



How the Big Society agenda may affect the funding climate

What is the Big Society? - The Big Society is a government idea to shift power from politicians to people. Its aim is to give people much greater say in local decisions and to encourage them to get involved in their communities. CAVOS has a simple guide to the Big Society available to download from our website.

It has received some negative press because of the implications that a lot of activities will rely on volunteers and that more can be done for free, or little money. However, the Big Society could provide new opportunities for local organisations and for a new dynamic within local voluntary action.

What are the direct implications for the amount of funding for the Voluntary and Community Sector? - There are two things in friction here...

- PRO - The government has voiced its support for the sector particularly smaller, 'grassroots' organisations.
- CON – The government has also been announcing a seemingly unending series of cuts. In particular, the government departments with some of the largest cuts are those that have given the most money to the voluntary sector.

The 'Supporting a Stronger Civil Society' consultation which came out this month states that the government is looking to enable a greater role for the VCS in delivering public services. *This consultation is available to download from the CAVOS website.* However, it should be remembered that there is a continued plan to support public sector workers to set up their own social enterprises and it's been suggested by the government that many of the 'quangos' become independent charities. So the competition for public sector contracts could increase with the addition of these new organisations.

Some additional money will be available from the Big Society Bank. This scheme will create social investment funds from unclaimed assets that are sitting in dormant bank accounts. They will be distributed through existing mediators so you won't be able to apply to the Big Society Bank directly. The emphasis is on *investment* so it'll probably be available as loans not grants. The bank is likely to have £60 - £100 million to invest by April which is a large amount, but less funding than the sector is likely to have cut from elsewhere and the funds probably won't reach the front line by the end of this financial year. So the Big Society Bank is something to consider for future planning, not an instant solution to funding problems.

How will the Big Society influence funding schemes' criteria? - The feeling so far is the main emphasis is around the contribution of the volunteer and the importance that the sector gathers in support from non-statutory sources. There's a strong possibility this will be increasingly considered in criteria for funding applications: organisations able to show in-kind (including volunteering) and in finance (from other supporters or earned income) match-funding are likely to be in a strong position. It's also worth remembering that there's strong emphasis on a

participatory approach, which will probably mean the trend for funders to ask for evidence of beneficiary involvement in planning as well as engagement with the community is likely to continue.

Organisations that aren't in a strong position to demonstrate grassroots activity would benefit from partnerships and collaboration with those who can. Equally, those who can demonstrate grassroots activity could benefit from a partnership with larger organisations that can help to keep their costs down. This is something to start looking at now.

So what can you do now? - A lot of the main beliefs behind the Big Society will be very familiar to the VCS, but look at becoming aware of what your organisation could do to take advantage of opportunities.

- Look at how you can involve your service users, community and volunteers with your work in an important way and evidence this.
- Begin looking at forming partnerships to enable you to increase your possibilities and opportunities if you want to get involved with delivering public sector contracts.
- Look closely at your organisational structure to see if it is appropriate. You might feel you should be forming a social enterprise such as a coop, a mutual, a Community Interest Company or similar to give you the flexibility to compete.
- Work on potential match-funding such as funds from non-governmental sources that you could use to add value to applications. Don't forget to value in-kind contributions and volunteers.
- If your organisation is not likely to be able to get involved in public service delivery, there has been very little mentioned about future funding streams. You may therefore wish to strengthen your unrestricted income. If your organisation is interested in further support in these areas, contact CAVOS.

CAVOS will continue to keep you up-to-date with more information about the Big Society and the effects on the VCS but you can always contact us to discuss your Big Society issues and concerns too by contacting CAVOS on 01388 811115

www.cavos.org.uk