The Big Society: a new policy environment for the third sector?

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Abstract

This Working Paper updates the analysis of the Coalition government’s Big Society policy agenda first published in 2010. It explores the policy context for the Big Society initiative and the key features of the policy programme developed by the Coalition since 2010. It then outlines some of the contradictions and challenges within this policy programme, and for the relations between the third sector and the state more generally. It is also pointed out that the Big Society is an English political discourse with different policy developments now taking place within the devolved administrations in Scotland, Wales and Northern Ireland.

Keywords
Big Society, third sector, policy, civil society, devolution.

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A new UK policy discourse

Most countries around the world now recognise the importance of third sector, non-government or voluntary organisations to the development and delivery of welfare provision. Indeed in many countries, especially in the Global South, this remains the major form through which much welfare is delivered. In Europe, and in particular, in the UK the role of this third sector has recently become the focus of more direct policy engagement, focused in part on the involvement of the sector in welfare provision and how this relates to the role of the state. This has led to debate across Europe about what should be the relationship between the state and the third sector, and how this should be managed and supported by government (see Evers and Laville, 2004; Kendall, 2009a).

In the UK under the Labour Governments of the early twenty-first century this relationship developed significantly, as mentioned below. Since 2010, however, there has been a new coalition government in control of the country, and they have already begun to seek changes in this. In particular this has taken the form of a new policy discourse centred on the desirability of promoting the ‘Big Society’ within the country to bring about changes in the relations between government and citizens, in particular by shifting the balance of government support for voluntary and community action. This chapter explores the extent to which this new policy discourse has in practice produced a new policy environment for the third sector in the UK.

The policy legacy and the 2010 election

The UK coalition government elected in May 2010 inherited a significant and a challenging policy legacy on the third sector from the Labour governments of the previous decade. Analysis of the third sector policy developed by New Labour is still being developed, but already it has been heralded as introducing a new spirit of partnership with government (Lewis, 2005), founded on an extensive range of policy levers described by Kendall (2009b) as resulting in ‘hyperactive mainstreaming’, and leading to a new found ‘strategic unity’ across the third sector based on a closer commitment to policy engagement (Alcock, 2010).

There was a significant expansion of government support for the sector, which had grown to £12.8bn by 2008, around 36% of total income for charities in England and Wales (Clark et al., 2010, p.43). This included in particular major new programmes of ‘horizontal’ funding, such as the Futurebuilders and Change-Up programmes, which aimed to provide government funding for organisations and agencies across the sector (see Alcock, 2011), contrasting with previous government support which had often been focused in ‘vertical’ streams linked to particular service areas (see Kendall, 2003, Ch.4).

This funding saw a step change in government support for the sector and it led to a political and economic profile for the sector which was unprecedented in the country (Alcock and Kendall, 2011). It was also largely welcomed by leading sector actors. For instance, Stuart Etherington, Chief Executive of the National Council for Voluntary Organisations (NCVO), opened a speech in 2002 with the words:
“This is an exciting and challenging time for people working in the voluntary sector. Over the past five years we have seen a growing understanding of, and emphasis on working with, the voluntary sector across government. Partnership working has become the norm…” (Etherington, 2002).

However, it was not without its critics, who argued that with this new support came new problems for the sector, not least the shift in this support towards greater use of contracts for services with all their attendant regulatory and accountability frameworks, leading some to fear that independence could be challenged by incorporation and isomorphism (Smerdon, 2008).

The legacy of the New Labour years was therefore a higher profile for the third sector in political debate and policy practice. This might have been expected to lead to a high profile for the sector too in the campaigning for the 2010 general election. This was true for many of the leading sector agencies, who produced their own ‘manifestos’ for the election and sought to talk up the role that the sector could play in meeting various policy priorities. The Third Sector Research Centre (TSRC) followed these campaigning strategies and also the commitments made by the major parties to the sector. In the case of the latter the evidence suggests that the third sector was not as big, or as controversial, an election issue as some might have hoped, or feared (Parry et al., 2011).

All the major parties stressed the important role of the sector in delivering public services and the need to improve the contractual basis for this with longer term funding and an independent Compact\(^1\) to oversee relations. They also all supported encouragement of volunteering and donating, both individually and through work-place volunteering and corporate giving. And all emphasised too the importance of smaller, community-based organisations, alongside the larger more service-focused charities, recognising that the former had a vital role to play in promoting and supporting community empowerment. Both Labour and the Conservatives supported the long campaigned for Social Investment Bank for the sector, utilising the balances in dormant bank accounts – although the Conservatives promised to give this a new name, the Big Society Bank. This was linked to a major election theme from the Conservatives on the Big Society.

The Big Society was intended to be contrasted with the Big State (or ‘Big Government’) that Labour had supposedly advanced, and amongst other things was intended as an endorsement of the positive and proactive role that voluntary action and social enterprise could play in promoting improved social inclusion and ‘fixing Britain’s broken society’. By ‘returning’ power from the state to the citizen, social change could be put back in the hands of people and communities. According to the pollsters, however, the Big Society idea was not really understood on the doorstep, and its profile within the party’s electioneering was reduced over the course of the campaign.

\(^1\) The Compact is a formal agreement outlining in general terms the relations between the state and the third sector in England, introduced in 1998 (Home Office, 1998) and taken up in a number of other countries (see Casey et al., 2010).
Building Coalition policy

At the end of the day neither Labour nor the Conservatives won the 2010 UK election, and in May 2010 the Conservatives formed a coalition government with the Liberal Democrats. In fact the Liberal Democrats had not said much in the run-up to the election about third sector policy. In contract Conservative Party policy on the sector had been developed some time before the 2010 general election, with an influential Policy Green Paper published in 2008 (Conservative Party, 2008) in which they talked about establishing a new Office for Civil Society and outlined twenty policy pledges, including simplification of tax relief for charities, support for volunteering, more competitive markets for public contracts, and an improved version of the Compact. These and other policy initiatives were also outlined in a Big Society paper published just before the election (Conservative Party, 2010).

Thus Conservative policies now dominate the policy portfolio of the new Coalition government, which resurrected the Big Society idea and adopted in large measure the policy plans that the Conservatives had been developing. Shortly after taking office the new government moved to outline their policy plans for the third sector, with speeches from the Prime Minister and Deputy Prime Minister which put ‘the Big Society at the heart of public sector reform’. The Conservative Shadow Spokesman, Nick Hurd, was appointed as Minister for Civil Society, and a place in the House of Lords was found for Nat Wei, a prominent Big Society supporter, who became a government advisor. This was followed by a retitling of Cabinet Office policy base, the Office of the Third Sector (OTS) established under Labour, which became the Office for Civil Society (OCS).

Devolution

Although these are UK government developments it is important to note that within the UK they are operating in what is now an English policy environment. Since the creation of the independent administrations in Scotland, Wales and Northern Ireland under Labour at the turn of the century, third sector policy has been devolved to the separate administrations in these three nations. The Office for Civil Society therefore promotes and supports only the English third sector. Different offices have been established within the devolved administrations, with different structures and different policy programmes in each – for instance, in Northern Ireland, there is still a split between voluntary and community sector policy and support for social enterprise.

There is relatively little analysis of the impact of this devolution of policy on the third sector and government support for it across the UK. However, Alcock (2012) has argued that it has had the effect of opening up ‘new policy spaces’ for third sector actors to engage more directly with government in the three devolved administrations, assisted by the smaller scale of government here and the fact that the major umbrella agencies representing the sector were already organised along national lines. For most of the first decade of the new century, however, Labour was in practice in power in all three administrations, and third sector policy followed a largely similar trajectory to that led by the OTS in England. In 2011, however, elections in the devolved administrations which followed the UK national election in 2010, led to different political configurations in all three – and none led by the
Conservatives. Politics and policy has begun to diverge in the devolved administrations now therefore. In particular the Big Society agenda was not a feature of the election campaigns in 2011, and has largely been rejected by the administrations elected as a result of them (Alcock, 2012).

**New policy programmes**

Within England, however, progress in policy development has been rapid. The Coalition government moved quickly to publish more detail about their policies for ‘Building the Big Society’ (Cabinet Office, 2010), and a policy programme was incorporated into the work programme for the Cabinet Office. The Prime Minister, David Cameron, also made a series of high profile speeches to re-affirm his personal commitment to the Big Society idea and to launch key elements of the programme. Despite its poor reception in the election campaign, therefore, the Big Society remained Cameron’s ‘great passion’.

Three fundamental issues were identified in a Cabinet Office paper: making it easier to run organisations; getting more resources into the sector; and making it easier for organisations to work with the state. These are hardly revolutionary or indeed controversial commitments of course. They could also have been articulated by the previous Labour administration; and though many may have welcomed the warm words, the practical questions focused on what the new government would do to implement these. Within this rather windy rhetoric however there were some specific policy initiatives, and some progress has been made in seeking to implement them.

A ‘red tape’ task force was established to look at the practical barriers to voluntary and community action, and a report (*Unshackling Good Neighbours*) was published in 2011 (Cabinet Office, 2011). Public sector workers were given a new ‘right to provide’, to form employee-owned co-operatives to deliver what are currently public services, and a further task force on the potential role of ‘mutualisation’ in the reform of public services was set up. In July 2010 Cameron announced the establishment of four ‘vanguard communities’ to provide sites for the exploration of more citizen power. These were Liverpool, Windsor and Maidenhead, Sutton, and Eden Valley in Cumbria. However, Liverpool withdrew following concerns over the impact of local authority funding cuts on local voluntary and community organisations, and quite what the others achieved is far from clear from the reported activities, beyond isolated examples of new local transport schemes, taking over of local pubs and delivering improved broadband coverage.

Commitments to encourage charitable giving and philanthropy were explored in a White Paper on *Giving* (White Paper, 2011a), although there were few concrete proposals and no specific legislation followed. Early in 2012 a new source of investment funding for third sector organisations was established with the creation of Big Society Capital, the planned wholesale bank with initial capital of £200m from the major retail banks, and the facility in time to draw on up to £400m of unclaimed assets in dormant accounts. As mentioned, the creation of the bank had also been a Labour commitment, although support for this from the retail banks had taken some time to secure.

New volunteering opportunities were created for 16 year old school leavers in the National Citizen Service, providing seven to eight week placements over the summer period. This was piloted in 2011 with 10,000 placements offered (though not all were taken up) and the pilot was being extended to 30,000 places in 2012. There were also plans for a ‘new generation’ of 5,000 community organisers to be recruited, with the first 500 to be trained by an independent organisation (Locality) and the rest
expected to be part-time volunteers. Community organising was also to be supported more generally by small grants and endowments for local organisations from a Community First budget of £80m.

This rather limited financial support for communities was linked to a more general rhetoric about the need to transfer power from government, and in particular local government, to local citizens. It was orchestrated through a Localism Act which, amongst other things, provided a ‘right to challenge’ current arrangements for the delivery of local services, a ‘right to buy’ local authority assets such as unused buildings, and a ‘right to provide’ for public sector employees to establish alternative employee-owned delivery agencies.

Finally, and perhaps most importantly there was the commitment to reform the delivery of public services by extending the role of private and third sector organisations as provider agencies, commissioned by government. Plans for this were outlined in a White Paper (2011b) called Open Public Services, which promoted the value of diversity of provision, but did not contain any specific concrete legislative proposals. Following this one of the largest and most high profile exercises in outsourcing of services, the Work Programme to provide support and work experience to get the long term unemployed back into employment, was rolled out through a commissioning process. However virtually all of the major contracting agencies were large private companies, with smaller third sector providers expected to become involved only at the level of sub-contractors.

**Politics and economics**

There are a number of new policy commitments here, therefore, and they certainly give a lie to any suggestion that third sector policy is not a priority for government or that the Big Society ideas were dropped or diluted by the Coalition government once in office. Despite the rhetoric of innovation, however, not all of these ideas are new. Indeed many build on previous government policy planning, such as the Big Society Bank, transfer of public services to new worker-led organisations, and the commissioning of third sector organisations to deliver public services. Some also require public support, both through direct funding and officer time, in order to facilitate the creation of new organisations (including the task forces), to support the vanguard communities, and to roll out the citizen service.

However, the public resources to support these developments have been drastically reduced, in particular following the autumn 2010 Spending Review and the commitment to remove the public expenditure deficit over four years through cuts in spending programmes of around 25%. In the case of the OCS and the Cabinet Office, this cut was closer to 60%, and it resulted in the closure of the provisions for horizontal support such as Futurebuilders and Change-Up, and the phasing out of financial support for the major third sector infrastructure agencies through the Strategic Partners scheme established under Labour. But the most far-reaching cuts were those that followed the reductions in the budgets for local government, which had always been the major providers of public support for voluntary and community activity. Local authorities are facing budget reductions of between 10% and 25% over four years and in many cases these have led to reductions in the support that they provide to local third sector organisations. Anticipating the immediate impact of these changes the Coalition government established a £107m Transition Fund in England in late 2010 to
help organisations losing large amounts of public funding to plan for an alternative future; but despite calls from sector agencies there were no plans to repeat it in later years.

The dramatic reduction in public expenditure was not directly a part of the Big Society agenda, and was led and managed by the Treasury. But critics pointed out that the Big Society discourse could provide a convenient cover for these spending cuts, by promoting the virtues of voluntary and community action, and social enterprise, as positive alternatives to undesirable, as well as unaffordable, state provision (Coote, 2010). The Prime Minister himself has often claimed that the Big Society is not just a cover for cuts, however, and that the government would be pursuing it whatever the economic climate. He was reported as claiming, during election campaigning, that he hoped that the Big Society would be the kind of legacy that could be compared with the twentieth century welfare state.

**The Big Society**

The Big Society is also much bigger than just third sector policy reform. Some of the key policies outlined above are led by the newly retitled OCS within the Cabinet Office; but significant involvement is also expected from the Department of Communities and Local Government and through this local authorities. Moreover all Departments will be expected to take on greater responsibility for planning and commissioning services from non-state providers, and changing procurement and contracting to facilitate this. Although a National Audit Office (2012) report on co-ordination across government of third sector policy suggested that this was experiencing resistance in practice.

What is more, promotion of the Big Society idea does not just come from government. Websites and blogs have been springing up to explore the concept and suggest how it might be translated into action. Nat Wei, a social enterprise activist, was appointed to the House of Lords as a government advisor on the Big Society, and initially promoted it as a new way of thinking about all relations between citizens and government. Although in 2011 he resigned from this (unpaid) position citing pressure of such voluntary activity on his ability to support his family. An even broader vision was outlined by Conservative Member of Parliament, Jesse Norman (2010), who argued that Big Society thinking could be traced back through political philosophy to the work of Oakeshott and even Hobbes.

More detailed discussion has come from the ‘red Tory’ think tank ResPublica. Its creator Philip Blond (2009) talked about an Ownership State, in which ‘civic associations’ would replace public bodies in a transfer of ownership of welfare services to an extended third sector, and has argued that it is the role of policy makers to facilitate and support this re-mixing of welfare provision. This was elaborated further in later papers from Singh (2010), which explored how public service commissioning could be reformed to support social enterprise, and Wilson and Leach (2011), which questioned how to increase levels of voluntary activity.

More evidence is provided by others, somewhat more independent of Conservative Party policy making. Chanan and Miller (2010) drew on long experience of community development practice to argue that well trained and publicly supported community development workers would be needed to make the community engagement aspirations of the Big Society work. Demos published research, funded by the Barrow Cadbury Trust, on two community neighbourhoods in Birmingham which, with a
long term commitment to local self-improvement, have been able to regenerate the local area and increase citizen engagement (Wind-Cowie, 2010). New Philanthropy Capital published a paper outlining the kind of evidence that policy makers would need in order to decide how to support ‘scaling up’ of third sector organisations to meet the increased expectations of the developing policy environment (Brookes et al., 2010). And the major third sector infrastructure agencies took up the challenge, with the NVCO (2010) establishing an online site to collect and disseminate evidence on Big Society issues and the Association of Chief Executives of Voluntary Organisations (ACEVO) setting up a Commission to provide an independent perspective on the Big Society (ACEVO, 2011).

These wider ranging debates reveal that the Big Society appeal has extended beyond senior government figures and Cabinet Office policy programmes. Indeed it has provided a space within which a range of actors and discourses can compete to articulate their visions and concerns. However, achieving some of the social and political changes hoped for is likely to be a long term and, in practice, a potentially expensive investment. This may prove to be a critical contradiction within the Big Society agenda. The hope that charities, social enterprises and voluntary organisations can step in to replace a reduced public welfare provision, hard hit by the austerity needed to rebalance the public finances, is based in large part on the belief that public welfare provision has ‘crowded out’ voluntary action. But there is no evidence to support this claim, and much to refute it. For instance, Figure 1, constructed from long term analysis of charity registrations in TSRC, reveals that the post-war welfare state heralded a growth not a decline in charitable formation, although changes in regulatory criteria led to turbulence in the data after 1990.

**Figure 1: Growth in Charity Foundation from 1945-2000**
Taking this longer view, it is clear that third sector activity has in practice prospered alongside the growth of public welfare support in the UK. What is more, much of this growth has been based upon support from government. In particular as mentioned above, in the first decade of the new century, funding from statutory sources for third sector organisations grew from £8bn to £12.8bn to comprise 36% of total income (Clark et al., 2010, p.43). The reductions in public expenditure planned for the coming decade may challenge this trajectory, and rather than promoting further growth of the third sector, could lead to division and decline.

**Civil society and the state**

The future of the third sector is formally challenged in any case by the new government’s apparent refusal to embrace the term itself, which according to some media reports the Prime Minister himself said should be banned. There may be some in the sector who welcome the dropping of references to being in ‘third place’; and supporters of the Big Society may believe that removing reference to the sector as such can create a space for the Big Society to flourish. But in practice the impact of a new discourse for the sector is likely to be more complex than this. The government now sometimes refers to this as ‘charities, social enterprises and voluntary organisations’. However, the problem with a list-based approach to definition is that there is always somebody missed off the list – where are the mutuals or community groups? If this leads to some being missed off the policy agenda too, then one of the consequences of the new terminology could be the heralding of more divisive third sector politics, in particular if reduced public support is seen to flow to particular sub-sectors such as service delivery or community organising.

The new term for the government office leading on policy – Office for Civil Society – deliberately replaced reference to a sector by embracing the potentially wider notion of an arena of social relations. It therefore appeals to a concept which has a longer and wider pedigree than the Big Society. The Big Society may be Cameron’s great passion, but it is a political slogan (some have compared it to New Labour’s ‘Third Way’) rather than an analytical concept. Perhaps civil society can provide a more enduring focus for the new government’s developing policy agenda.

The NCVO now publish their annual statistical overview under the title *The UK Civil Society Almanac* (Clark et al., 2010), and many scholars have written about civil society as a space for independent social action (see Deakin, 2001). But for most of these commentators civil society is a distinct theoretical concept focusing on analysis of how we conceive of social relations rather than how we classify organisations. Evers and Laville (2004, Introduction p.6) once argued that there can be no ‘civil society sector’; and more recently Evers (2010) has repeated the argument that associational forms and social relations are quite different subjects.

Civil society is not just a synonym for third sector, therefore; and an active policy commitment to promote civil society would arguably require government intervention seeking to shape social relations and promote civic participation across the public and private sectors, as well as within voluntary and community action. However, this is not what the current Big Society agenda is seeking to embrace, and most of the policy programmes within it remain focused narrowly promoting voluntary and community activity. Indeed seen in this broader context, the Big Society has largely remained a
political slogan, rather than a theoretical departure from existing forms of public action. As discussed earlier, it was based in large part on attempts by Conservative Party strategists to distance the new Party (and later the new government) from the previous Labour administration, who, they wanted to argue, had become too dependent on the promotion of a 'Big State'. In this sense the Big Society was intended to appeal to anti-state sentiments, rather than the positive creation of a new ‘civil’ society.

However, the failure of this strategy to secure political traction in the devolved administrations in Scotland, Wales and Northern Ireland, in the elections there in 2011 suggests that it has remained in practice closely tied to Cameron and this Conservative vision of supposedly popular anti-state politics. In Scotland, Wales and Northern Ireland, however, the Conservatives were not successful in securing office in the parliamentary and assembly elections there in 2011. Since these elections, although similar policies towards third sector development and public service reform have been pursued there, the Big Society rhetoric has been rejected and civil society promotion and state support are not seen as mutually exclusive. The new policy environment for the third sector which the Big Society offered, or threatened, to provide was therefore in fact very much an English one. Even here, however, the government's ability to translate the political rhetoric into significant social and economic reform remains open to question.
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About the Centre

The third sector provides support and services to millions of people. Whether providing front-line services, making policy or campaigning for change, good quality research is vital for organisations to achieve the best possible impact. The Third Sector Research Centre exists to develop the evidence base on, for and with the third sector in the UK. Working closely with practitioners, policy-makers and other academics, TSRC is undertaking and reviewing research, and making this research widely available. The Centre works in collaboration with the third sector, ensuring its research reflects the realities of those working within it, and helping to build the sector’s capacity to use and conduct research.

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