated to be worth £886 million by 2012.¹²²
- For information on consortia between the voluntary and private sectors, see indicator 4.

Figure 17: Estimated annual turnover of the largest “Right to Request” NHS spin outs, 2011 (£ millions)¹²³



Note: Spin-out predates the Right to Request programme

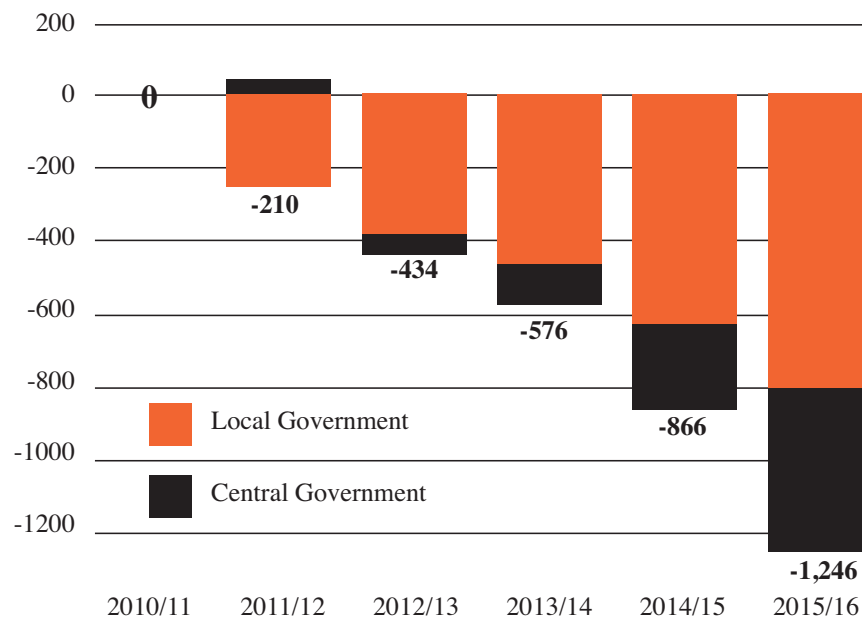
- The Mutuels Taskforce hopes that 1 in 6 public servants will form mutuels and social enterprises by 2015.¹²⁴ The first central Government mutual was launched in April 2012, MyCSP Ltd, which gives employees a 25 per cent ownership stake.
- According to one source, the number of mutuels in the UK declined from 19,657 in 2009 to 18,015 in 2011, with co-operatives falling from 4,630 in 2009 to 3,339 in 2011.¹²⁵ However, another source shows the number of cooperatives to be increasing.¹²⁶ 22 Pathfinder mutuels have been identified by this Government to date and according to the Cabinet Office by December 2011, seven were operational.¹²⁷
- The number of jobs in the mutuels sector rose to over a million in 2011, due largely to the 20 per cent increase in the number of people employed by NHS Foundation Trusts, which accounted for 481,060 jobs in 2011.¹²⁸
- Total income for the mutuels sector increased from just over 98 billion in 2009, to almost 112 billion in 2011 – due again, in large part, to increased revenue for NHS Foundation Trusts.¹²⁹

2. Civil society has access to funding to take advantage of opportunities

Key points: This is a major problem area for the Big Society. The funding of the voluntary sector is looking increasingly precarious as a result of projected cuts in funding from central and particularly local authority funding, the scale of which dwarfs funding through Government initiatives such as Big Society Capital and the Transition Fund. The sector seems to have recently suffered disproportionate job losses, compared to the public sector, and experienced a fall in reserves. Even before the cuts took effect, there was significant dissatisfaction with national and local statutory funding arrangements.

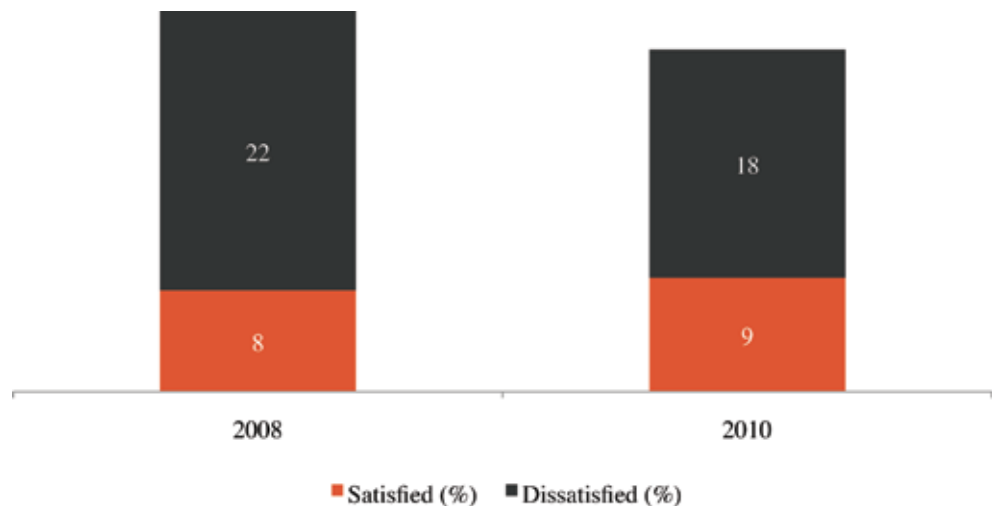
- It is estimated that statutory cuts to the voluntary sector will amount to nearly £3.3 billion between 2011 and 2016, as shown in Figure 18 below.¹³⁰

Figure 18: Estimated change in government spending on the sector (£m)



- It is estimated that 42 per cent of charities, excluding grant-making foundations and research bodies, do not hold any free reserves, with reserves now more than £4 billion lower than in 2000-01. Over the last decade there has been a much greater growth in expenditure of 41 per cent compared to an increase in income of 36 per cent.¹³¹
- The Community Matters' 2011 survey of community organisations' resources showed their income was down by 18 per cent and reserves were down by 29 per cent, whilst demand for services rose.¹³²
- Among those organisations that do have a funding relationship with one or more local statutory bodies or national government, a clear and consistent pattern of dissatisfaction is evident with almost every aspect of the current system of funding; and this has changed little in recent years.¹³³

Figure 19: Overall satisfaction among voluntary sector organisations with national statutory funding arrangements.¹³⁴



3. More accountable public services which respond more effectively to user needs and deliver fair access to lower income and disadvantaged groups

Key points: Generally, there has been a marked improvement in public confidence in major public services and a marked decline in the proportion of ethnic and religious groups who experienced or feared discrimination in how they were treated by public services although there are still grounds for concern. Further introduction of competition in the NHS by the Coalition has proved very controversial. Information on the quality of service, including the responsiveness of contracted out public services, is very patchy.

- Confidence in major public services has been growing and is high:
 - o In 1996, around a half (56 per cent) thought schools taught basic skills well, rising to nearly three quarters (73 per cent) by 2008.¹³⁵
 - o In 2011, 70 per cent of people were satisfied with the NHS overall, the highest level ever recorded, up from 34 per cent in 1997 (its lowest point).¹³⁶
- 52 per cent of the public said the legislation reforming the NHS, including creating more competition, should be scrapped, compared to 33 per cent who thought it should go ahead.¹³⁷
- Information on the quality of services that have been contracted out is limited but cost savings from competitive tendering are estimated to be between 10 per cent to 30 per cent.¹³⁸ Minimum standards were met for care homes for older people by 88 per cent of voluntary sector run homes, 85 per cent of council homes and 81 per cent of private sector homes in 2008.¹³⁹

- Perceptions of treatment by public services varies by ethnic and religious group:
 - o 2009-10, Black Caribbean people were more likely than white people to feel that public service organisations would treat them differently to other races (better or worse) (37 per cent as against 22 per cent) but the overall proportion of people who felt this way fell from 55 per cent to 35 per cent between 2003 and 2009-10.¹⁴⁰
 - o 10 per cent of Muslim respondents and five per cent of Sikh people reported religious discrimination by public services organisations.¹⁴¹
 - o The services most likely to be regarded as discriminatory on race were social housing (22 per cent) and criminal justice (17 per cent).¹⁴²

4. Effective partnerships in delivering services

Key points: Successive governments have been establishing partnerships with the private and voluntary sectors and encouraging new partnerships between sectors to deliver public services. The voluntary sector is dissatisfied with how Government works with it, as well as with how it is involved in government decision making and funding arrangements (see other indicators). The recent tendering for the Work Programme has led to a range of concerns about partnership arrangements.

- 7 in 10 of voluntary sector Chief Executives polled by ACEVO disagreed or strongly disagreed that “the Government respects and values the voluntary sector as a partner.”¹⁴³
- The tendering for the flagship Work Programme has cast doubt on the Government’s commitment to working with the voluntary sector and on the effectiveness of safeguards to protect sub-contracting arrangements between the private and voluntary sectors:
 - o Just two of the 18 organisations to be awarded prime contracts in the tender for the Work Programme in 2011 were from the voluntary sector, one of which was in an alliance with the private sector. Prime contractors had to have a minimum annual turnover of £20m: a requirement that many voluntary organisations are too small to meet. Likewise, payment by results requires large reserves not held by most voluntary organisations.
 - o Francis Maude, the Minister for the Cabinet Office, estimated that 35-40 per cent of the Work Programme would be delivered by the voluntary sector but it is estimated independently that only 19.4 per cent of value is with the sector.¹⁴⁴
 - o 34 per cent of voluntary organisations involved as subcontractors in the Work Programme did not feel that the information contained in the prime contracts was consistent with their own understanding of the role that they were expected to play; and 18 per cent suspected that the prime contractor had ‘cushioned’ the pay arrangements for themselves, in order to benefit the prime contractor.¹⁴⁵

5. Accessibility of commissioning and procurement to the voluntary sector and removal of entry barriers

Key points: This is an ‘Achilles heel’ for both the current and the previous government, with widespread concerns about barriers to entry for the voluntary sector, particularly for smaller and community based organisations.

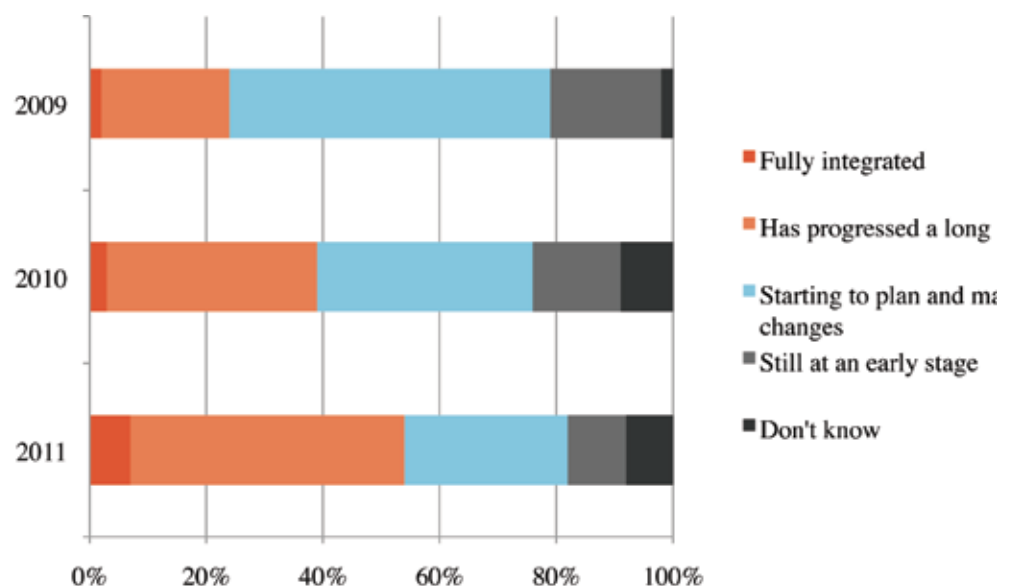
- 82 per cent of government commissioners of public services thought procurement processes were difficult for voluntary organisations to get to grips with, and there was widespread dissatisfaction expressed by the voluntary sector.¹⁴⁶
- A survey of community groups in deprived areas found that 57 per cent of respondents thought commissioning processes to be very or fairly ineffective, with concerns about prohibitive contract sizes, limited subcontracting potential, overly tight timescales and bureaucracy.¹⁴⁷

6. Decentralisation of control to the lowest appropriate level through community and personal budgets

Key points: Recent attempts to decentralise control have received largely positive evaluation. However, it is early days.

- Local authorities are making progress towards the implementation of personal budgets for public services but the pace of change is slow, and well over a third are yet to advance beyond the early stages of the process.¹⁴⁸

Figure 20: How far has your local authority / organisation progressed towards personalisation?¹⁴⁹



- Results from the National Personal Budget Survey, 2011 were very positive; although additional comments left by respondents who had personal experience of personal budgeting – whether as budget holders or carers – were critical of some aspects of the processes involved.¹⁵⁰
- Evaluation in 2010 of the Total Place initiative under the last Government, which took place in 63 local authorities, suggested that giving local freedoms to allow local collaboration and pooling of budgets did help lead to better services and better value for money.¹⁵¹ The initiative has been replaced by piloting of community and neighbourhood budgets, with a narrower focus on troubled families.

7. Civil society involved in designing services

Key points: There have been experiments to involve individuals and local stakeholders in spending decisions; but this is generally an area where more needs to be done to involve civil society, which has raised concerns about poor levels of engagement by central and local government.

- In 2010, a survey suggests that voluntary organisations and social enterprises did not feel sufficiently involved in decisions by local authorities – see community engagement, influence of voluntary sector above.¹⁵²
- An evaluation of Participatory Budgeting, introduced by the last Government to involve local people in making decisions on spending priorities, was largely positive.¹⁵³

Opening up Public Services: the ‘vital statistics’

4.7 Looking at these results against the Government’s own criteria for success, the following picture emerges, as shown in Figure 21 below.

Figure 21.

Vital statistics on Opening Up Public services	
<p>New ways of delivering public services are opening up:</p> <ul style="list-style-type: none"> • The number of academies rose from three in 2002 to 200 in 2009 and 1,776 in April 2012,²⁷ with 24 Free Schools opened in September 2011.²⁸ • Social enterprises formed by former NHS staff through the Right to Request programme are estimated to be worth £886 million by 2012.²⁹ 	<p>The goal of opening up public services further is proving controversial in some areas of Government policy making: 52 per cent of the public said the legislation reforming the NHS, including creating more competition, should be scrapped, compared to 33 per cent who thought it should go ahead.⁴⁰</p>
<p>The UK already has one of the most developed and largest public service industries in the world, after years of growth, particularly in areas like education and health:</p> <ul style="list-style-type: none"> • In 2007-08, turnover of public service industries was 5.7 per cent of GDP - nearly double that of France and Spain.³⁰ • In 2009/10 the voluntary sector held 5.3 per cent of the value of central government contracts and 8.8 per cent of local government’s.³¹ 	<p>The voluntary sector’s financial situation is looking increasingly precarious:</p> <ul style="list-style-type: none"> • there is a projected income gap for the sector due to an estimated £3.3 billion of cuts in statutory funding between 2010 and 2016.⁴¹ • It is estimated that 42 per cent of “operating” charities do not hold any free reserves now, with expenses increasing relative to income.⁴²
<p>Estimates for cost savings from competitive tendering were put at between 10 per cent to 30 per cent in 2008.³²</p>	<p>The system of public sector commissioning seems geared toward the private sector. ‘Entry barriers’ for the voluntary sector in delivering public services are getting worse as new ‘payment by results’ (PBR) contracts are introduced and PBR is being extended to other areas:</p> <ul style="list-style-type: none"> • 90 per cent of prime contracts in the Work Programme let in 2011 went to the private sector, with an estimated 20 per cent of the value of contracts going to the voluntary sector, mainly through sub-contracting, despite estimates in advance by Francis Maude that they would get 35-40 per cent.⁴³ • In 2009, over 80 per cent of government commissioners of public services thought procurement processes were difficult for voluntary organisations to get to grips with.⁴⁴
<p>Confidence in main public services has grown and is high:</p> <ul style="list-style-type: none"> • 70 per cent of people were satisfied with the NHS in 2011, compared to 34 per cent in 1997.³³ • Nearly three quarters of people thought schools taught basic skills well in 2008, compared to around half in 1996.³⁴ 	

5.

Social Action

“The success of the Big Society will depend on the daily decisions of millions of people – on them giving their time, effort, even money, to causes around them.

“So government cannot remain neutral on that – it must foster and support a new culture of voluntarism, philanthropy, social action.”

Speech by David Cameron, 2010¹⁵⁴

“We want to make it easier to be involved in voluntary and community activity.”

Labour Government White Paper, 2008¹⁵⁵

People giving time money and other resources in their communities

5.1 The third pillar of the Big Society is ‘Social Action’ defined by the Government as “people being and being encouraged to be more involved in their communities through giving time, money and other resources.”¹⁵⁶

Key indicators

5.2 Based on Government statements, the key indicators relating to social action are:

1. Increased volunteering amongst existing groups, from currently underrepresented groups, and through corporate volunteering.
2. Increased giving by the private sector and individuals to civil society.
3. More community organisers.
4. As one indicator of increased social action and responsibility, an increase in adoption.

Initiatives and policies

5.3 A wide range and number of policies have been launched by the Government to promote activity in this area. These include:

- The National Citizen Service, providing a summer programme for 16 year olds.
- The Community Organisers programme to develop new community organisers on the ground, together with Community First, which provides government funding and promotes endowment funding to help stimulate grass roots activity.
- Business Connectors, which is being developed by Business in the Community to connect local businesses through secondment to communities to tackle social issues in local areas.
- Volunteering and Time Banking, where volunteers ‘deposit’ volunteering time in a timebank and can ‘withdraw’ equivalent support in time when they themselves are in need.
- A Social Action Fund to support the scaling up of proven models of giving in some key target areas such as people at or approaching retirement age or National Citizen Service graduates.
- Changing inheritance tax incentives and simplifying Gift Aid, and an increasing emphasis on promoting social investment, including social impact bonds, with the Big Society Capital being launched in April 2012.

5.4 As with the other pillars of the Big Society, the current Government is walking in the footsteps of the previous administration, which also had an active programme to stimulate social action, from volunteering and giving to stimulating community action through its Grass Roots programme, which closely resembles Community First. Charitable giving has been particularly actively promoted by successive governments since the 1980s through new tax incentives such as the payroll giving scheme 1988, Gift Aid tax relief 1990, with substantial enhancements in 2001, as well as legal reforms (Charities Act 2006), and awareness-raising, for example, the Giving Campaign in 2001-04. Much of this activity is reflected in the facts table below.

5.5 The first challenge for the Government will be to stimulate sufficient social action simply to replace the income lost through cuts in statutory funding to the sector identified in section four, let alone increasing activity overall. Some new tax and other Government initiatives,

such as social investment, may bring in new private income. However, the UK already has the 2nd highest proportion of people donating in the world and, on the evidence of the past, there must be some doubt that private donations will increase to fill this gap entirely. There will also be a significant time lag before any new support arrives, putting a critical part of Big Society infrastructure at risk. The recent announcement in the Budget to cap tax relief on philanthropy has also caused concern about the impact on giving by major donors.

Assessment against the indicators

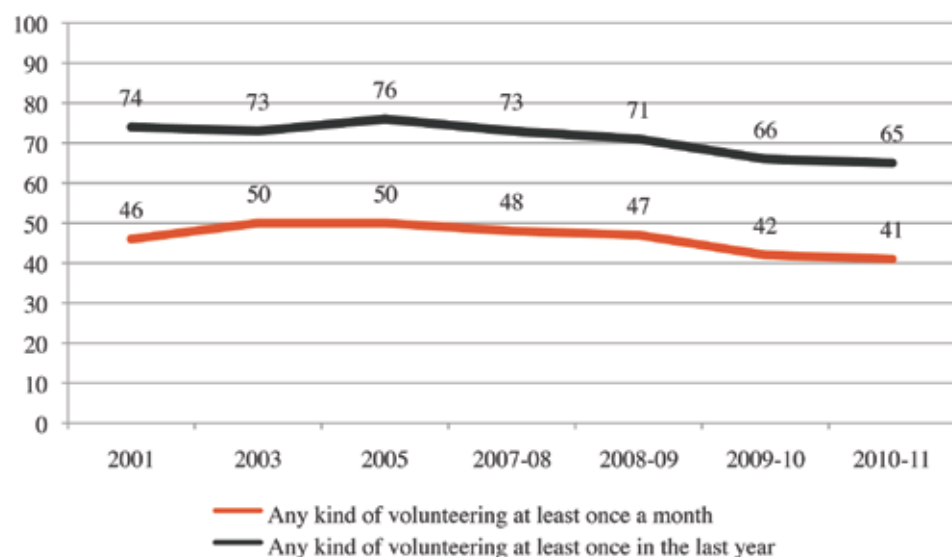
5.6 The following looks at information on the four indicators identified to provide an assessment.

1. Increased volunteering amongst existing groups, from currently underrepresented groups, and through corporate volunteering

Key points: Levels of volunteering are relatively low compared to other developed countries and have been falling though surveys suggest there is potential to increase this. Volunteering is currently concentrated on a small 'civic core.'

- The UK was placed 21st out of 110 countries in its levels of volunteering.¹⁵⁷
- In 2010-11, 65 per cent of people said they had volunteered in some capacity at least once in the last year. This compared with 76 per cent in 2005, though levels now appear to be stabilising.¹⁵⁸

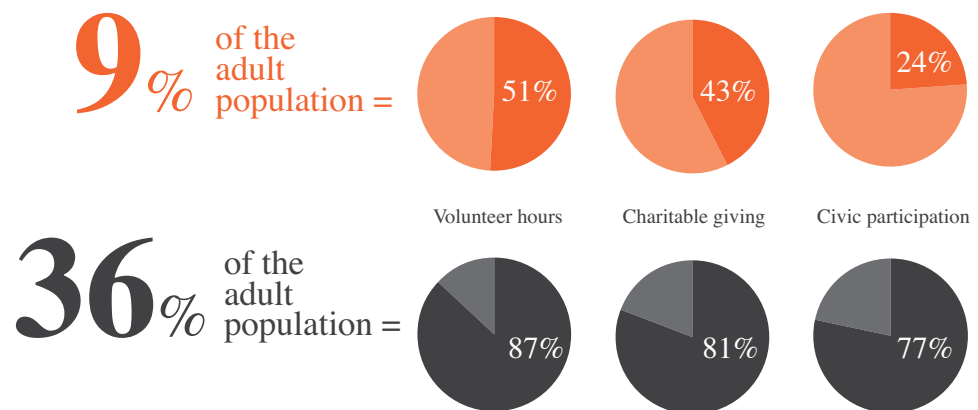
Figure 22: Self-reported frequency of volunteering, 2001 to 2010-11¹⁵⁹



- The estimated value of output by volunteers is £23.1 billion, according to the latest figures.¹⁶⁰
- Just over half of respondents to the Helping Out survey said their employer did not offer a giving or volunteering scheme, with 57 per cent of employees in the private sector saying this was the case.¹⁶¹

- Just over a third (36 per cent) of the adult population provide nearly nine-tenths (87 per cent) of volunteer hours, just over four-fifths (81 per cent) of the amount given to charity, and just over three-quarters (77 per cent) of participation in different civic associations. The contribution of the primary core to volunteering is particularly striking with nine per cent of the adult population accounting for 51 per cent of all volunteer hours which highlights the significant level of involvement of a committed few.¹⁶² This is illustrated by Figure 23 below from the NCVO's 2012 Almanac.

Figure 23.



- There is a potential army of 14 per cent of people in Great Britain who are most likely to be “willing localists,” according to the Hansard Society’s Audit of Political Engagement, but who are not currently engaged in community or socio-economic activities.¹⁶³

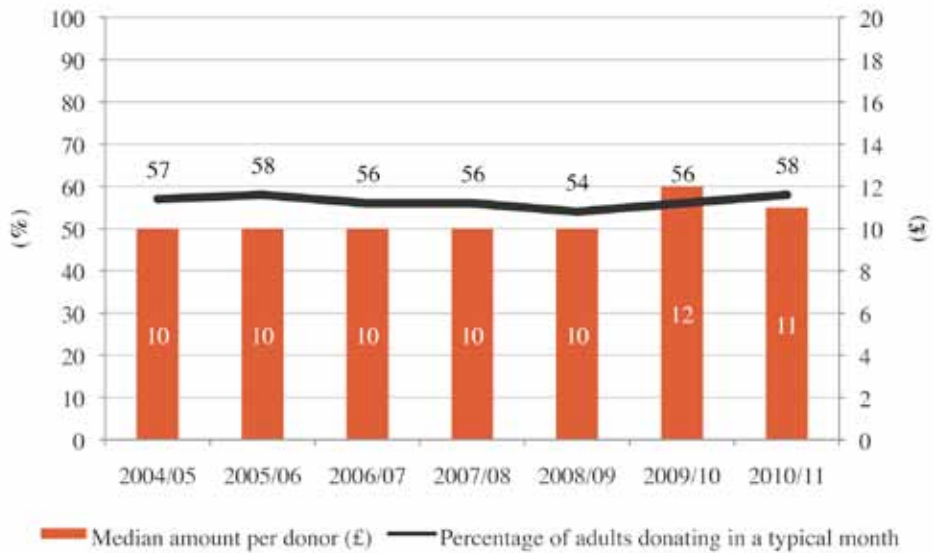
2. Increased giving by private sector and by individuals

Key points: Current initiatives to increase donations and social investment look unlikely to be sufficient to fill the estimated £3.3 billion income gap left by the withdrawal of statutory funding from the voluntary sector. Giving from all sources provides one third of the voluntary sector’s income, with individuals being particularly generous, and medical, children and overseas causes being particularly popular. Despite efforts by the previous Government to increase giving from individuals and the private sector, the pattern over many years has remained reasonably constant, though individual giving fell back in the recession and has not fully recovered in real terms. Individual donations of more than a million pounds appear to have also been falling. The recent announcement of a cap on tax relief for philanthropic giving has raised concerns about the potential impact on large donations.

Individual giving

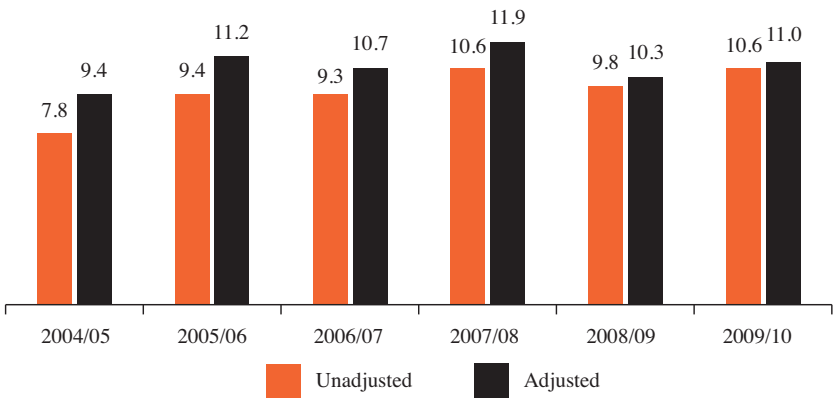
- The UK had the second highest percentage of people who had donated to charity in the last month in a 2010 Survey of 110 countries.¹⁶⁴
- Income from individuals was the largest source of income for the voluntary sector in 2009-10 at £14.3 billion, slightly higher than £13.9 billion from statutory sources.¹⁶⁵
- Nearly 30 million adults, around 60 per cent of the population, donated to charitable causes in a typical month in 2010-11.¹⁶⁶

Figure 24: Percentage of adults giving to charity in a typical month and the median amount given per donor, 2004/05 to 2010/11¹⁶⁷



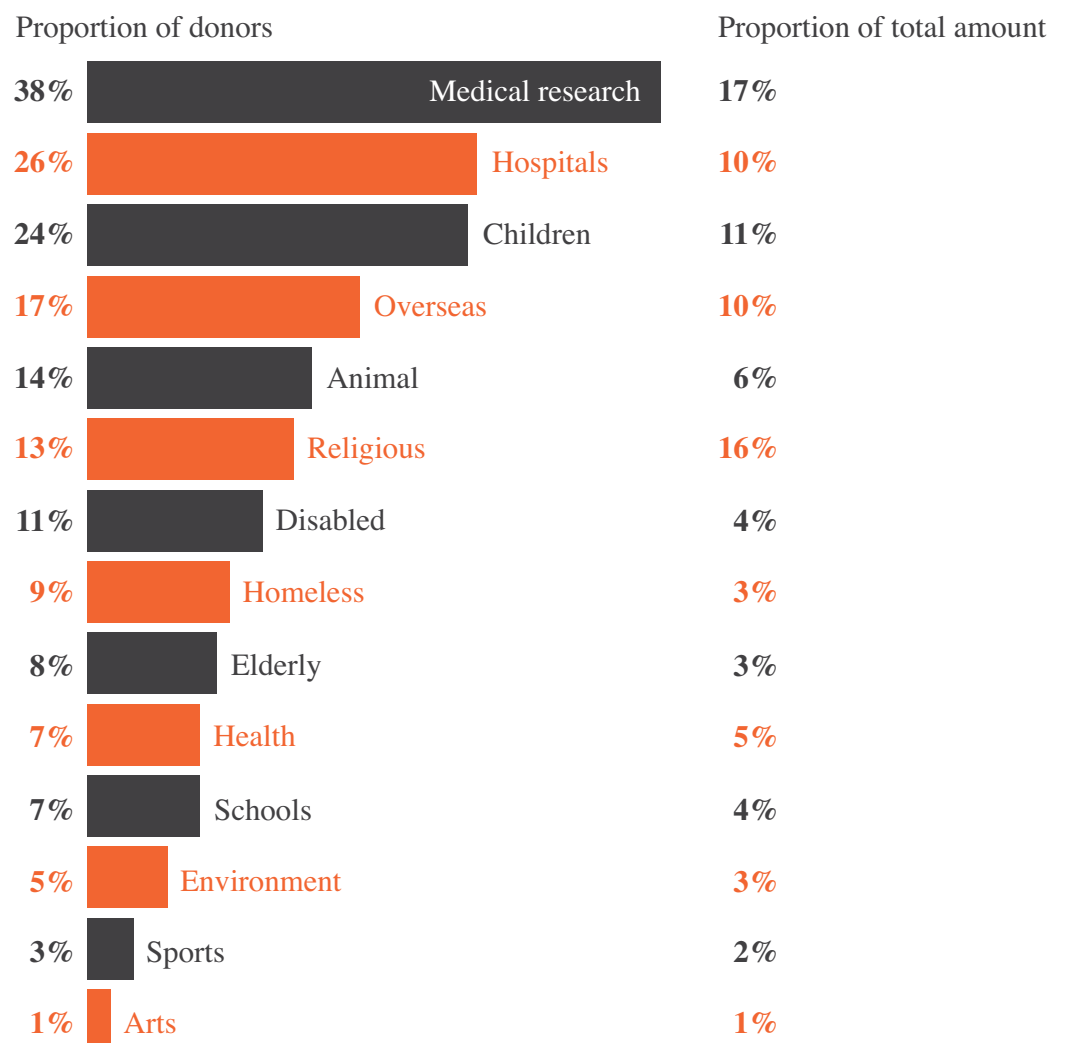
- Despite an overall rise in the total amount donated by individuals in the UK in 2011, in real terms the amount has not yet recovered to pre-recession levels, illustrated by Figure 25 below.¹⁶⁸

Figure 25. Estimated total amount given by individuals (£ billions)



- Donations from legacies fell back in 2008-09 but saw a slight recovery in 2010, standing at 1.8 billion. Legacy Foresight believes real legacy incomes will grow by less than one per cent over the next four years.¹⁶⁹
- In 2010-11, Medical causes took the greatest share of donations, accounting for 17 per cent, and religious causes took 16 per cent. Hospitals, children and young people and overseas causes all took around 10 per cent each, as illustrated by Figure 26 below.¹⁷⁰

Figure 26.



Company and private donations

- In 2000-01, funding from the private sector amounted to £1.5 billion; while in 2009-10, it accounted for £1.6 billion.¹⁷¹
- There are over 800 corporate members of Business in the Community which works to help transform communities by tackling issues where business can make a difference.
- The social investment market remains relatively small at around £200m in the UK in 2010 but the final report of the Social Investment Task Force saw potential for it to grow to around £10 billion in new finance capacity.¹⁷²

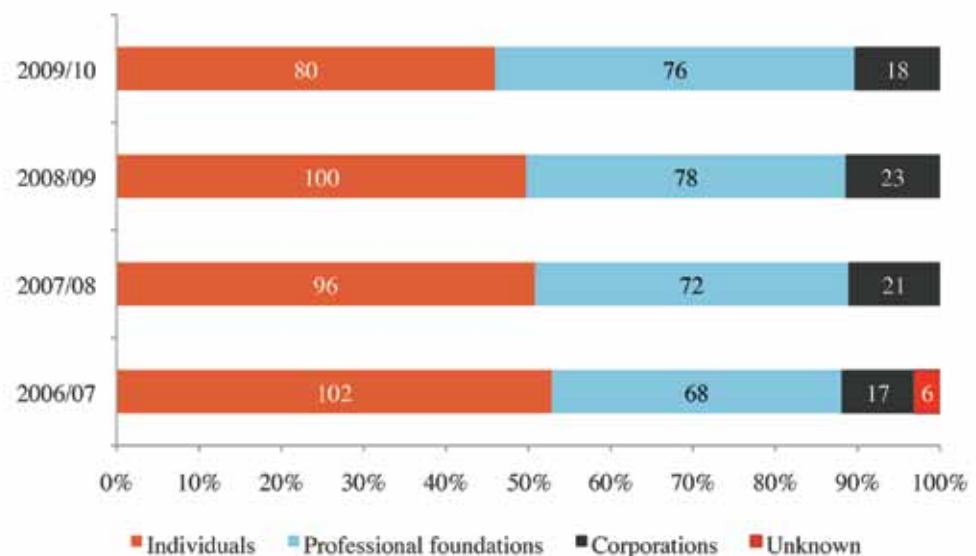
Large donations

- Although reliable figures are hard to collect, Coutts also reports that the total amount of donations over a million pounds, including from corporations and foundations, had fallen from £1.6 billion in 2006-07 to £1.3 billion in 2009-10 as shown in Figure 27 below.¹⁷³

Figure 27: The total value of all charitable donations worth £1m or more compared to the total annual bonus payout to workers in the City of London

	Total value of all donations worth £1m or more (£bn)	Total city bonus payout (£bn) (subject to tax)
2006/07	1.618	11.383
2007/08	1.405	11.565
2008/09	1.548	5.332
2009/10	1.312	7.336

Figure 28: The sources of donations worth a million pound or more, 2006/07 to 2009/10¹⁷⁴



- Money is often channelled through charitable foundations and the higher education sector is the most popular cause for funds coming from this source.¹⁷⁵

Community organisers

Key points: The Audit was unable to identify information on the number of community organisers but surveys suggest that most are funded by government and this will continue with the new programme.

- A programme to train 5,000 community organisers is being put in place. The current cadre of community organisers is mostly funded through statutory sources and they report that the greatest barriers to their work are a lack of funding, political interference and policy agendas, and short term contracts.¹⁷⁶

Adoption

Key points: Adoption may be one indicator of social action, according to Government. Numbers of children adopted are at a ten year low.

- 4,472 children were adopted in England and Wales 2010, a ten year low.¹⁷⁷

Social Action: the ‘vital statistics’

5.7 Looking at this overall the following picture emerges, as shown in Figure 29 below.

Figure 29.

Vital statistics on Social Action	
UK is 2nd out of 110 countries for the proportion of its population that gave to charity in any previous month. ³⁵	There seems limited scope to fill the gap in statutory funding identified above through increased giving: <ul style="list-style-type: none"> • Levels of giving in the UK are already at high levels by international comparisons.⁴⁵
Income from individuals was the largest source of income for the voluntary sector in 2009-10 at over £14 billion; ³⁶ and around 60 per cent of the adult population donated to charity in the last month. ³⁷	Volunteering has been falling: <ul style="list-style-type: none"> • In 2010-11, 65 per cent of people said they had volunteered in some capacity at least once in the last year. This compared with 76 per cent in 2005.⁴⁶
Ways are being sought to bring in new social investment for the voluntary sector through social impact bonds.	<ul style="list-style-type: none"> • The UK was placed 21st out of 110 countries in its levels of volunteering in the previous month.⁴⁷
Business is already giving £1.55 billion to voluntary organisations. ³⁸ There are over 800 corporate members of Business in the Community, which works to help transform communities by tackling issues where business can make a difference. ³⁹	

6.

The Big Society gap

“..whatever the arguments, we all belong to the same society, and we all have a stake in making it better. There is no ‘them’ and ‘us’ – there is us. We are all in this together, and we will mend our broken society – together.”

David Cameron, 2011¹⁷⁸

The global statistics conceal striking differences between different communities and people

6.1 The previous sections looked at the national picture against the three pillars. However, these global statistics conceal a striking ‘Big Society Gap’ between the most advantaged and disadvantaged communities, north and south and rural and urban areas, looking at indicators against the three pillars. The gap also exists between different kinds of individuals. For example, younger people feel less sense of belonging and trust. Although a sense of belonging to the community is strongest in some ethnic minority groups, ethnic minorities are significantly more likely to feel people cannot be trusted in their neighbourhood.

6.2 Some vital statistics are explored below under each of the three “pillars.”

Community Empowerment

6.3 Empowering communities is likely to present a greater challenge in disadvantaged communities and urban areas:

- Members of social classes A and B are twice as likely to have signed a petition as members of social classes D and E.¹⁷⁹
- Between the most deprived and least deprived areas, there is a difference of over 20 percentage points in the proportion of people who say that people from different backgrounds get on well together.¹⁸⁰
- 89 per cent of people from rural areas agreed that their area was one where people from different backgrounds get on well together compared to 82 per cent in urban areas.¹⁸¹
- Regionally, there are variations between the proportion of people in London and the South East who say that people from different backgrounds get on well together (87/86 per cent) compared to the North West, Yorkshire and Humberside and the West Midlands (81 per cent).¹⁸²
- A sense of belonging to the community was least strong amongst those under 35 and stronger in older age groups.¹⁸³
- A strong sense of belonging to their local neighbourhood is greater amongst the economically inactive (over 80 per cent) and those employed (around 75 per cent) than amongst the unemployed (less than 70 per cent). There are significant variations by ethnic group.¹⁸⁴

Figure 30: Percentage that report a ‘strong’ sense of belonging to their local neighbourhood, by ethnicity.¹⁸⁵

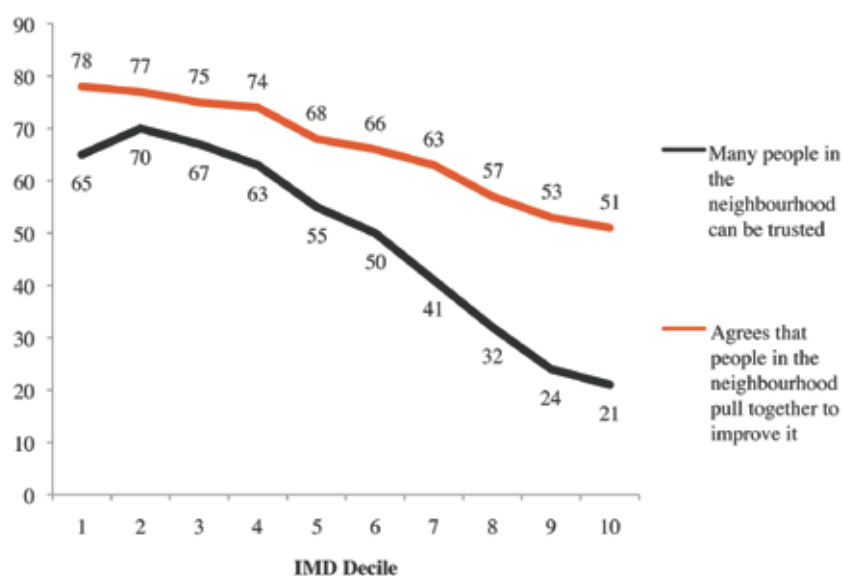
Ethnicity	Percentage who feel ‘strong’ sense of belonging to their local neighbourhood
Pakistani	85
Bangladeshi	83
Indian	82
Black Caribbean	78
White	77
Other Black	72
Black African	71
Other	70
Other Asian	68
Mixed Race	68
Chinese	60

Note: Survey results exclude those answered ‘don’t know’ or did not leave an answer.

6.4 There are also significant variations in indicators of trust and pulling together between poorer and richer, rural and urban parts of the UK, younger and older people and individuals from different ethnic minority backgrounds:

- Between the most deprived and least deprived areas, there is a difference of 27 percentage points in the proportion of people who say that people in the neighbourhood pull together to improve it; and a difference of over 40 percentage points in those who say many people can be trusted in the neighbourhood, as shown in Figure 31 below.

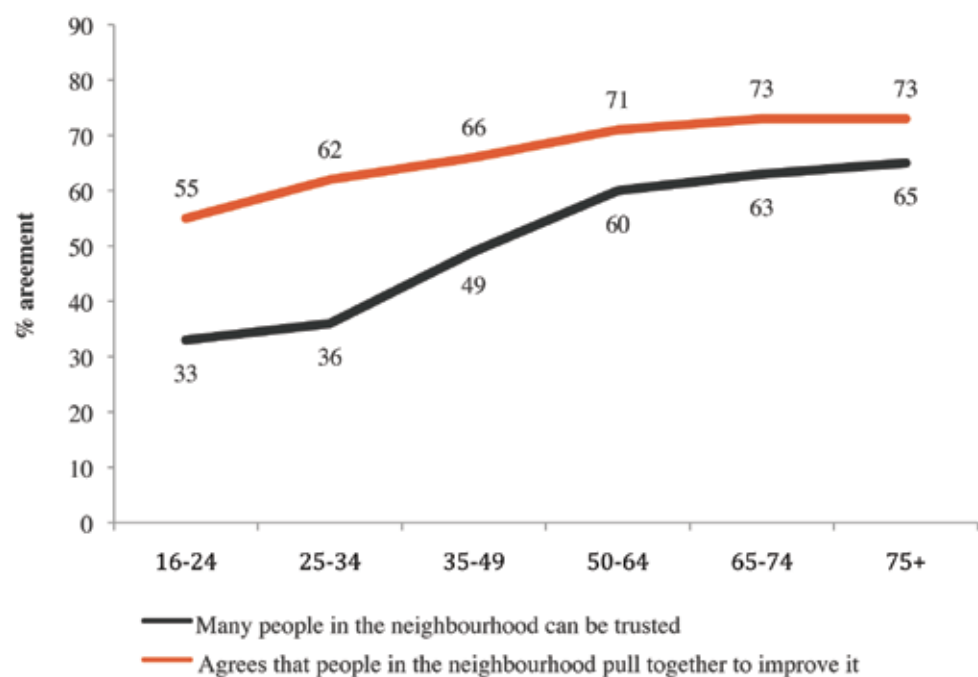
Figure 31: Views on the neighbourhood, by Index of Multiple Deprivation Score.¹⁸⁶



Note: Figures exclude those who answered ‘don’t know’ and those with missing answers. Deprivation data sourced from IMD 2007.

- There is a difference of around 30 percentage points between people under 35 and those over 65 who say that many people in their neighbourhood can be trusted; and young people are far less likely to agree that people in their neighbourhood pull together to improve it, as shown in Figure 32 below.

Figure 32: Views on the local neighbourhood, by age.¹⁸⁷



Note: Figures exclude those who answered 'don't know' and those with missing answers.

- 52 per cent of white respondents thought that “many people in the neighbourhood can be trusted” but only 27 per cent of respondents from ethnic minority backgrounds thought the same. Only 44 per cent of people from urban areas agreed with this statement compared to 71 per cent in rural areas.¹⁸⁸
- 63 per cent of respondents from urban areas reported that “people in the neighbourhood pull together to improve it”, 81 per cent in rural areas.¹⁸⁹

Cuts to services in disadvantaged areas are of particular concern

Public Services

6.5 The income gap resulting from cuts in statutory funding identified for the voluntary sector is likely to be particularly great for voluntary bodies working in disadvantaged communities with disadvantaged client groups:

- Deprived areas have a much higher proportion of publicly funded voluntary organisations than less deprived areas and funding, where received, is more likely to be important to them. For example, statutory funding was the most important source for 30 per cent of organisations in Knowsley and Nottingham, against a national average of 13 per cent.¹⁹⁰ Those working in higher areas of deprivation complain more frequently of lack of income, paid staff and financial reserves.¹⁹¹
- A Joseph Rowntree Foundation report, *Serving Deprived Communities in a Recession*, January 2012 looked at 25 local authorities finding greater cuts (in both proportionate and absolute terms) in local authorities with the most deprived communities, compared with the most affluent and concluding that the impact on deprived people was likely to be the greatest.¹⁹²
- Voluntary sector organisations working with certain client groups are twice as likely than the average to deliver public services, with over 60 per cent of organisations delivering services working with homeless people, people with addiction problems, socially excluded/vulnerable people and parents and carers now delivering public services.¹⁹³

Which client groups are most affected?

6.6 Data from the 2010 National Survey of Charities and Social Enterprises identifies the client groups of voluntary sector organisations where public sector funding is identified as the most important for their success. These are the client groups most affected:¹⁹⁴

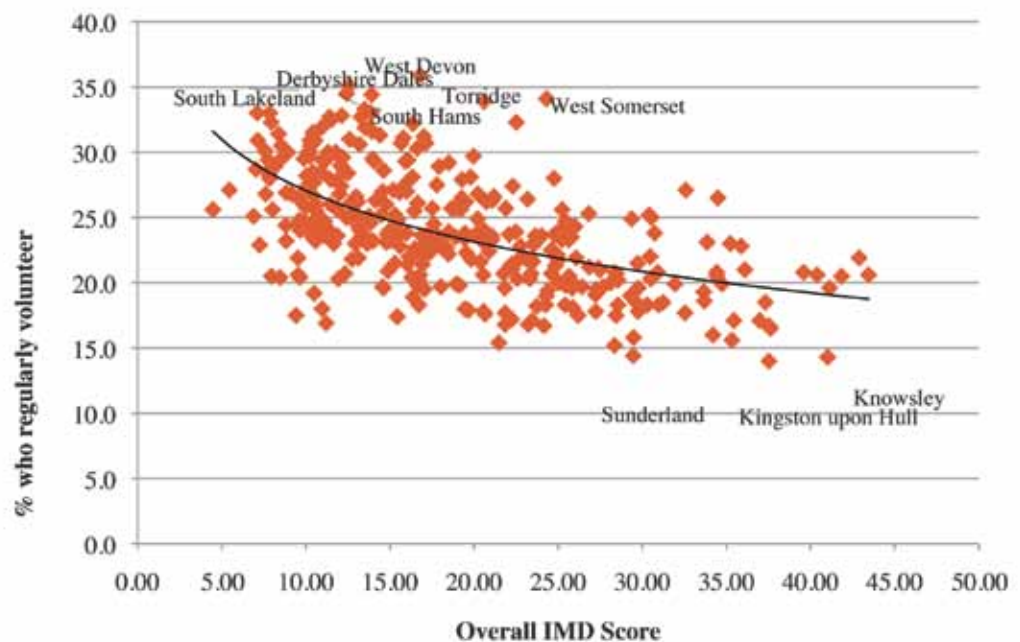
- Socially excluded/vulnerable people
- Offenders
- People with mental health needs
- Parents and carers
- People with substance misuse problems
- Lesbian, gay, bisexual or transgender people
- People with learning difficulties
- Homeless people
- Victims of crime and their families
- Asylum seekers.

Social Action

6.7 The challenge for the Big Society will be to extend social action to a younger population across all socio economic groups:

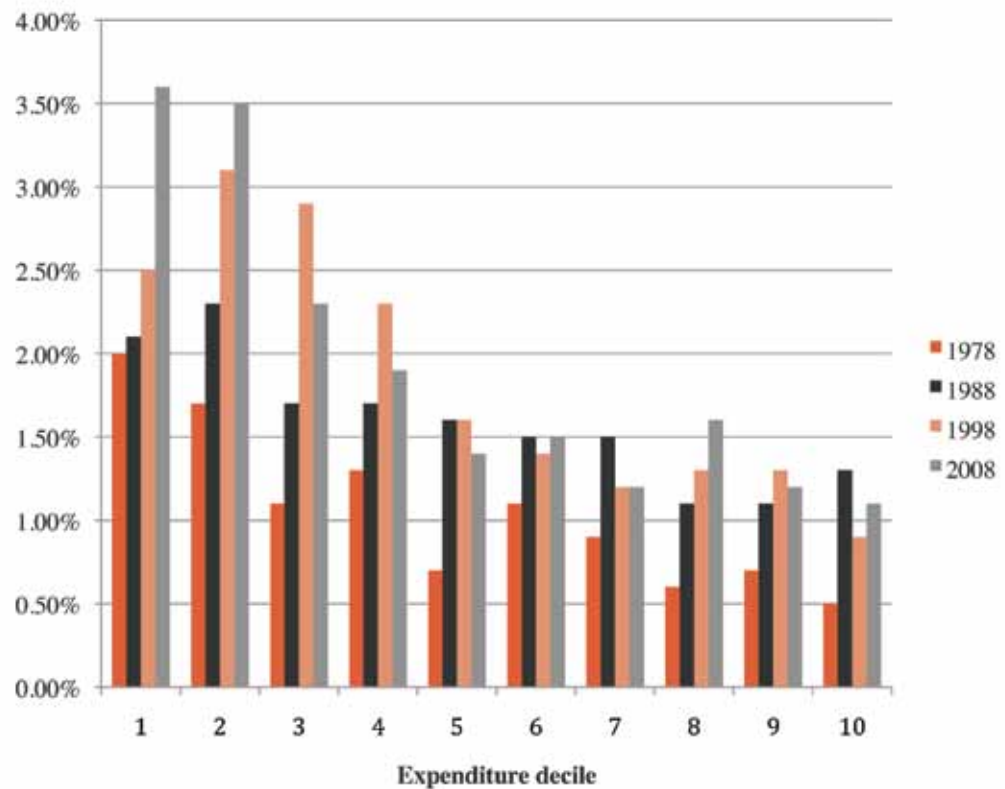
- Nearly 50 per cent of people volunteer in the South West, compared to nearly 30 per cent in the North East,¹⁹⁵ and there is a clear association between low levels of deprivation and volunteering, as shown below:

Figure 33: Overall Index of Multiple Deprivation scores and volunteering rates of English local authorities compared.¹⁹⁶



- In terms of demographics, people in the 'civic core' of those who provide the majority of volunteering are more likely to be middle-aged, have higher education qualifications, actively practise their religion, be in managerial and professional occupations, and have lived in the same neighbourhood for at least 10 years.¹⁹⁷
- The very poorest households give 3.6 per cent of the expenditure to charitable causes, compared to 1.1 per cent of the wealthiest. This gap has widened over time, as shown overleaf.

Figure 34: Donations as a percentage of total spending among givers, by expenditure decile.¹⁹⁸



- For every age group besides the over 65s, the percentage of those giving has declined. This means the voluntary sector is more reliant on older people for donations.¹⁹⁹

Conclusion

The Big Society should focus on disadvantaged communities, urban areas and younger people

6.8 This analysis shows that there are important geographical, socio-economic and demographic differences across each of the goals or pillars of the Big Society. Our Audit finds that affluent advantaged and rural groups and communities are more likely to have stronger levels of community empowerment and social capital, with greater levels of social action. Older people and people from higher socio-economic groups seem more engaged. This suggests that a particular focus for the Big Society should be disadvantaged communities, urban areas and younger people. However, the available evidence suggests that areas of relative deprivation may be experiencing some of the greatest cuts in statutory funding and voluntary and community organisations working in those areas may be more reliant on state funding than in affluent areas.

7.

Social capital and international comparisons

“In the late 1950s, about 60 percent of Britons said they thought most other people could be trusted. The figure had fallen to 43 percent by the early 1980s and to 29 percent by the mid- to late 1990s.”

David Halpern, Government adviser²⁰⁰

Social capital, particularly trust in others, has declined rapidly since the 1950s

“British citizens are highly engaged in society ...often achieved outside of traditional family or community networks.”

7.1 If the Big Society is to be a success, a key indicator is likely to be increased social capital – the extent to which individuals and communities trust each other, reciprocate helpfully and are connected to other people. It is thought by proponents of social capital that real benefits might be realised if social capital could be increased. Research suggests that higher levels of positive social capital are associated with better health, higher educational achievement, better employment outcomes, and lower crime rates and economic growth.²⁰¹

7.2 According to leading commentators such as David Halpern, currently on secondment to both No.10 and the Cabinet Office, the proportion of people in Britain who thought most other people could be trusted has declined dramatically since the late 1950s, creating an important rationale for the Big Society. Certainly, taking levels of trust in others as one indicator, the UK now stands relatively low down against other developed countries: 17th out of 110 countries according to the Legatum Prosperity Index 2011 with 35.8 per cent of people finding others trustworthy, compared to 74 per cent in Norway, the world-leader on this indicator.²⁰¹ However, the Legatum Prosperity Index uses a range of indicators to measure social capital as a whole, of which trust is only one. Taking this wider picture into account, it presents a rather more positive and nuanced picture, as set out below.

The Legatum Prosperity Index 2011 on Social Capital in the UK

“On measures related to societal cohesion and engagement, British citizens are highly engaged in society, but there is evidence that this is often achieved outside of traditional family or community networks. The country places 17th* in terms of having a populace that believes others can be trusted, and it has the second highest percentage* of people who had donated money to a charity in the month prior to the 2010 survey. It also places 21st in its levels of volunteering within the prior month, and 15th for helping a stranger. Almost all* Britons believe that they can rely on relatives and friends for help in times of need, earning the UK seventh place on this variable, globally. Only 49 per cent* of Britons are married, the 70th highest level globally, which suggests only moderate access to familial networks. In addition, religious attendance is just 18 per cent, in the bottom 15 on the Index for this variable, indicating low access to religious support networks.

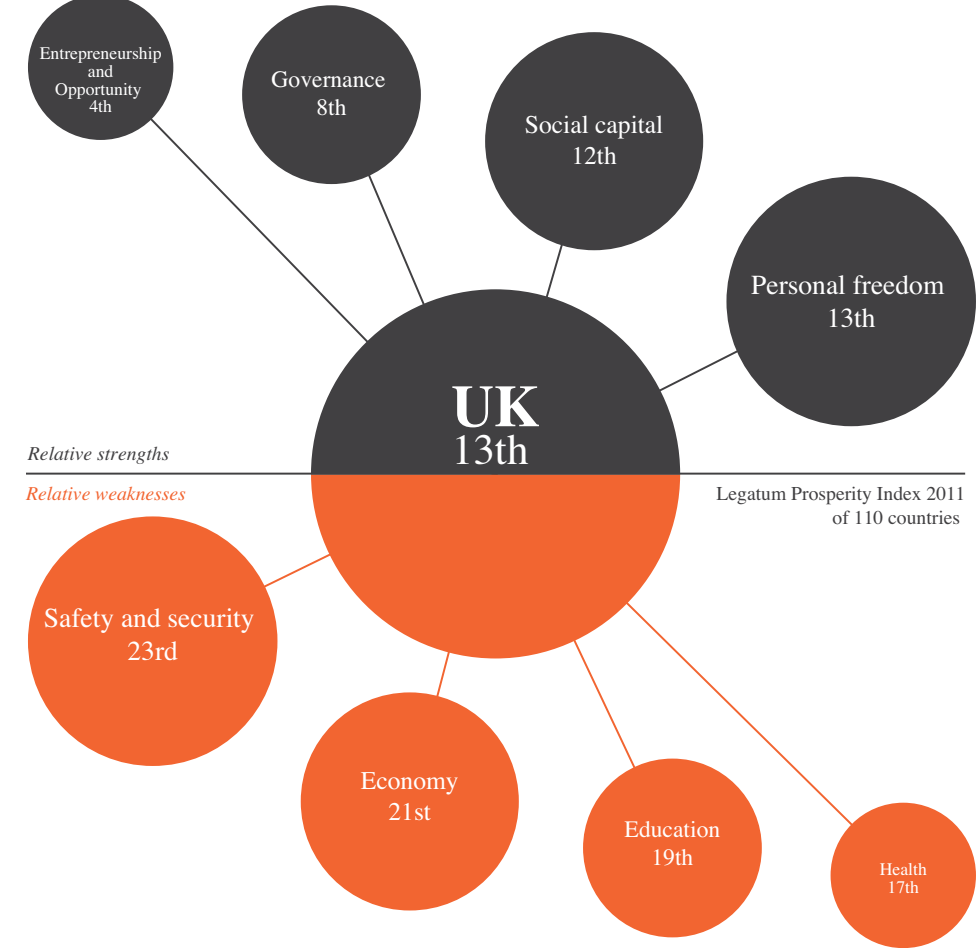
** Data taken from the Gallup World Poll*

Indicators of wider social health

7.3 A key question is whether the Big Society will lead to a fairer, more prosperous, safer and less divided society. In the longer term, if the Big Society is effective, it should impact on wider societal indicators although attribution will be hard to determine, as so many factors, including the economy, will play a part. Moreover, the Government has set no precise goals for this wider social change.

7.4 To help set a baseline, and shed light on the UK’s relative strengths and weaknesses, the Big Society Audit takes a broad look at how the UK stands internationally, using the Legatum Prosperity Index. Overall, the UK’s standing is relatively strong, standing 13th out of 110 countries. However, some elements which go up to make this composite judgement score more strongly and others are relatively weak compared to the overall assessment. Figure 35: below shows the picture.

Figure 35.



7.5 These rankings suggest that the UK’s relative strengths lie in its strong communities, governance arrangements and in social action. However, there is scope for it to improve in areas of life affected by public services, such as health, education and crime. The wider economy, including high levels of unemployment, remains of real concern.

7.6 To help provide baseline information for future years, the Annex provides some more

8.

Key challenges and recommendations

detailed information against a range of indicators.

“Are we listening enough to the grassroots community, as a government and as a country? Of course we’re not. But that is what lies at the heart of the Big Society vision. We accept that government has too much power and has got too arrogant in terms of its attitude to the grassroots. That is what we are trying to address through the localism and Big Society agenda. We are talking about massive, seismic cultural change here, it’s not going to happen overnight.”

Nicholas Hurd, Minister for Civil Society²⁰²

A number of leadership and operational issues are emerging which threaten success

The Government knows that it need to change the way it works but time is of the essence

Lack of 'buy in' is likely to become a major obstacle to progress

8.1 It is clearly early days for the Big Society agenda. The current Government has launched numerous initiatives to try to deliver it and has committed itself to working in new ways with others. Many of these initiatives have only recently been launched and will need time to have an impact. However, the Big Society Audit finds that there already a number of leadership and operational issues emerging, which threaten the ultimate success of the initiative. These can be crystallised in three key questions, each of which are considered below:

- Where is civil society in the Big Society?
- Is the Big Society going to be led by the private sector?
- Will the Big Society be able to reach the communities and people who might benefit the most?

Where is civil society in the Big Society?

8.2 The Audit finds that the Big Society initiative can potentially tap into a genuine seam of interest in community engagement and voluntary and community organisations, at a time when trust in national politicians has severely declined. However, changes in the way central Government works would be needed to achieve this, with a stronger vision forged through a partnership approach, especially with the voluntary sector; greater co-ordination of Government activities nationally; and less of a “top down” approach. The Government clearly understands the scale of the challenge, as illustrated by the quotation from the Minister responsible on the opening page to this section, But time is of the essence if the initiative is to be successful.

Developing a joint vision with others

8.3 Lack of ‘buy in’ is likely to become a major obstacle to progress for an initiative which relies on delivery by others. Many individuals and civil society organisations which are essential to delivery of the Big Society regard the policy with hostility or suspicion, perhaps because it is being promoted by politicians rather than arising from civil society itself. The delivery of the initiative at a time of major cuts in Government has also contributed.

8.4 In response to these difficulties, many have called for a clearer vision from Government. The Big Society Commission launched by ACEVO commented in its report that the Government had failed to adequately communicate its policy objectives and the overall nature of its ‘vision’ for the Big Society; and argued that the Government should strive to articulate a much clearer definition of what it is that it is trying to achieve.²⁰³

8.5 However, a strong and effective vision cannot be driven by Government alone in an area such as the Big Society, where one might expect others beside Government to be in the driving seat, with Government acting as an “enabler,” working with others, rather than simply leading change. What is needed is a joint vision developed with key delivery partners, including the voluntary sector, which identifies common goals and a joint strategy for delivery.

Partnership between Government and the voluntary sector

8.6 Potentially the voluntary sector could be in a strong position to help develop that vision and achieve the transfer of power from Government to civil society implied in the Big Society. One of the most striking findings of the Big Society Audit is the growth in the capacity and reach of the voluntary and community sector, in contrast to declining levels of public interest and trust in national politics.

Government
needs to work
more closely
with the
voluntary sector
to develop a
common vision
and goals for the
Big Society

A common
vision is
challenging
for such a
disparate and
under resourced
voluntary sector

8.7 Commitments are already in place through the Compact agreement to work in partnership with the voluntary sector but follow through appears to be lacking. If the Big Society is to succeed, Government needs to work more closely with local government and civil society.

8.8 If anything, the influence of the voluntary sector seems to be decreasing as it faces cuts in statutory funding and new commissioning arrangements which are encouraging it to sub-contract with the private sector in the delivery of public services, both of which are explored further below.

8.9 One problem is that the Government does not sufficiently understand the nature of the voluntary sector or the benefits it can bring. In an opinion poll published last year, 89 per cent of voluntary sector chief executives disagreed or strongly disagreed that “the Government has a good understanding of the voluntary sector” whilst 70 per cent disagreed or strongly disagreed that “the Government respects and values the voluntary sector as a partner.”²⁰⁴

8.10 Another challenge is that, because the voluntary sector is such a disparate and under-resourced sector, it is very difficult for it to build a common vision and speak with one voice. A starting point might be to find some common social goals in which to work with central and local government, for example, around the reduction of poverty and increase in life chances of disadvantaged groups. However, some investment in capacity would be needed, as well as a greater recognition of the potential impact of engaging with the government in this way.

Lack of co-ordination across central and local government

8.11 Even if civil society were able to speak with one voice, it would be hard for it to communicate successfully with the many disparate arms of Government, especially as central co-ordination of the initiative could be stronger:

- A number of studies have pointed to a lack of co-ordination of policies by the Government, including the Public Administration Select Committee (PASC) which issued its report, ‘The Big Society,’ in December 2011. It warns that the Big Society project is hampered by the lack of a clear implementation plan and calls for a Big Society Minister to drive through this agenda.²⁰⁵
- Indeed, a dedicated Cabinet Committee for co-ordinating the Big Society seems scarcely to have met²⁰⁶ and the lead department, the Office of Civil Society, has been cut back dramatically.²⁰⁷
- Another example of lack of coordination is the enforcement and monitoring of the Compact, which sets out the basis for strong partnership working between national Government and the voluntary sector. A recent National Audit Office report said “There is a need, however, for departments to strengthen their approach with regard to monitoring, leadership, sharing good practice and consultations.”²⁰⁸

8.12 An example of the perils of this approach is the passing on of disproportionate cuts to the voluntary sector by local authorities, as in Nottinghamshire and Liverpool, which seems to have taken central government by surprise, resulting in it issuing Best Value Guidance in the summer of 2011, after cuts had taken effect. However, with better planning and co-ordination, this might have been anticipated.

An implicit bias toward the private sector in tendering for public services

8.13 Greater co-ordination is not the same as telling local people and others involved in the Big Society what to do. There are a great many well-funded national initiatives launched by the Government, for example the National Citizenship Service for young people, a move that has been criticised by some because of the simultaneous cuts at local authority level of youth services, which provide day to day support. The Audit has found that effective support for local infrastructure, backed up by strong co-ordination, is needed.

The impact of statutory cuts and other changes on the voluntary sector

8.14 Far from making it stronger, the initial impact of the Big Society has been to deliver something of a body blow, with an estimated £3.3 billion in cuts in statutory funding to the voluntary sector as a whole between 2011 and 2016, with 75 per cent of these coming through local authorities. This is likely to have a major impact on those voluntary organisations delivering public services, especially those working in disadvantaged areas with disadvantaged client groups, which tend to be more involved in the delivery of public services and where the cuts seem to have been the heaviest.

8.15 The Government has been putting in place a significant programme of support for the voluntary sector, designed partly to put it in a position to earn new contracts for the delivery of public services. It is also has had a policy of encouraging donations and new sources of social finance. However, there is a danger that it is too little, too late. Moreover, it seems unlikely, given the currently high levels of charitable giving, that individual donations can be increased sufficiently to fill this gap. The announcement in the 2012 Budget of the controversial cap on tax relief for philanthropic giving, which was introduced without prior consultation, raises concerns about the Government's understanding of the scale of the challenge.

Is the Big Society going to be led by the private sector?

8.16 Opening up public services to competition is a key goal of the Big Society but there are fears from some that it is a form of privatisation, an issue which has dogged NHS reforms in particular.

8.17 Britain already has one of the most developed public service industries in the world and levels of public confidence in major public services such as health and education are now high, putting the public appetite for change in doubt. The prime focus of successive governments seems to have been on opening up public services to drive up competition and efficiency, lending itself to private sector involvement which can bring economies of scale and expertise in bidding for increasingly large and complex contracts. Indeed, the private sector has been the main beneficiary of contracting out of public services to date and this seems likely to continue.

8.18 The Big Society, despite its increased emphasis on a greater role for civil society, seems to be no exception to the general thrust toward greater competition and larger contracts, making it especially hard for small local voluntary and community organisations to compete, despite the specialist skills and knowledge they may bring which could lead to better outcomes.

8.19 Furthermore, a new trend is emerging for voluntary sector organisations to sub-contract with the private sector in order to win public contracts, partly because of changes under this Government to commissioning. In the Work Programme, a flagship initiative of the Big Society, the introduction of payment by results presents cash flow problems for the under-resourced voluntary sector, and the Government plans to extend this approach. The private sector has won 90 per cent of the prime contracts in the Work Programme, with the voluntary sector acting primarily as sub-contractors in order to side step cash flow issues. Various studies point to abuse by prime contractors of voluntary sector sub-contractors. In addition, the Programme has been dogged by controversy over perceived excessive private sector profits and alleged fraud in the case of one major private sector contractor, A4e, Action for Employment. Are there dangers that the Big Society may lead to a “privatisation” of parts of the voluntary sector?

8.20 On the one hand, the Government is seeking to give more power to individual people in their communities, for example, through the 24 free schools already opened, and on the other there appears to be an implicit bias toward large, and therefore mainly private sector businesses in tendering processes. There is a need to revisit commissioning practices in the light of wider Big Society goals to ensure that they give fair access to every type of organisation, including the voluntary sector, so that those that genuinely provide the best value can win.

Will the Big Society be able to reach the communities and individuals who would benefit the most?

8.21 Another positive factor for the Big Society initiative has been the growth in cohesion within communities, with a marked increase in the proportion of people agreeing that people from different backgrounds get on well together, over the last decade.

8.22 However, it is striking that against a range of indicators of success, there are major differences in the degrees of community engagement, social capital and social action between different types of communities and people, disadvantaged and advantaged, rural and urban, young and old. This suggests that more investment needs to be made in capacity building within disadvantaged communities and with certain groups if existing programmes, such as Community First, are to be successful.

8.23 Furthermore, the Big Society Audit suggests that cuts in statutory funding have tended to fall most heavily on the most disadvantaged areas, potentially reducing that capacity. Voluntary sector organisations working in those areas with disadvantaged people are particularly reliant on statutory funding and may be hardest hit, compounding this problem.

Filling the information gaps

8.24 The Big Society Audit also points to a need for accountability for delivery, as potentially more and more power is given to local people and public services are delivered outside the public sector. That accountability is not helped by a lack of data on performance of the Big Society objectives and consequent transparency about whether it is being delivered. This is a problem which this Audit is partly designed to address but there is a need for additional research. Priority areas are:

- Public services: there is a lack of up-to-date data about how far services are contracted out, distinguishing between the private and voluntary sectors, and the benefits in terms of better services and outcomes as well as efficiency savings.
- Data gaps created by the withdrawal of government funding for the Citizenship Survey and the National Survey of Charities and Social Enterprises. The Government should consider a smaller scale targeted survey around key questions.
- Data on the impact on different locations and communities of recent cuts in government funding and Big Society policies, with a particular focus on disadvantaged areas and groups, where an audit of the impact of cuts is needed.
- Linked to this, data about the impact on different kinds of voluntary organisations, with a particular focus on those organisations working with government and with disadvantaged groups.
- Focused qualitative data across all areas to inform policy making.

Recommendations

8.25 To help address these challenges, an urgent, genuine step change in how central Government and civil society work together is needed. The Big Society Audit recommends that a number of actions are taken:

- **The Government should develop and deliver Big Society social goals with key partners.** It is essential that the Government works with others, particularly the voluntary and community sector, as well as business and local authorities, to develop shared goals and a strategy for delivering them. This vision might focus on specific preventative goals such as reducing poverty and ensuring that everyone has equal life chances. We recommend further government investment in the infrastructure of the voluntary sector to co-ordinate the input of a diverse sector. Charitable foundations might have a role in coordination.
- **Opportunities to deliver public services should be made equally available to the voluntary and community sector,** avoiding any bias toward the private sector in commissioning processes.
- **Central and local government's understanding of civil society and how best to work with it should be increased.** We recommend that Government and civil society take action to increase mutual knowledge and understanding. There should be increased interchange of staff between the public and voluntary sectors; and joint training. Joint work to investigate how to improve the delivery of the Big Society should take place.
- **Big Society resources should be targeted on the most disadvantaged communities, including on building capacity to take advantage of opportunities.** We believe it particularly important that there is investment in voluntary and community activity in those areas most in need.
- **Improving transparency by filling gaps in information.** Priority areas are on the impact of opening up public services, as flagged up above; research on the effect of recent cuts in public funding and Big Society policies on disadvantaged communities and voluntary organisations working with them; surveys to fill data gaps left by the Government withdrawing funding from key surveys used in this Audit; and qualitative information on the impact of changes over time to aid policy makers.

Annex

Indicators of Social Health

The following give some background indicators on the state of society in the UK. Over time some change might be expected if the Big Society is to be successful.

Indicator	Measure(s)	Source
Poverty levels	22.2 per cent of the UK population lived in households with annual incomes below 60 per cent of the median (after housing costs) in 2009-10, compared to 24 per cent in 1999/2000.	Office for National Statistics
Relative regional prosperity	In 2010, the Gross Value Added (GVA) per capita in London was just over £35,000 compared with nearly £16,000 in the North East.	Office for National Statistics (Regional Trends)
Income inequality	40 per cent was the Gini coefficient for income inequality in 2009-10, compared to 38 per cent ten years earlier (standardised measure of income inequality on scale of 1-100)	Organisation for Economic Cooperation and Development
Unemployment	8.4 per cent of working-age population were registered as unemployed in Sept-Nov 2011	Office for National Statistics, Labour Force Survey
Youth unemployment	19.2 per cent of 16-24 year olds were not in employment, education or training in the third quarter of 2011.	Department of Education
Health inequality (class)	In 2002-06, there was a gap in life expectancy at birth of 4.6 years for men and 3.3 years for women between people in managerial and professional and routine and manual occupations.	Office for National Statistics
Health inequality (geography)	People living in the South East could expect to live around two and half years longer at birth in the South East than in the North West of England in 2008-10.	Office for National Statistics
Household crime (reported)	16.3 per cent of households/adults were victims of household crime in 2010-11 compared to 21.6 per cent in 2001/02.	British Crime Survey
Personal crime	5.9 per cent of households/adults were victims of personal crime in 2010-11 compared to 7.3 per cent in 2001/02.	British Crime Survey
Fear of violent crime	13 per cent of people in 2010-11 said that in the next year it is fairly or very likely that they will be a victim of violent crime, compared to 18 per cent in 2001/02	British Crime Survey
Size of prison population	The prison population in the UK in 2009 was 153 per 100,000 of population (compared to 70 in Norway and 90 in Germany) It had risen from 91 in 1992.	Ministry of Justice (Offender Management Statistics)
Social Trust	35.8 per cent of people who responded positively in 2009 to the statement “most people can be trusted”	Gallop World Poll

- ¹T. Blair, speech at the Active Community Convention and Awards, 2 March 2000
- ²G. Brown, speech at the NCVO Annual Conference, 3 September 2007
- ³D. Cameron, Hugo Young Lecture, November 2009
- ⁴N Clegg, speech to Liberal Democratic Party Conference, 9 March, 2008
- ⁵G. Brown, speech at the NCVO Annual Conference, 3 September 2007
- ⁶D. Cameron, speech to Business in the Community, 23 February 2012
- ⁷Cabinet Office (2010), *The Compact*, London: Cabinet Office.
- ⁸National Audit Office (2012) *Central Government's Implementation of the National Compact*, London: NAO
- ⁹D. Cameron, Hugo Young Lecture, November 2009
- ¹⁰Public Administration Select Committee (2011) *The Big Society*, London: PASC.
- ¹¹D. Cameron, Hugo Young Lecture, November 2009
- ¹²Various definitions of the three pillars are given by the Government. These words are taken from the No 10 website, Big Society Awards, April 2012.
- ¹³Hansard Society (2011) *Audit of Political Engagement 8*, London: Hansard Society.
- ¹⁴J. Clark, D. Kane, P. Bass and K. Wilding (2012) *The UK Civil Society Almanac 2012*, London: NCVO.
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