

NCC Executive and VCS Consortium Meeting

26 May 2010

A paper from the VCS Consortium

Why is the voluntary and community sector (VCS) important to Northumberland?

The voluntary and community sector permeates the fabric of life in Northumberland. It inspires people to make a positive difference to their community. It promotes social capital, a feeling of belonging, and massively contributes to the distinctiveness of life in the county.

The sector provides a wide range of services which are driven by the needs of the communities they serve. As a consequence it makes a significant contribution to the economy of Northumberland in terms of jobs, Gross Value Added and enterprising activity. It has a long record of tackling issues which are important to the people of Northumberland in a highly responsive and flexible way. The value-driven sector is made up of a diversity of user-led independent groups and organisations which engender strong feelings of ownership and trust. They:

- mobilise communities
- help shape a sense of place
- are important providers of support and advice to those furthest from the job market
- make a major contribution to the quality of our cultural life - from sporting clubs to music events
- prioritise those who are most disadvantaged
- are often on the cutting edge of social change

Why an effective partnership with the Council is so important to Northumberland

It is now accepted by all, including the major political parties, that the VCS is an essential component to the successful delivery of agreed outcomes. In Northumberland, these are embedded in the Sustainable Community Strategy and measured through national indicators. The essence of this strategy is that it can only be delivered successfully if different sectors come together to work in partnership to meet the collective challenges and deliver the common vision. When partnerships work best they achieve results by encouraging a diversity of approaches and an innovation of method. Crucially the sector's contribution to the SCS rests on its continued independence and the functioning of effective, respected, autonomous partnership structures which are not seen to be too closely aligned with any particular public body. The framework of the sector's relationship with the Council, and other public bodies, is set out in the Northumberland Compact agreement which is currently being revised in line with changes at national level.

The advantages of working in partnership and encouraging a thriving sector

- Makes for better decisions by providing a grassroots barometer of communities and their circumstances.
- Maximises social gain.

- The sector contributes to the development of place/interest regardless of its relationship with the Council. If NCC wishes to shape places then it needs to work closely with the VCS.
- Helps legitimise any democratic deficit and completes the virtuous circle of representative & participative democracy.
- The sector's input is valuable in its own right...not simply as potential providers of services on behalf of the public sector. The structure and diversity of the sector mean that there will not always be a common view. Sometimes partners will be listening to messages with which they do not agree.
- An often heard plea from the public sector is for the VCS to have a more coherent voice. Massive strides have occurred in recent years through the evolution of the Northumberland VCS Consortium leading to greater collaboration within the sector.
- Valuing the 3 Ds – dissent, difference, and diversity – is essential. The prize of engaging all three is to hear the voices from a multiplicity of independent organisations and value the affiliations, bridges and bonds they bring to the table.
- Duty to involve. This statutory duty means that VCS involvement is an essential part of performance management and its progress will be evaluated.
- “Shrink the state” rhetoric makes the sector attractive by providing a gentler alternative to the private sector.
- Because the VCS is firmly rooted in localities it tends to employ local labour and spends locally. It therefore contributes to higher LM3 measures and helps to plug the holes in the leaky bucket.
- Its independence makes it freer of institutional constraints and fleetier of foot in fast-changing environments.
- Not distributing profits often puts the sector at a competitive advantage when it comes to contracted services – as does a lower cost base in relation to staff salaries, pensions, enhanced redundancy payments and early retirement arrangements.
- The sector's *raison d'être* is to respond to its users and beneficiaries and take account of their changing needs. Stakeholder involvement is an essential part of our thinking and is a valuable source of intelligence on which to inform public policy.
- The sector makes scarce resources go further – leverage from foundations, money raising activities and other public bodies. It is often these first golden pounds which allow access to more external funding. NCC's own figures indicate this leverage effect to be over 10:1 (2009 Community Chest report) – a quite fantastic return on investment.

Commissioning

Services can be acquired by public bodies in a number of different ways. Supporting an organisation through grant aid is a tried and tested method, and one which appears to have the full support of the current government. Purchasing or procuring services through tender arrangements are designed to ensure limited resources go further. But if the best services are to be purchased, then a common commissioning framework must take account of social and environmental gains. In these

circumstances, we believe the sector is well positioned to deliver. One way of achieving this is for the sector to be involved at every stage of framing the commissioning policy so that it can bring to the table its understanding, experience and knowledge of service users, what works and what doesn't.

Ways forward

- A.** Through an agreed process of induction, ensure greater understanding of and respect for the value of the sector across all services and at all levels. This would aim to “sector proof” policy, avoid future misunderstandings and acknowledge the sector’s contribution.
- B.** Engage the sector in all decisions which affect its ability to deliver services and include full explanations as to why those decisions were taken.
- C.** Agree an arrangement for a structured series of meetings to enable a more considered & timely approach to funding in relation to both support services and front-line delivery.
- D.** All Council services to include in their procurement policies and processes social and environmental clauses which reflect the aims of the Sustainable Community Strategy.
- E.** For the County Council to identify its priorities of those support activities proposed - particularly in relation to:
 - 1. the development of communities based on place, interest and identity.
 - 2. engaging strategically
 - 3. volunteering
- F.** For the County Council to confirm its commitment to work in partnership and support the structures which encourage that; involve and engage the sector in framing policy; recognise that a mix of grants and contracts is the best way to develop and sustain VCS activity; acknowledge that support organisations have limited potential to fund core work through trading activities if they are not to compete with delivery organisations; to confirm its commitment to the undertakings and responsibilities set out in the Compact.

Northumberland VCS Some basic facts

Estimated number of employees	3000-5000
Estimated number of volunteers	15000-20000
Number of trustees/directors of registered charities/incorporated orgs	5200

The above estimate of employment figures is obtained from our own surveys. They are further confirmed by extrapolating, on the basis of the county's population, the findings of a national studyⁱ derived from the quarterly Labour Force Survey. This analysis indicated that, at least in 2008-09, the sector had resisted the worst effects of the recession as measured by job losses and continued to grow; the sector's educational qualification profile uncannily matched that of the public sector with twice as many of its workforce educated to degree level (38%) compared with the private sector (19%); many more women were employed in the sector than men and there was a much higher rate of part-time working.

It must be recognised, however, that measuring activity by counting the number of paid employees is not a very satisfactory method in a sector which depends heavily on volunteers.

Annual charitable spending in Northumberland could be as high as £200 millionⁱⁱ which is equivalent to £650 for every person living in the county. It is not too far short of the £285 million which the Council tells us is its effective discretionary budget for this financial year.

The Regional Economic Strategy (2006-16) fully acknowledges the contribution the sector makes to the economic and social wellbeing of the region and its partnership role. It is hoped that the forthcoming Northumberland Economic Strategy makes similar reference and helps to quantify the sector's contribution and impact.

"The voluntary and community sector will play a key role in the delivery of this strategy in terms of employment, wealth creation, and especially leveraging in investment from a wide variety of sources.

The role played by voluntary and community organisations in regeneration and economic participation, raising aspirations, generating social capital, developing and sustaining cultural assets, and creating an enterprising culture, makes them an essential partner in achieving sustainable, inclusive economic growth"ⁱⁱⁱ

ⁱ The growing workforce in the voluntary and community sectors: analysis of the Labour Force Survey, 1993-2009, Briefing Paper 28, Third sector Research Centre, D Moro and S Kay, University of Birmingham

ⁱⁱ Pre-recession figures based on UK figures for 2007-08. The UK Civil Society Almanac 2010

ⁱⁱⁱ RES , B3 p39