

**NCIA Inquiry into the Future of Voluntary
Services**

Fight or Fright
Voluntary Services in 2015

A Summary and Discussion of the Inquiry Findings

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About NCIA

The National Coalition for Independent Action is an alliance of individuals and organisations who have come together to defend and promote a radical political view of the principles and practice of independent voluntary action in the UK in 2015. NCIA was established in 2006 in response to the perceived co-option of voluntary action by the UK Government and State agencies as a way to implement their policies and plans. More recently, NCIA has added to its purpose the intention to oppose the progressive incorporation of voluntary effort within private business interests, especially in the context of public services privatisation.

Voluntary Action, the State and the Market: Our starting point

We view voluntary action as occupying a space within civil society that is distinct from the State and the private sector; a space in which citizens come together freely to exercise self-determining collective action. Voluntary groups (including those that provide services, whether under contract or otherwise) do not have to exist. They are an expression of citizen action, usually driven by compassion, concern and determination to make the world a better place. NCIA supports such action where it is intended to advance social justice; equality; liberty; conviviality; freedom from want; enfranchisement; and environmental sustainability. Without the pluralism and vigour of this 'ungoverned space', we will be in deep trouble, and democratic freedoms in society will be significantly curtailed.

*Voluntary action is **political** in that the choices made by voluntary groups about their activities, objectives and ways of working spring from ideological and political beliefs - about how things should be and how they are shaped (or not) by such matters as Governments' policies, the power of markets or by ethical and moral values.*

Voluntary services exist to do the things that Government cannot, will not, or should not do; to complement, not substitute for public services and entitlements: to innovate, reach excluded groups, aid access to mainstream services, offer services which have to be independent (such as advice and advocacy) and act as commentator and critic of public services and State action. Once a voluntary group becomes a servant of the State this unique role is compromised.

Some responsibilities must rest with the State, including guarantees of freedom, social justice, the rule of Law, democratic governance and accountability and acting as custodian of our collective human needs and their protection. The ability to fulfill these functions requires legislative powers, political and moral authority, governance and accountability and adequate resources. Voluntary services are in no position to take on these responsibilities. Like private businesses, they are neither universal nor democratically accountable.

We believe that public money raised to meet basic needs should not be used to create private gain. NCIA is opposed to the transfer of public services, facilities and activities into the control of private firms and corporations.

1. The NCIA Inquiry into the Future of Voluntary Services

During 2013 and 2014, NCIA undertook a major project to describe and review the landscape occupied by those voluntary and community organisations that deliver *services* in local communities, especially those that accept State money for these activities. These are the groups that have been particularly affected by successive New Labour and Coalition Government policies regarding the relationship between the voluntary and statutory sectors, and attitudes and intentions towards the future of public services. In this and other papers we refer to these as Voluntary Services Groups or VSGs.

The NCIA Inquiry into the Future of Voluntary Services has been an attempt to document the changes that have occurred in the landscape of voluntary services. Our contributors have examined the impact of successive Government policies on these services, those who manage them and work in them, and the consequences for service users. The Inquiry has also placed these changes in the wider context of the political and ideological trends that have been dominant over this period, the massive cuts in public finance and service and the privatisation of public services that is now taking place. Though the picture painted by this work is, in the most part, bleak and dispiriting, we hope that it will be seen as a positive contribution to the debates that are urgently needed within the sector if the robust traditions of independent voluntary action with a commitment to social justice are to be rescued.

The Inquiry facilitated and resulted in the publication of 17 separate reports dealing with the main issues that bear on the role and activities of VSGs. We are deeply grateful to all those who freely gave their time to produce this wealth of material and to the wider reference group that helped to shape the project. All of the Inquiry reports are available on the NCIA website as downloads¹. They are briefly summarised in the appendix to this report.

2. This report

This report provides a summary of the mass of material produced and views offered as part of the Inquiry and attempts:

- In section 3, to bring together evidence of the changes taking place, the impact on VSGs (and how they are responding to them), as well as the consequences for the services they provide and the users/beneficiaries of their activities;
- In section 4, to explain these changes by reference to the wider context of the current policy agenda and the values that underpin it; and specifically to point to the ideological and political influences driving these changes;
- In sections 5, to discuss a possible future for VSGs and action that could encourage VSGs to take a stand, challenge the current direction of travel, promote different values and assert an alternative vision.

¹ <http://www.independentaction.net/ncia-leaflets-and-research/>

3. Voluntary Services Groups, their services and their users - what picture does the NCIA Inquiry paint?

Though VSGs are themselves only a part of the wider world of voluntary action, within their own terms they present a bewilderingly complex landscape. Groups vary in history, size, orientation, geography, activity, theme, specialism, aspiration, ways of working, efficiency, effectiveness and competence. Their fortunes also vary as they interact with the local and national State, with the private sector, with their peers within the voluntary sector and with their users and communities. Studying this scene is complicated and exceptions can be found to every assertion. Nonetheless, the picture that has been generated by our Inquiry indicates a very clear *direction of travel* and one that, we believe, should alarm all those who care about poverty and inequality and wish to defend and protect the principles and practice of independent voluntary action. What is the picture, therefore, that our evidence paints?

- **Overall, the environment for service-providing voluntary organisations is increasingly difficult, hostile and getting worse:**
 - **for the people for whom they provide services and undertake activities;**
 - **for the scope and quality of the services they provide;**
 - **and for their own independence and self-determination in these matters.**
- **Many VSGs and their leadership bodies have responded to pressures of co-option by the State and the private sector in complicit and supine ways, failing to defend their autonomy or show active solidarity with their users and communities.**

Voluntary Services Groups: Serving people and communities under pressure?

The cuts to public services and to the living standards of the poorest in our communities since 2010 have been the largest in living memory with much more to come, whichever political party wins the coming election. Although our Inquiry did not focus specifically on the nature or extent of these cuts, a theme that runs through the Inquiry reports is how VSGs are confronted by their catastrophic effects. This is particularly the case with respect to disabled people; to benefits claimants (especially those who are young or long term unemployed or who have other difficulties entering the labour market); to low wage earners; to BME communities (including refugees and asylum seekers) and to those with high needs for health, social care and youth work services. More and more people struggle to make ends meet as the result of low paid and insecure employment; the rising cost of living; and cuts in benefits and services. It is also the least affluent parts of the country that have been hardest hit by cuts.

For the vast majority of VSGs, it is these people and communities who are their interest and supposed beneficiaries, and whose needs are used to justify their existence. The demand for the services provided by VSGs has increased and is increasing. But the amount of funding available to meet these demands has not only failed to keep up with the increase in need but has fallen. There is evidence that, in some areas, such as domiciliary care, contract costs have now been slashed to the extent that it is impossible to provide adequate, let alone good quality services. Cuts and contracts have promoted a 'race to the bottom' in terms of cost and quality in which VSGs are seen as providing a low cost option. The very heavy transaction costs involved in 'contractualism' are diverting resources that might have been better spent on providing more or better frontline services.

The users of VSG services suffer not only the consequences of inadequate funding: they also face limitations on the range of services that are funded and the increasingly inflexible and standardised way in which services are required to be delivered. With few exceptions, the State will no longer support activities which are ‘additional’ or ‘complementary’ to their own directly managed public services, let alone alternatives to models that are tightly specified by contract. And yet it is precisely these complementary services that have often been of great support to their users.

These findings question whether VSGs should be entrusted with the delivery of vital mainstream public services, either standing alone or as sub-contractors. It seems clear that, for a number of reasons, it is not possible to assert that services provided by VSGs are ‘good by definition’ because they are provided by voluntary organisations assumed to have worthy objectives and committed personnel.

One might assume that this ‘double indignity’ – increased privation amongst VSG beneficiaries and diminished capacity to respond – would have galvanised anger and resistance within the sector. But the reverse appears to be the case. Where there is visible and committed opposition to public policy and its effects, it lies outside of the world of professionalised VSGs.

Loss of funding, changes to funding conditions, and the expectations of funding

Grants to contracts

The loss of grant aid, and its consequences, is a common theme running through a number of the Inquiry reports. Historically, grant aid to VSGs was the principal mechanism used for State support. In very many local areas grants programmes have been cut significantly, if not entirely, and, where retained, often confined to small grants to support small community group activity.

The use of contracts to mediate State support to VSGs has mostly replaced grant aid. Though this tendency dates back to the 1980s its use has consistently accelerated and is now regarded as the norm for funding relationships. Underlying the shift from grants to contracts is a shift in assumptions: from one that sees State funding as a way of supporting VSG’s own plans and priorities, to one that see VSGs as a means of delivering State plans and priorities. This is now an explicit intention of Government²

The key role of commissioning and procurement

The marketisation and privatisation of public services has required the creation of commissioning and procurement regimes, based largely on private sector practices. In effect, a new profession has been created, at a significant remove from service users³. In the process the historic relationships between VSGs, local and national State agencies have been re-engineered, with new arrangements, based on contracting and contractor relationships, incorporated within the new funding regimes. Procurement practices have repeatedly shown themselves to be expensive

² “We need to find a much more active and responsive system.... we have to help build much more capacity in the (voluntary) sector to be able to deliver what Government is going to need in the future”: Rob Wilson, Minister for Civil Society. Third Sector magazine, January 2015.

³ It is now possible to obtain a degree in commissioning and procurement, and, in 2013, the Government set up a Commissioning Academy to provide a new cadre of 1500 senior professionals.

to operate, incompetent, inefficient, and, in the longer run, to achieve poor outcomes at greater cost. The cumulative effect of this shift in funding relationships has had a number of damaging consequences.

At a strategic level, the assumptions driving commissioning have diminished voluntary sector input into service planning and needs assessment, and replaced collaborative with competitive relationships (often invoking 'commercial confidentiality'), amongst VSGs and between VSGs and statutory agencies, undermining trust relationships on all sides and silencing VSGs from speaking out on behalf of beneficiaries.

Operationally, the mechanics of procurement systems can impose heavy burdens on VSGs. Organisations have to make a weighty investment in the preliminary 'Pre Qualification Questionnaire' stage designed to weed out unsuitable bidders and reduce commissioning risks. Many VSGs will participate in bids as part of a consortium. However, this collaboration is often instrumental, intended to make tenders more attractive to procurement officers. The procedure – like so much in commissioning – favours the largest organisations and those already in the system.

Successful bidders find themselves having to cope with onerous contract and performance management regimes. While the system is based on transferring risk from the commissioner to the contractor the former remains accountable for the services through micromanagement, onerous reporting requirements, issues about ownership of records, or expensive indemnity insurance.

The widespread use of inappropriate and ineffective procurement processes has largely extinguished core funding. VSGs, like all other organisations, require this to sustain organisational integrity. Such processes also stifle innovative and experimental approaches, consistently favour large, often national, organisations, encourage sub-contracting, and involve vast – and completely unfunded - transaction costs beyond the capacity of many locally-based VSGs.

Users experience the impact as costs are driven down to levels that make the provision of good quality service delivery hard to achieve; the performance-managed services available are less able to adapt to the specific needs of users; and the room to exercise expressive behaviours historically associated with VSGs is reduced or eliminated.

Finally, the larger organisations and the corporations have an advantage when dealing with the increasingly popular adoption of payment-by-results. Few VSGs have the reserves (or the capital) to enable them to sustain provision for some time before they receive payment. Yet often, the risks in respect of outcomes are passed down from large contractors to be carried by smaller VSG sub-contractors.

The impact of cuts on VSGs

Since the crash of 2008 and the introduction of widespread cuts in public expenditure this shift in relationship has been accompanied by reductions in funding and, in many cases, by increased contract demands through changed specifications – more for less. At the same time, the cuts have forced State agencies to concentrate resources on core statutory functions. Many VSGs have, therefore, found themselves confronted by:

- Tightly prescribed and managed terms and conditions of funding;

- Reductions in the levels of funding available; and
- Requirements to work on issues and in ways that primarily assist statutory agencies to fulfil their legal duties and their own chosen priorities.

Crisis responses

The Inquiry reports show that the cumulative effect of these changes has now created a situation in which many VSGs, and most especially small and medium-sized locally-based VSGs, are struggling to stay afloat and maintain levels and quality of services for their users. Such precarious sustainability undermines the consistent and effective services and support needed to provide for people and communities facing cuts and austerity.

In response, some VSGs have looked elsewhere for support – general donations or trusts and foundations – but this has been generally inadequate. Others have moved in the direction of social enterprise and social investment, looking for trading opportunities and adopting business practices as a source of income generation. Others again have felt they have no alternative but to join the market and bid for the only Government funding left for the provision of contracted-out or privatised public services. And within the latter category there are a growing number of VSGs who are becoming sub-contractors to profit-making private business. Many other VSGs have been forced to cut their services, or close their doors altogether.

Winners and losers – voluntary services and community groups

Our collective evidence makes it clear that the multiple factors bearing down on voluntary and community groups are changing the ecology of the whole sector, overwhelmingly for the worse.

Large and small agencies

In terms of size there is a growing gap between the ‘winners’ and the ‘losers’. Larger VSGs have always commanded the bulk of income to the sector and continue to do so⁴. Larger charities are not only better equipped to compete for increasingly large-scale Government contracts but are also more successful in attracting private donations and income from commercial sources. Many larger charities, including large housing associations, have moved into service provision in local areas in direct competition with often long established small or medium size voluntary groups. On the part of some of these national charities there is evidence of aggressive competitive and predatory behaviour. Though this is not new, Inquiry evidence indicates that it is now a more common characteristic of large charities.

It is the small and medium size groups – overwhelmingly rooted in local areas - that have suffered most from reduced resources and increased pressure on local services and face increasing competition from three kinds of rival organisations - private sector companies which have identified new opportunities for profit; new entrepreneurs badged as non-profit but keenly competitive in their approach to contracting and driven by business values; and some of the larger charities.

⁴ In 2011/12, the largest charities (just 2.9% of the total) received 78% of all charitable income, whilst 84% of charities with incomes of less than £100,000 each year received just 5.3% of total income. Those in the middle – ‘medium’ size charities (income between £100,000 and £1M) - constitute 13.2% of groups and received 16.7% of income. See <http://data.ncvo.org.uk/a/almanac14/how-big-is-a-typical-voluntary-organisation-3/>

Small and medium size groups rarely have reserves or control assets. Reports from groups such as London Voluntary Services Council⁵ and Clinks⁶ have consistently shown widespread redundancies, falling income, contract income not covering costs and use of reserves to stay afloat. Many of these local VSGs have closed down⁷, radically reduced their services and activities, or face serious threats to their continued sustainability. Many are adopting desperate measures to enable them to remain in the developing market for service delivery. With the loss of local groups comes the loss of local knowledge, networks and degrees of embedded-ness within local communities, benefits that cannot be easily replaced.

The development of local competitive markets has created huge uncertainty and 'churn' in the availability of services and who is contracted to provide them. In some areas of provision – work with children and families being one example; advocacy another – locally-rooted providers have fallen out of the picture as large charities compete with one another and 'swop' contracts as they win or lose in different areas. Any assertion that this regular discontinuity improves services for users is not credible.

Community and black and minority ethnic groups

Community groups too are adversely affected by these changes. While the smallest of these organisations – those heavily reliant on volunteers – are seen as 'too small to fail' they are also under pressure. Many of these groups provide activities that in others' hands would be described as 'services'. However, in this situation 'services' are not 'delivered', recorded or costed, and beneficiaries may not see themselves as having 'received' anything, rather the activities dissolve into 'mutuality'. But these groups are filling 'services' gaps, facing rising demand through lack of, or cuts to, other provision, yet often remaining largely invisible and are at a disadvantage when it comes to accessing other forms of funding. Individual donations, for example, are falling especially for small organisations and those working on less popular issues, such as domestic violence, homelessness or asylum.

The small-scale discretionary grants that have sustained so many of these groups are gradually but inexorably coming to an end. Cuts in local authority expenditure, and loss of funding to local infrastructure bodies and 'community anchors', has had a knock-on effect. The smallest organisations can no longer look to the staff of local authorities or voluntary organisations for informal support and the increasing practice of charging for services and use of premises has reduced the amount of help in kind that has been an important and largely unacknowledged contribution to their work.

BME groups appear to be suffering disproportionately, because these communities have poorer health, are more likely to be in poverty, with difficulties in accessing services; because they have long been marginalised in terms of policy; and because they are on the receiving end of the 'multiculturalism-has-failed' mantra which concentrates resources in so-called 'mainstream providers'.

Together these groups add very significant social capital. Failure to support their activity means

⁵ <http://www.lvsc.org.uk/media/132319/bigsqueeze-final-smaller.pdf>

⁶ <http://www.clinks.org/file/clinks-State-sector-full-reportpdf>. Clinks is an infrastructure body working in the criminal justice field.

⁷ NCVO estimated 70,000 job losses in voluntary agencies in the year 2011/12. See www.thirdsector.co.uk/Infrastructure/article/1120432/Spending-cuts-knocking-out-sectors-capacity-support-big-society-NCVO-head-says/?HAYILC=RELATED

that needs go unmet and demand is diverted to more formal service-providing settings, operating with one-size-fits-all models and stripped of cultural sensitivity or specialist knowledge.

Exceptions to the rule

This is not the picture everywhere. There are some larger charities that have not chosen to exploit the market opportunities open to them; some smaller VSGs that are managing to operate successfully in the new environment; some community groups that still receive valuable support from their local authority. Key variables include the extent to which local commissioners value the contribution of voluntary sector providers with a long track record; the degree to which local VSGs are dependent on Government funding; the level of cuts imposed locally; and the stance taken by local politicians. It is perhaps by focussing on these exceptions that we can learn how best VSGs can be supported to re-establish their appropriate role.

The rise of social enterprise and the new entrepreneur

In response to encouragement from New Labour and Coalition Governments, sector leadership bodies, think tanks and other commentators, many VSGs have adopted the view that being more 'businesslike' will make them more successful and that their future lies in private sector solutions to social problems. Distinctions between not-for-profit and profit-based service delivery have been blurred through the promotion of the vague concept of 'social mission' and the failure to define social enterprise as a distinct activity.

Through these moves some VSGs are now engaging with the 'social investment market' intended to replace public funding for public services, through the use of financial instruments such as payment by results and social impact bonds. This has been accompanied by, and further encouraged, the rise of the new 'social entrepreneur' – a cadre of managers and owners who are happily complicit with the expansion of the 'financialisation' and 'marketisation' of human need. Despite considerable sums of public money being committed to assist this shift, including currently £600 million via Big Society Capital⁸, results are poor. The vast bulk of social enterprises that attract private finance do so by entering into debt commitments with private investors, whilst continuing to rely on public sector finance both to provide the contracted service and repay their investors. These developments sound an echo of the disastrous financial consequences for the public purse of the Private Finance Initiative programme.

This blurring of distinctions between private, public and voluntary contributions to public (especially welfare) services has also made it appear more acceptable to VSGs to enter into sub-contracting relationships with private providers. In the latest of the Government's privatisations – that of the Probation Service – 225 VSGs (3/4 of the total) are involved as sub-contractors, to the private sector prime contractors⁹, with a few notable large charities also engaged as bidding partners.

⁸ "Big Society Capital is an independent financial institution with a social mission, set up to help grow the social investment market in the UK". It aims to use its own funds to invest in 'businesses with a social purpose' and to champion social investment generally. BSC operates through Social Investment Financial Intermediaries (SIFIs) - <http://www.bigsocietycapital.com/>.

⁹ A Government press release was headlined "Voluntary sector at the forefront of new fight against reoffending". See <http://www.thirdsector.co.uk/big-issue-probation-scheme-enters-crucial-negotiation-period/policy-and-politics/article/1322370>

In parallel, and as another route to privatise public services, the use of management buy-outs and 'mutuals' have been promoted. However, these apparently egalitarian entities owe little to the proud tradition of workers co-operatives and are proving unpopular and unsuccessful, often simply providing a transition stage before acquisition by private equity, and leading to the loss of public assets such as buildings.

What about the workers? The impact on volunteering and paid staff

Dominant ideas about volunteering have moved away from self-help, community development and campaigning to the 'workplace model' that sees volunteers as unpaid workers. Though this shift was spotted in the early '90s it has dramatically accelerated as a consequence of contracting, professionalisation and 'managerialism', and recent pressures to do much more for less. This means loss of access to volunteering for some and loss of opportunities for personal development and employment for others. Overall there is less of a focus on meeting the needs of volunteers, through the provision of training for example, within the rationale for using them. Identifying a more subservient role for volunteers also drives a wedge between the perceived 'professionalism' of VSGs and those people and groups involved in activism and campaigning. This is one part of the distancing of VSGs from the struggle for social justice.

With respect to paid staff, the move to outsourcing combined with cuts to budgets has put pressure on VSGs to conform to procurement expectations of low cost, high volume proposals. Where VSGs have been successful this is increasingly leading to wholesale review of terms and conditions of work. Much damage is being done to the voluntary sector workforce through these knock-on effects, including lowering pay at the bottom while increasing it at the top, the 'casualisation' of contracts and use of 'zero hours' contracts, the exploitation of weaker employment rights and heavy-handed 'managerialism' that frowns upon union activity, political activism of any kind and even, in some cases, on professionalism. Growth of zero hours' contracts and VSG workers taking on several jobs concurrently to make ends meet are commonly reported^{10 11}.

Trades union membership is low within VSGs and organising within a sector that comprises large numbers of relatively small organisations has always been problematic. Where there is TU membership it is often the case that workplace union activity is weak or incompetent and there is poor support from full time officials.

Overall, our examination of workforce issues demonstrates that many VSGs are poor employers and managers (both with regard to volunteers and paid staff); other reports indicate that many VSGs are struggling to stay afloat and have serious sustainability problems. Together these findings offer little room for confidence about the quality of services or the ability of the VSGs to keep them going.

¹⁰ UNISON (2013) 'Community and Voluntary Services in the Age of Austerity: Unison Voices from the Frontline', UNISON, October 2013 <https://unison.org.uk/upload/sharepoint/On%20line%20Catalogue/21929.pdf>

¹¹ The Chartered Institute of Professional Development (CIPD) reported that voluntary sector agencies use Zero Hours Contracts in the highest proportion (34%) followed by the public sector (24%) and the private sector (17%) see ; <http://bit.ly/1f4Y8h2>

Role of the ‘leadership’ groups

The Inquiry found that so-called national ‘leadership’ bodies, especially but not exclusively the National Council for Voluntary Organisations (NCVO) and Association of Chief Executives of Voluntary Organisations (ACEVO), have signally failed to stimulate, let alone organise, any opposition to the discriminatory and disproportionate slashing of services for poor people and disadvantaged communities, and direct cuts to these people’s living standards, especially through the benefits system. Patchy responses aimed at specific issues and impacts have been almost universally concerned with cuts to VSGs, rather than the draconian effects on their users and beneficiaries. Ironically, the only area in which the national infrastructure bodies have taken a strong public line is the ‘Lobbying’ Act – in defence of a freedom they have scarcely used.

With respect to the changing fortunes of VSGs dealing with these societal effects, the leadership bodies have explicitly or implicitly, and in at least one case secretly (Stephen Bubb of ACEVO)¹², supported the privatisation of public services and sought to maximise the benefits for VSGs through these programmes (such as the Work Programme and the Transforming Rehabilitation Programme). With respect to contracts and the funding environment, they have argued both for a ‘level playing field’ to enable VSGs to pick up a greater share of contracts, and for closer sub-contracting relationships with private sector global corporations¹³. These corporations include some with reputations for criminality (including violence towards users), dishonesty, poor employment practice and other abuses.

Criticisms of procurement practices, funding mechanisms, such as ‘payment-by-results’ contracts, and contract management arrangements have been confined to technical issues or matters of process, with avoidance of core issues around service purposes, damage to quality and dishonest practices.

At local level too, amongst local infrastructure groups, especially Councils for Voluntary Services (but with a few exceptions), the driving factors have been to accept cuts and competitive behaviours, the promotion of business practices and relationships (including sub-contracting), and subservience to damaging and inappropriate commissioning and procurement regimes. Their structures and networks tend to be dominated by chief executives of the larger professionalised VSGs driven by managerial imperatives – winning contracts, promoting ‘best practice’ in service delivery or protecting organisational sustainability. There have also been largely ineffectual efforts to defend smaller agencies through ‘consortia’ or similar joint working relationships.

There are few examples of involvement in local campaigns to defend community rights or oppose cuts. As a result CVSs no longer provide the kind of critical leadership previously offered. In some areas the gap has been filled by informal groupings or networks that provide a local home for radical action but the scope for effective resistance, though varying from area to area, is usually very limited¹⁴.

At all levels the claims of social enterprise and social investment as a viable alternative to

¹² See <http://www.independentaction.net/2012/08/14/secret-note-reveals-bubbs-collusion-with-private-healthcare-interests/>

¹³ For example, ACEVO, NCVO, NAVCA (the National Association for Voluntary and Community Action) and Clinks have used Cabinet Office funding to work with SERCO providing ‘Commercial Master Classes’ for VSGs; NCVO has produced an ‘NCVO/Serco Code of Practice’; Clinks provided a brokerage service to put VSGs in touch with ‘prime contractors’ bidding for probation contracts.

¹⁴ See [Here We Stand](#), NCIA March 2013

publically funded services have been embraced. Indeed the entire sector has again allowed itself to be rebranded as the ‘Voluntary, Community and Social Enterprise (VCSE) sector’.

The silencing of dissent

Another theme that runs through our Inquiry reports is the alarming extent to which VSG’s critical voice has been silenced. This role – of advocacy, campaigning, opposing excesses, abuses and injustices and holding powerful interests to account – is a vital, perhaps **the** vital role of voluntary action, which has the unique characteristic of occupying the space between the market and the State. That open dissent, even mild informed criticism, is now widely seen by local and national State agencies as unacceptable, has become part of the zeitgeist. This would appear to be the real intention behind the ‘Lobbying’ Act and the extent to which the voluntary sector establishment has fallen in behind its bizarre requirements is an indication of its success.

This atmosphere is reinforced through dependency on funding, formal contract arrangements which include silencing clauses, informal bullying and threatening behaviour, and progressive integration and incorporation into statutory service frameworks. From the side of VSG managements also, the adoption of managerial and assumed ‘professional’ approaches to organisational life has rendered public dissent and opposition culturally alien, and many VSGs have adopted insider advocacy tactics or ‘cosy’ campaigning strategies. All of this is contributing to a loss of ability on the part of VSGs to think, act and speak independently, and especially to speak plainly and passionately where injustice and privation are being visited on their users and beneficiaries.

Scotland and Northern Ireland¹⁵

The position in Scotland was difficult to review in the then upcoming referendum period, but (even allowing for the referendum result) there may be good reasons to look to Scotland for more positive messages about the future of VSGs. Even though the process of marketisation is certainly happening, there is more widespread opposition in Scotland to the privatisation of public services and more widespread opposition to large scale commercial involvement such as in the Work Programme. Low wages and an unsustainable labour market are major concerns, including within the voluntary sector. Infrastructure bodies such as the Scottish Council for Voluntary Organisations and Social Enterprise Scotland appear to operate with a greater sense of their independence and are prepared to criticise authority. The referendum debate has stimulated new thinking and enthusiasm for a different ‘settlement’ which could be followed through with positive results for voluntary action.

The picture in Northern Ireland shares much with that in England, such as a relentless fixation on outsourcing, cuts, ‘impact assessment’, dependence of contracts for State funding and a squeeze on dissent. Specifically, dependence on public funding has increased, as in England, but at a far greater rate and as the neo-liberal approach has become progressively embedded, the voluntary services sector is now seen as a special interest group comparable to the private sector. Relationships are now conducted on the basis that the role of the VSGs is to help the N.I. Executive implement its policies, accompanied by allegiance to business-related practices/approaches.

¹⁵ We had hoped to review the position in Wales as well as Scotland and Northern Ireland, but sadly we lacked the connections and resources to do this.

Thus far, cuts appear to have had less of an impact, and there remain many public funding contracts let to small VSGs. However, future cuts that are envisaged, together with the ground being gained by private companies is forcing more aggressive competition and the creation of larger, rolled up contracts which will discriminate against small VSGs.

Previous support for the voluntary sector as an agent to promote peace and reconciliation has been replaced as communal interest-group politics have re-asserted themselves. Offering opposition in Northern Ireland is anyway difficult, but especially difficult in this sectarian setting where politicians playing 'zero-sum' games are very powerful; this is silencing dissent from within the voluntary sector.

4. Why has this happened? The politics of today

Policy change and the impact on VSGs, their services and their users are justified by Government and their supporters within the voluntary sector as 'common sense' responses to a changing world. From this point of view, cuts in public expenditure are essential measures to address the country's deficit; the welfare system needs to be reformed to reduce its burgeoning costs and to challenge the 'culture of welfare dependency'; the privatisation and outsourcing of public services breaks up inefficient State monopolies; and creating competitive markets is the only way to 'drive up quality and drive down costs'.

It is clear to us, however, that these policies are ideologically driven: the expression of a more radical programme of action aimed at transforming British society and the role of the State. The impact on the voluntary sector can be seen as collateral damage from this wider political and social re-engineering.

The neo-liberal project and its agenda

Like other Western Governments the Coalition has defined its key objective as delivering economic growth, identifying the market as the means by which this can be achieved, rather than organising a more equitable distribution of existing wealth. It has therefore embarked on a course of action that involves reducing the size and the role of the local State; creating a 'more flexible' labour market by lowering job security and further reducing the power of trades unions; extending competition into aspects of society and services not formerly governed by the market, especially through the privatisation of public services; and promoting the creation and accumulation of wealth in private hands through a combination of 'light touch' regulation and low rates of corporate and individual taxation. This 'package' is what is now known as 'neo-liberalism'.

The values underpinning these changes – dismantlement of the post-war welfare settlement

Neo-liberal ideology, adopted by successive recent Governments, represents a clear attack on the values and consensus that have informed the role of the State and the idea of public service since the post World War II welfare settlement. Within this settlement was held the belief that society has a collective responsibility for the welfare of its members, implemented through universal provision for health, education, welfare and income support as well as other public services, rights and entitlements. There has been acceptance of a shared duty to eliminate

discrimination, or at least mitigate its adverse impacts and resulting inequalities. Employees should be entitled to decent terms and conditions of employment and the right to organise to protect their interests. The State has played a major role in the redistribution of wealth. Public policy development has, in theory, been based on evidence drawn from assessing its impact on people and the environment.

By contrast neo-liberals argue that individuals are responsible for their own well-being and should be able to access their need for services from a variety of providers competing in a market place; that matters of priority and choice are best resolved at the level of individual decision making and resolved through market mechanisms; prosperity and full employment depends on the existence of a free and flexible labour market; and policy-making needs to be directed primarily to securing economic growth through the creation and accumulation of private wealth.

The Coalition Government project has significantly extended previous Governments' neo-liberal approaches and posits a new and different relationship between the individual and the State: the Keynesian social contract in which citizens could expect to be supported in times of adversity has given way to an atomised view of society in which the individual is expected to provide for his or her own needs.

Cuts and 'austerity' alongside massive concentration of wealth

Changes in the funding environment for VSGs, since 2008, accelerated since 2010, have materialised against the backdrop of the largest cuts in living memory to public services and support, yet represent still only 50% of those envisaged prior to the Autumn Statement in December 2014. The result has been massive cuts in living standards of those already the poorest and most vulnerable in society and the direct creation of destitution through benefits sanctions and withdrawal of other supports. Food bank charities, the existence of which in a wealthy, Western country is deeply disturbing, have even been discouraged from giving to those denied benefits under sanctions. The Archbishop of Canterbury now agrees that 'hunger stalks the land'¹⁶.

At the same time, Government policy, especially economic policy, has deepened inequality and accelerated the concentration of wealth amongst the already wealthy. For example, 'Quantitative easing', the principal measure used to counter the recession and stimulate growth, has had the direct effect of raising asset values, including shares, property, antiques, fine art, racehorses and wine. The Bank of England noted¹⁷ that, if everyone had the same amount of financial assets, the increase in asset values would be equivalent to around £10,000 for every person in the country. However, such assets are not, of course, shared equally. The Bank's report says: "In practice, the benefits from these wealth effects will accrue to those households holding most financial assets."¹⁸

Privatisation and the outsourcing of services

The New Labour Government did much to legitimise and open the door to the privatisation of

¹⁶ <http://www.dailymail.co.uk/news/article-2863693/I-seen-hunger-stalks-country-shocks-Africa-Stop-wasting-food-feed-poor-says-ARCHBISHOP-CANTERBURY.html>

¹⁷ See <http://www.bankofengland.co.uk/publications/Documents/news/2012/nr073.pdf>

¹⁸ See also <http://leftfootforward.org/2013/05/bank-of-england-confirms-rich-made-richer-by-qe/>

public services. However, the ideological commitment to free market principles by the Coalition Government has resulted in a huge growth of privatisation. Outsourcing of public services is *big business* on an eye-watering scale. In 2012 outsourcing in the UK amounted to 80% of *all* outsourcing in Europe, the Middle East and Africa combined. This transfer of public assets is focussed on massive global corporations.

Privatisation is driven primarily by ideology, but is also promoted as a response to the recession, providing an opportunity to cut public expenditure. Both the ideology and its practical application deify competition and, for a combination of reasons, force a 'race to the bottom', whether involving for-profit or voluntary sector providers. Privatisation has also imposed changed roles for central and local Government with State agencies increasingly relegated to perform the functions of commissioning and procurement bodies, whilst stripping away many previous functions, especially from local Government. This leaves little room for developing local alternatives.

Neo-Liberalism re-engineering the voluntary sector

The re-designation, by the New Labour Government of voluntary and community action as the 'third sector' was not just a change of terminology but reflected a major shift in how VSGs were defined and promoted, placing a new emphasis on their role in delivering public services and their adoption of 'professional' standards and commercial methods. The outsourcing project demanded this shift to assist the reshaping of public service delivery.

New Labour appeared to view voluntary organisations as 'preferred providers' for many services and, in latter years, encouraged transition to 'social enterprises' on the assumption that this would enable access to alternative funding.

The Coalition Government's preference lies with the private, for-profit corporation. Though the largest charities may wish – and be able – to compete with the powerful profiteering giants, to do so they have to morph themselves into private business lookalikes. This steps beyond small-scale, socially motivated entrepreneurial behaviours.

Despite the early 'promise' of the New Labour years, the reality now is that most VSGs, and the sector they are a part of, are merely bit players in this massive privatisation programme, able - if they are lucky and their face fits - to pick up sub-contracts from the global private sector 'prime contractors'. In the process, the rush to bid for public services (despite the poor chances, for most VSGs, of winning the contracts involved) has obliterated any meaningful debate in the sector about either the desirability of privatisation or voluntary sector complicity in it.

Any remaining Government interest in VSGs, unable or unwilling to turn themselves into businesses, is within a paradigm that views them as a safety net for residual welfare. Here the job is to fill the gaps left by cuts in public services or meet needs from which no profit can be extracted. G4S and Serco are not rushing to run food banks. The idea of these fallback services, which are expected to be funded through private philanthropy, public subscription or quasi-business 'social investment' mechanisms, ignores the deep structural causes of poverty.

The growing acceptance of market values and other tenets of neo-liberalism have had considerable impact on the environment in which voluntary organisations operate and on the ways that they operate. Important here has been the rise of new assumptions about appropriate ways to run VSGs (commonly known as 'managerialism'), and a developed identity for VSGs as 'professionals' within a business environment. Both tendencies are damaging in the ways they

are applied. The first serves to justify extended vertical hierarchies, punitive and bullying management cultures, deteriorating wages and working conditions for frontline staff, and slavish adherence to 'playing the numbers' to satisfy contract requirements. The second serves to separate staff and the VSGs in which they work from any serious contribution to social or political activism that attempts to address the root causes of poverty, deprivation, inequality, and injustice.

Many VSGs have re-labelled themselves as 'social enterprises'. The Treasury is clear that "*a Social Enterprise is, first and foremost, a business. That means it is engaged in some form of trading, but it trades primarily to support a social purpose....*".¹⁹ 'Social investment' is an attempt to change the whole basis of funding for voluntary organisations from grants and donations to loans, equity and bonds, creating an infrastructure of circularity in 'public' funding built on debt and investment return.

All these changes erode the values and ethos of voluntary action as well as undermining our historical understanding of 'public good'. Much of the *raison d'être* of the voluntary sector has been in its role in contributing additional or complementary activities that filled the gaps in statutory provision, reached people and communities with limited access to public services and championed marginal or unpopular groups and causes. Historically, the sector has both challenged the Welfare State to do better and helped to make up for its shortcomings.

Additionally, the increasing emphasis on the individual citizen's responsibility for his or her well being puts at risk the values of solidarity, mutuality and altruism that have been at the core of many voluntary organisations. Organisations are expected to harness concurrently both altruistic and self-interested motivations but mixing the two often comes at the cost of abandoning any sustaining voluntary sector ethos.

As the welfare settlement is hollowed out by the imposition of the norms and values of the market, many voluntary organisations and their leaders now find themselves in a 'dilemmatic space'²⁰ in which VSGs seem no longer to know what is the right thing to do, feeling helpless to challenge the view that non-market responses to social need are inefficient anachronisms and that increasingly fragile service provision is all that is achievable. The reality now for many smaller, especially local VSGs, is that they are experiencing falling incomes and organisational instability while, at the same time, facing increased demand and more desperate needs amongst their constituencies. For many, the prospect is closure or retrenchment to function as volunteer-based organisations with scant resources, or being prepared to accept the yoke of sub-contractor status for a private firm using their work to maximise their profits.

It is hard to escape the conclusion that a significant part of the sector's VSGs have sown the seeds of their own demise and remained silent about the consequences for their beneficiaries. Many individual organisations have embraced the changes and sought to exploit what their leaders saw as opportunities for expansion, survival or to play a larger role on the social policy stage. In the process many have lost sight of their mission and values. And they have been encouraged to adapt themselves to the requirements of Government by their 'leaders' and

¹⁹ The Role of the Voluntary and Community Sector in Service Delivery: A Cross Cutting Review. HM Treasury 2002. The legitimacy of extracting profit from the needs of poor and disadvantaged people has been further promoted through the developing fashion to describe these ventures as "profit with a purpose".

²⁰ Honig, B. (1996) 'Differences, dilemmas and the politics of home' in S. Benhabib (ed.) *Democracy and Difference: Contesting the boundaries of the Political*, Princeton, NJ: Princeton University Press

‘representatives’ at national and local levels.

The absence of concerted resistance to the cuts or the privatisation of services at national level has been remarked in other settings reviewed by the Inquiry. For example, refugee and migrant community organisations understand the need for concerted campaign action but find it difficult to overcome the tensions associated with having to compete for influence and funds. And, despite the salience of the changes to social security within the debate on the independence referendum, resistance to change at local level in Scotland has not led to a coherent or co-ordinated overview.

5. The future for Voluntary Services and what can we do about it?

Here we set out some reflections arising from the Inquiry. These are offered as a basis for debate to help lay the ground for the practical action and new directions needed to resurrect the important, complementary and democratic role for VSGs. This debate will inform an NCIA manifesto for action in 2015. Our messages are intended for voluntary services and groups of different shapes and functions; local decision makers such as commissioners and councillors; disaffected individuals within VSGs; those engaged in researching this scene and those already or beginning to take their own actions.

Where are Voluntary Services heading?

Our Inquiry reports show a clear direction of travel for voluntary services. The fortunes of VSGs now hang on the coat tails of privatisation, the shrinking of collective responsibility for social protection and the future for public services. It is these forces that make up the main show in town. Within this landscape, there are local services and individuals doing what they can to hold fast to self-determination and user and community interests, providing safe havens for those whose needs are becoming increasingly desperate. Given the variation in responses we have found, from different VSGs and in different areas, it may be too soon to say that all is yet lost.

Nonetheless, small to middling local voluntary services are clearly struggling to survive, and many ‘leadership’ voices support the new regime or keep their concerns silent. At this point, the future is not looking good and still with more than half the expected public sector cuts yet to come. Here, for debate, is one possible and depressing scenario for that future, but one that is supported by the evidence generated by our Inquiry.

We see large national charities continue to develop as private sector look-a-like [sub]contractors driven to increase their market share in a privatised Welfare State. Many middle sized local voluntary services will decline and vanish, with the loss of expertise and accumulated practice experience, or revert to their historical roots of small volunteer-based community groups, operating outside market regimes. A few professionally-based value-driven voluntary services will struggle on within the welfare market by dint of clever tactics and strong relationships with local people and institutions. Alternatives to the market and radical action will mostly be found in informal groups and networks operating on the basis of mutual aid, reciprocity, activism and conviviality. The future of voluntary services, as part of authentic voluntary action, will lie with groups relying on small amounts of money and operating outside of business and contractual relationships. It is these groups which will carry the burden of change, and attempt to meet social and other needs not covered by shrinking public sector contracts.

Those working in, and running, voluntary services will be faced with a choice: to regain their true voluntary status, as independent endeavours, separate from, and complementary to, the State or private sector; or to continue to play the markets, become part of the privatised welfare State delivering profit-driven services of questionable quality and contribute to the demise of welfare.

Nonetheless, whatever unfolds, we believe there is a future for self-determining VSGs. For centuries, people have found each other, identified common interests, tackled common problems and enjoyed each other's company. VSGs have been an important part of the struggle for social justice and an important influence on the shape and adequacy of public services. The NCIA Inquiry shows that this continues, despite attempts to co-opt and undermine these efforts. Our offerings below are designed to safeguard and speed this time honoured process.

Take a stand and win the argument

The Inquiry findings show the impact of neo-liberal ideologies and the extent to which VSGs have strayed from what we value as their distinctive role within civil society. VSGs - their users, trustees, volunteers and workers – would do well to re-examine and [re]state the values, principles and political perspectives that they feel define their role and purpose.

For those who agree with our perspective, now is the time to stand up, be counted and lead a truthful and plainly spoken campaign to change the mood and the music. For this we need to:

- Renew understanding of the historical role of voluntary action and its values to set against the tenets of neo-liberal ideology;
- Robustly challenge the assumption that public expenditure cuts are inevitable, that competition and privatisation are the ways forward and that those involved in voluntary services necessarily agree with this agenda;
- Reassert ideas of 'public good', collective social responsibility, positive ideologies and moral obligation;
- Pay greater attention to people's individual and collective voices to enable their direct influence on the design and provision of services, stand with them and advocate robustly on their behalf;
- Question the premise that voluntary services are necessarily good or ethical or better than no service at all;
- Rethink how voluntary organisations should behave and be run, and re-make shared relationships between trustees, staff, volunteers, users and communities;
- Build alliances that support the pursuit of social and economic justice.

Privatisation, welfare markets and the proper role for voluntary services

Few VSGs will have a future in a privatised welfare market as their chances of securing contracts diminish. This assertion should be widely publicised. Given this scenario, the logical conclusion is that they should stop trying and concentrate on what they can and should do: innovate and share experiences, advocate for, and campaign with, their beneficiaries, users and the communities they care about. Small groups, in particular, can concentrate on keeping activities and services going through mutual aid, activism and a commitment to avoid being co-opted into the neo-liberal 'consensus'.

Larger organisations, wishing and able to compete in the new welfare market, should set ethical conditions for their participation and stand up for basic principles and values associated with positive social change and justice. This will set lines not to be crossed in pursuit of contracts.

We can see no justification for VSGs accepting sub-contractor status to work with profit-making enterprises, especially where the effort of volunteers is being used to generate those profits. VSGs should consider carefully whether their assistance in extracting profit from the needs of their users and beneficiaries conflicts with their core purpose. However, if VSGs are willing to enter into such arrangements, they should not associate with companies with poor ethical practices, should protect the conditions of their staff and volunteers and be mindful of the reputational damage that could rebound on them, as also the likelihood of damage to the quality of services.

Get back to productive funding

In order to reclaim an independent role for VSGs, we need to argue for a return to the principles and assumptions that underpinned grant relationships and which shaped the ways in which all parties viewed the role of VSGs within public service provision. Above all, these principles promote the independence of action that underpins a vibrant and plural civil society.

Current commissioning and procurement practices should be abandoned as so much has been demonstrated to be unfit for purpose. Behind this, of course, is the need to break the consensus of 'marketisation' and competition. The development of effective funding relationships requires more integrated and participative mechanisms for needs assessment, service design, delivery and evaluation. Effective service improvement and innovation plans would assess the benefits of retaining directly managed services and quantify how the transaction costs of commissioning will reduce funds available for frontline provision. Services should only be externally procured where they can be shown as failing and resistant to attempts at improvement. Procurement processes need to be redesigned on the basis of proportionality, wider considerations of social value and the building of social capital, the value of locally-based and owned providers and not solely directed to accruing short-term savings in public expenditure²¹.

Examples of good practice should be celebrated - where funding relationships have been shown to be based on sound local experience, informed and respectful relationships, and a shared commitment to high standards of provision. And, importantly, that VSGs have exercised the capacity to expose and challenge abuses and represent robustly the needs of their users.

Active solidarity with people under attack

VSGs have played roles in the past as active agents of change, shaping the future and standing up for unpopular or unnoticed causes. The Inquiry has shown how this role is being silenced, exactly at a time when this spirit should be harnessed and amplified. The 'show and tell' expertise of voluntary services offers vital evidence, providing opportunities to speak on matters of policy with authority and legitimacy, and blow the whistle on poor services and practices.

More generally, and as more cuts impact on more people, VSGs are in a unique position to enable the voice and experience of those with least influence to be heard and to stand alongside

²¹ For a discussion of alternatives to current practice see *In Place of Austerity* by Dexter Whitfield. Spokesman Books. 2012.

these people. This can be understood as an organisational responsibility and ethical duty rather than a maverick intent - either directly or in alliance with 'outsider' campaigners.

Voluntary services, collective action and leadership

The Inquiry has shown the poor response of many voluntary sector umbrella groups and representative bodies, local and national. Most of these bodies have a membership. Members can use democratic systems to choose their representatives, make them accountable, and seek the voice and action they wish to see. Alternatively, voluntary agencies can vote with their feet and re-build a collective voice elsewhere which better represents their beneficiaries' interests.

In local areas, a few CVSs may have the potential to provide the focus for collective action to repair the damage exposed by this Inquiry. It may be possible to re-form these groups as genuinely representative of community interests, rather than as a service working to meet specifications that someone has commissioned.

Where this is not possible, there is potential to build on the willingness of informal groupings or activist networks (as identified in NCIA's *Here We Stand*²²) to play some of the intermediary role, or simply to join with these groups and make alliances with others such as public sector workers. Trades unions may have a valuable role to play as allies of voluntary action for community benefit; and also for workplace democracy and good working conditions within VSGs. They may, for example, be able to bring pressure to bear on local councillors to guarantee the Living Wage to employees of successful contractors or on Labour-led authorities to commit to the Ethical Care Charter or explore rigorously the implications of the Public Services and Social Value Act. Some trades unions are also committing themselves to the principles and practice of community organising in which they take messages of solidarity outside the workplace to build alliances with community and activist groups.

Last word

Since 2006 NCIA has been warning of the incremental erosion of the principles and practice of independent voluntary action and the emasculation of its role in civil society. This warning was largely ignored or denied by many in the voluntary sector, most especially by the so-called 'leadership' bodies, whose contribution can be characterised as intellectually deficient and politically both naive and supine. Now at the start of 2015, our current Inquiry has confirmed how these warnings were justified. The picture our research paints is deeply troubling and there is evidence that many people involved with VSGs are profoundly unhappy with what has happened to the domain that they occupy, but feel confused or powerless about how to regain the initiative. The alarm bell we sounded nine years ago has now been heard and support for the argument is now gaining air-time from a host of commentators in the mainstream and trade press.

However, this sad and dangerous demise of a proud civic tradition will have no chance of being halted unless and until there is an honest and open debate within the world of voluntary services about the daily reality of providing services, about the reasons why it is as tough as it is, and – most critically - what practical action is needed to put things right. The cost of not facing up to this situation – and taking a stand – will be very high indeed.

²² [Here We Stand](#) NCIA, March 2013.

Appendix 1: NCIA Inquiry Reports available

[The Ideological Context](#) by *Dexter Whitfield* examines the changes brought about by the commitment of successive Governments to the principles and practice of neo-liberalism, explains what neo-liberalism is, how this has reshaped the environment in which the UK voluntary and community sector now operates and its impact on voluntary agencies.

[The Rise and Influence of Social Enterprise, Social Investment and Public Service Mutuals](#) by *Les Huckfield* documents how New Labour and Coalition Governments, within a framework of neo-liberal thinking, have introduced business concepts and quasi markets as a way of re-engineering voluntary services. The report shows how, using 'capacity building', and with the support of sector leadership bodies, the voluntary services industry has been reined in as 'governable terrain' and led to adopt private sector assumptions and ways of working.

[Outsourcing and the Voluntary Sector](#) by *Laird Ryan* documents the Coalition Government's drive to privatise public services and evidences the damage being wrought by competition and marketisation, shows where the money is going, and uncovers the growing trend of Voluntary Services as sub-contractors to profit-hungry corporations like Serco and G4S

[The Devil That Has Come Amongst Us](#) by *Andy Benson* looks in detail at the procurement and commissioning regimes through which this progressive enslavement of voluntary groups has been achieved, and the ways this has diminished interest and capacity to take their mandate from users and communities and speak out against injustice.

[Does Size Matter Paper 1](#) and [Does Size Matter Paper 2](#) by *Linda Milbourne and Ursula Murray* include new research findings and examine the changing ecology of the voluntary sector, paying particular attention to the emerging differences - and fortunes - of small and large voluntary services groups. Paper 1 looks at the trends in income distribution across the sector and the evidence from area-based studies on the extent to which size is a factor in influencing experiences and approaches. Paper 2, drawing on in-depth interviews with 17 voluntary groups, explores the specific experiences of competition between larger and smaller providers in specific service areas. The paper concludes by setting out the practical and ethical dilemmas for groups caught up in this turbulent environment.

[Ordinary Glory: Big Surprise not Big Society](#) by *Mike Aiken* looks at the impact of the changed environment on small volunteer-based community groups, shows how the influence of contracting and marketisation has damaged all levels of voluntary action but describes how, with a little encouragement, these groups and their activities might discover the seeds of a positive future.

[Inquiry into the Future of Voluntary Service Support to BME Older People](#) by *Valerie Lipman* demonstrates that little has changed for BAME older people over the last 30 years in terms of inequality, access to services and unmet needs, as mainstream bodies persist in neglecting this group of people. This has created a situation in which the contribution of small BAME groups is crucial but these groups are undermined by cuts in spending and further marginalisation.

[Refugee and Migrant Group Action on Xenophobia and Public Policy](#) by *Lisa Roden* looks at the response of VSGs working with migrants and refugees to rising xenophobia within public policy and concludes that co-option and bureaucratisation has decreased solidarity amongst potentially radical factions within the voluntary sector concerned to defend the position of refugees and migrants.

[The Impact of Contracting and Commissioning on Volunteers and Volunteering in Voluntary Services Groups](#) by *Colin Rochester* examines the contemporary volunteering, showing how contracting and commissioning have accelerated the rise of the 'workplace model' and the formalisation of volunteer management that "*threatens the untamed and often maverick expression of free will that defines the authentic spirit of the volunteering impulse*". This view of volunteering as unpaid labour serves "*to separate and distance the work of VSGs from those volunteers and voluntary groups that occupy the*

world of activism.”

[‘More for Less’ – Public Sector Outsourcing and Cuts to Spending: the Impact on Voluntary Sector Workplace Conditions and the Role of the Trades Unions](#) by Rosie Walker and Frances Sullivan looks at the effects of outsourcing and cuts to funding on those who are paid to work in VSGs, and on the role and response of the trades unions, exposing the damage being done to the voluntary sector workforce by the ‘race to the bottom’. This includes *“...lowering pay at the bottom while increasing it significantly at the top, the casualisation of contracts, the exploitation of weaker employment rights and heavy-handed managerialism that frowns upon union activity, political activism of any kind and even, in some cases, on professionalism.”*

[The Position and Role of National Infrastructure Bodies Concerning the Cuts to and Privatisation of Public Services](#) by Lis Pritchard and Andy Benson looks at the record of six national infrastructure organisations (ACEVO, NAVCA, NCVO, Locality, Clinks and Homeless Link) to show how they have implicitly or explicitly supported the outsourcing of public services. Most have committed resources to encouraging and supporting voluntary groups to bid for public services contracts.

[Homes for Local Radical Action: The Position and Role of Local Umbrella Groups](#) by Penny Waterhouse. This report shows how many local CVSs and other infrastructure groups have actively assisted with the outsourcing and privatisation programme, despite mounting evidence that their own local voluntary groups are losing out to national charities and private sector contractors. Voice is given to the frustration of many frontline workers and others who want to resist these changes, gives examples of alternatives that are emerging and sets out an agenda for change.

[Lenin’s Useful Idiots? Voluntary Action and Public Service Reform in Northern Ireland](#) by Nick Acheson reviews recent developments in relations between voluntary agencies and the devolved administration, showing how the familiar pressures of cuts, privatisation, reliance on State funding, fashions for impact measurement and self censorship have played out against the background of the province’s distinctive history. It reveals *“a profound sense both of discomfort and disempowerment among many, reflecting a loss of belief in their capacity to effect change in line with mission.... It is difficult to identify sources of potential resistance.”*

[What is Happening in Scotland](#) by Nicola Gunn. Written before the independence referendum this report offers a brief review of the current context on which future decisions and directions will be built.

[Voluntary Services and Campaigning in Austerity UK: Saying less and Doing More?](#) by Mike Aiken examines whether voluntary agencies providing services to disadvantaged groups are also campaigning for those people’s rights. How far are they presenting evidence - gathered from their day-to-day work with people facing poverty and destitution - to policy makers and the general public? Are they confident, able and assertive in ‘speaking truth to power?’

[Struggling to Survive – Independently: Stories from the Frontline of Voluntary Services](#) by Bernard Davies presents five examples of locally-based Voluntary Services Groups struggling to survive in the environment of cuts to funding and moves to the use of contracting approaches by public bodies. They illustrate the difficulties and dilemmas experienced, and some of the responses being adopted, by groups operating within this scene.

These reports are downloadable at our website - <http://www.independentaction.net/ncia-leaflets-and-research/>. If you would like more information about the Inquiry or would like to contribute your views to it, please contact Andy Benson – andy@independentaction.net.