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REAL RISKS TO VOLUNTARY SECTOR INDEPENDENCE UNLESS URGENT ACTION TAKEN, WARNS NEW REPORT

SUPPORT FOR VULNERABLE GROUPS PARTICULARLY UNDER THREAT, SAYS INDEPENDENCE PANEL

There are “real and present” risks to the independence of the voluntary sector, with support for disadvantaged groups under particular threat, warns the **Panel on the Independence of the Voluntary Sector** in the first of five annual assessments published today, pointing to the Work Programme as an important example.

Threats to the three aspects of voluntary sector independence – of purpose, voice and action – have existed for some time, says the Panel, but have been considerably heightened by cuts in public spending and other income, and the way in which contracts are awarded. This means that some organisations have to choose between closure and agreeing to sub-optimal delivery. 2012 will be a crucial year, the Panel’s assessment says.

The Panel, which has created a Barometer to measure voluntary sector independence, points to six major challenges:

- The effects of a contract model which favours large, often private sector, organisations and can be unnecessarily restrictive
- The inability of the voluntary sector to influence service design and delivery or funding models

- The blurring of boundaries between public, for profit and voluntary sectors, which may mask important differences and dilute independence
- Pressure for self-censorship, with some organisations fearful of using their voice
- Pressure on independent governance, as trustees seek to balance survival and independence
- Regulation and safeguards for independence that may not be sufficiently robust.

Independence is crucial to a vibrant democratic society, the report points out, helping the sector to meet diverse needs that are often not recognised or properly met by others, such as working with the homeless and socially excluded, and ensuring a strong voice for marginalised groups or unpopular causes. There are concerns that paying organisations only if and when results are achieved can disadvantage both small organisations, with limited reserves, and the service users who are hardest to reach and need most support.

The Panel examined the contracting arrangements under the Work Programme, which illustrate some of these concerns. Some voluntary sector organisations were squeezed out or ended up as sub-contractors to the private sector, with limited influence over contracts and the quantity or quality of their work, and suspicions that some had been used as ‘bid candy’. Only two voluntary sector organisations became prime contractors out of a total of 18, and one of those is an alliance of a registered charity in Ireland and a for profit company. This was despite ministerial support for the importance of the sector in this work.

Chair of the Panel, Dame Anne Owers, said:

“Governments of all political parties have stressed the importance of the voluntary sector. But there needs to be more than a soft, unfocused admiration for a Big Society or Third Sector. Central and local government and private sector partners have to recognise the sector’s hard edge: its independence, distinctiveness and ability to speak out from experience. If the voluntary sector is perceived to be simply the delivery arm of the statutory or private sector, or appears indistinguishable from either, it will lose the public trust on which it depends for volunteers, donations and tax benefits. Everyone will be poorer.

“The next year will be crucial. Lessons can be learnt, and there are opportunities, as well as risks: for example embedding social value in contract terms, or using the review of the Charities Act 2006 to strengthen safeguards and support. Our Barometer of independence is at present indicating stormy weather ahead. Next year, we will gauge whether it is rising or falling.”

The Panel calls urgently for greater commitment *in practice* from the government and the private sector to protecting independence:

- Recognising and respecting the distinctiveness and independence of voluntary organisations in funding, commissioning and other joint working arrangements, for example taking into account the social value they create when awarding contracts and encouraging their independence of voice;
- Understanding the diverse needs and value of different parts of the sector, including those of smaller voluntary organisations for whom complex procurement processes can be a major barrier.

E n d s

Notes to editors

1. For media enquiries, contact Daniel Harris or Jim Minton on 0207 793 4035 or 07989 309058.
2. The Panel was initiated and is funded by the Baring Foundation to ensure that independence is seen as a top priority by the voluntary sector and those with whom it works and to make recommendations to ensure that it is not lost. As well as Dame Anne Owers, its members are: Nicholas Deakin, whose Deakin Report in 1996 led to the creation of the Compact; Andrew Hind, former chief executive of the Charity Commission; Sir Bert Massie former Commissioner for the Compact and Chair of the Disability Rights Commission; Louise Whitfield, Associate Solicitor at Pierce Glynn and public law expert; Nick Wilkie, Chief Executive of London Youth and; Chief Executive of the Joseph Rowntree Foundation, Julia Unwin. Conservative Peer, Lord Hodgson was a member of the Panel until November 2011, when he was asked by the Government to undertake a review of the Charities Act 2006. Further details can be found at www.independencepanel.org.uk