Engaging London's Communities:
the Big Society and Localism

THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

Prepared for London Councils and
the City of London Corporation
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Executive Summary

The Big Society and Localism: origins and challenges for London

The government has embarked on two major policy reforms during its first year of office which may have profound implications for local government. The first of these is the Big Society and the second is 'localism'. These are closely-linked initiatives because, by delivering them, ministers wish to see a radical shift of power away from official institutions towards communities, social enterprise and voluntary effort.

The government's Big Society and localism policies are not fully-evolved reforms to be imposed on communities. Enabling legislation will allow people and organisations within local areas to decide whether and how to work together to take over or influence services. The practical application of these concepts will evolve but the pace and scale is inherently uncertain..

There will need to be a partnership between the public sector and community/voluntary organisations if the Big Society is to flourish. London boroughs and other councils, who are expected to be major commissioners of services from charities, social enterprises and other non-governmental organisations, will need to promote such organisations.

Risks are associated with the two policies, especially the failure of services, lack of accountability, and insufficient clarity about outcomes to be delivered. Handing over local services provision to a range of possibly smaller and less experienced organisations necessarily requires careful judgement.

The project considers existing official attitudes to urban parishes and other analogous institutions. It also examines the possibility, drawing on the basis of Business Improvement Districts, to evolve new kinds of 'community improvement district' to allow a more structured approach to the Big Society and localism-type policies

The existing 'Big Society' – current use of voluntary and external providers

London borough leaders, mayors and chief executives, interviewed for the project, were highly pragmatic about their willingness to use voluntary and private providers to deliver services. All boroughs currently use a wide range of organisations to deliver provision such as adult care. But there are different approaches, with some boroughs wishing to preserve part or all of particular services in-house, while others were already pursuing extensive contracting-out and/or market-testing.

The project found the voluntary and charity sector was often highly fragmented, and that many organisations would be likely to be too small to take over significant provision. NGOs are often highly competitive, and generally require capacity-building by the council if they are to be fully effective. Many charities expect to retain funding once they have received it. There are reported difficulties in monitoring the detail of contracts, and some failures. External providers will fail from time to time, raising the question of how far the council must remain 'provider of last resort'.

The voluntary and not-for-profit sector will not be protected from council spending reductions. Moreover, many parts of the charitable and voluntary sector have come to rely on public sector grants and, to a significant extent, believe in a 'big State' to fund them.

A number of boroughs believed there were services where it would not be possible to use external providers (voluntary or private) to deliver services. Among the services most frequently cited as being unlikely candidates for commissioning or contracting-out were: child safeguarding; housing allocations; entitlement to care rules; emergency planning and budgetary decisions.

The Big Society and extended use of external providers

The government will have to consider a number of issues before it can significantly extend the use of Big Society-type providers. These issues include:

- The fragmented nature of the third sector
- Barriers created by the need for providers to jump a 'quality threshold'
- The difficulty of transferring risk away from town halls
- The benefits of using larger charities and private companies which have their own reputations to consider
- Uncertainty as to how far people in London are willing to give up more time to run NGOs and charities
- The need for 'community budgets' to allow the extension of neighbourhood action
- The benefits and disbenefits of significant involvement by faith groups
- How to encourage management buy-outs and mutuals, which would speed up change

Localism

The research suggested it was hard to envisage how localism would work in practice. There was wide agreement that hitherto there was little evidence of a groundswell of enthusiasm to 'join up and take part'. Councils could, it was believed, have a role in 'brokering' between volunteers and those who need them; though many boroughs already felt they were doing this. There is a difference between 'volunteering' and 'voluntary organisations'. Volunteers might give a day or two a month to help with an organisation, though they could not necessarily be relied upon to work continuously and consistently. Voluntary bodies, particularly larger ones, have a corporate existence that ensures they are managed consistently so they can deliver services. Volunteers and voluntary organisations are very different concepts.

The issue was raised of how to sustain an organisation once the original enthusiasm and individuals involved have moved on. In schools, successive waves of parents can sustain the institution. But for other organisations, there may be a less obvious succession of concerned individuals over time. Retired people are widely considered to be a key resource for both volunteering and voluntary bodies according to one commentator interviewed.

Parishes and 'community improvement districts'

There have been very few initiatives to create parishes in London since legislation was passed in 2007 to allow them to be set up. Interviews conducted for this project suggested a lack of enthusiasm the widespread development of parishes in the capital. Formal 'parishing' does not appear to be the way ahead.

A community-based version of a Business Improvement District would appear to offer a possible way forward – at least in some areas – for both the boroughs and the government. The idea would be to create 'community improvement districts' (CIDs) that were sufficiently

robust to deliver a service or facility, but which were sufficiently flexible and targeted to avoid conflict with local government. They would need to be community-led, capable of raising resources and, so as to avoid creating permanent additional structures, time-limited. Such an institution would need to be relatively easy to set up, but also have sufficient formality to be business-like. It would need to be able to demonstrate that it enjoyed local support and that they could deliver real improvements to all local people.

A CID could, for example, run a local library, open space or take a crime prevention role. Because the institution was bottom-up, but nevertheless reasonably formal, it would be capable of undertaking some of the functions suggested for neighbourhoods within the localism bill. For example, it would be the natural vehicle for community planning and for advising the council about service levels where there is a 'community right to challenge'. More importantly, the CID could take a role in local services provided by the NHS, education institutions and other Whitehall departments that have not been much concerned with the Big Society or localism. A CID could, for example, have a role in social care within the responsibility of a local hospital or for neighbourhood crime prevention.

Conclusion

Without the creation of a new 'micro' institution such as a community improvement district, it is hard to see how the Big Society or localism can get very far in London. The same is probably true in other major cities. This report makes a modest proposal to allow a manageable form of decentralised provision to flourish and support the empowerment of local communities.

1.   The Big Society and Localism: origins and challenges for London

1.   Origins of the government's 'Big Society' and 'localism' policies

The government has embarked upon two major policy reforms during its first year of office which may have profound implications for local government. The first of these is the Big Society and the second is 'localism'. Although they are two separate initiatives, they are closely linked because, as a result of delivering them, ministers wish to see a radical shift of power away from official institutions towards individuals and voluntary associations. Although this report is not the place for a detailed historical analysis of the longer-term origins of this particular kind of localism, it is clear there are important philosophical antecedents within both Conservative and Liberal Democrat thinking, notably in the desire to ensure the State does not become too big, too powerful or too centralised[1].

In the run-up to the 2010 general election, Conservative leader David Cameron said he wanted the Big Society to give power to neighbourhood groups and to boost social action. The policy would lead to "a society where the leading force for progress is social responsibility, not state control". It was to include a number of approaches, including breaking "state monopolies" and allowing charities, social enterprises and companies to provide public services. In addition, power would be devolved down to neighbourhoods, so as to make government more accountable[2]. The new policies announced as part of the Big Society plan in the spring of 2010 were to include:

- A "neighbourhood army" of 5,000 full-time, professional community organisers who would be trained with the skills needed to identify local community leaders, bring communities together, help people start their own neighbourhood groups, and give communities help to "take control" and tackle problems.

- A Big Society Bank, funded from unclaimed bank assets, to leverage private sector investment and provide new finance for neighbourhood groups, charities, social enterprises and other non-governmental bodies.

- Neighbourhood grants for the UK's poorest areas to encourage people to come together to form neighbourhood groups and support social enterprises and charities.

- Transforming the civil service into a 'civic service' by making regular community service a key element in civil servant staff appraisals.

- Launching an annual national 'Big Society Day' to celebrate the work of neighbourhood groups and encourage more people to take part in social action projects.

- Providing new funding to support new social entrepreneurs, and to help successful social enterprises to expand and develop.

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[1] See, for example, "Patron saint of the big society" by David Marquand, in *Prospect*, Issue 175, 5 October 2010

[2] "Cameron unveils Big Society plan", Conservative Party, 31 March 2010, http://www.conservatives.com/News/News_stories/2010/03/Plans_announced_to_help_build_a_Big_Society.aspx

This approach had its origins, according to Conservative thinkers such as Jesse Norman, in the political philosophy of Aristotle and Edmund Burke[3]. Burke, Norman argues, had "a focus on human beings not as economic atoms, but as bundles of capability; a focus on intermediate institutions between the individual and the state; and a focus on society and individual rights as such, rather than as mediated by the state"[4].

The government is also committed to 'localism'. This policy had its starting-point in the Conservative Party's *Control Shift* policy paper, published in 2009[5]. Promising a radical shift of power from the state to individuals, *Control Shift* outlined policies such as the removal of regional bodies, regulations and oversight. It also proposed additional elected mayors, new, elected, police commissioners and a requirement that councils pass powers down to local citizens. The paper explained: "Our vision of localism is one where power is decentralised to the lowest possible level. For services which are used individually, this means putting power in the hands of individuals themselves. Where services are enjoyed collectively, they should be delivered by accountable community groups; or, where the scale is too large or those using a service too dispersed, by local authorities themselves, subject to democratic checks and balances"[6]

Thus, the two reforms, the Big Society and 'localism' were announced before the 2010 general election. Subsequently, the Coalition government has taken steps to advance both policies. A number of announcements have been made and the Localism Bill published. The purpose of this report is to examine the ways in which London boroughs are approaching the two sets of ideas and to consider the implications of the Big Society and localism for the capital's government.

Most of the research for this project was completed before the riots in London and other cities in August 2011. It is clear from early analyses of the possible causes of these disturbances that the strength (or otherwise) of local and community institutions is of crucial importance to the effective functioning of society in complex urban areas. Some of the neighbourhood responses to the riots, including spontaneous street cleaning and neighbourliness, suggested there is significant social capital within London boroughs. The following sections examine the government's Big Society and localism policies as they might affect London, leading to proposals for the possible strengthening of such initiatives. The riots of 2011 underline the need for representative and trusted institutions at the local level.

2.   This project and its research method

This project was commissioned by the City of London and London Councils to assess the potential impact, challenges and opportunities associated with the two policies. As a starting point, an analysis was undertaken of the documents and speeches that have formed the basis of the Big Society and localism in the run-up to the 2010 general election and subsequently. Interviews conducted with a number of leaders and chief executives have formed the basis for many of the findings published here. It has also been possible to discuss the policies and interim findings with ministers and senior advisors within the core of government.

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[3] Jesse Norman, *The Big Society: the Anatomy of the New Politics,* University of Buckingham Press, 2010
[4] Jesse Norman, "The intellectual origins of the 'Big Society' " *Total Politics*, 18 February 2011, http://www.totalpolitics.com/articles/45293/the-intellectual-origins-of-the-and39big-societyand39.thtml
[5] Conservative Party, *Control Shift*, Responsibility Agenda Policy Green Paper No 9, 2009
[6] Conservative Party, *Control Shift*, Responsibility Agenda Policy Green Paper No 9, 2009, page 7

The research does not make assumptions about the likely advantages or disadvantages associated with the Big Society or localism. Rather, it has taken the policies as a statement of government intent and tested the reactions of those politicians and officials most involved in the implementation that will follow during 2012 and 2013.

3.   How the boroughs approach the Big Society and localism

The 32 London boroughs and the City of London will be key players in the delivery of many aspects of the Big Society and localism in the capital.   Councils will be affected by both policies. Indeed, it is clear from the research and from government statements that the NHS, schools and other parts of the local state (that is, apart from local government) will not initially be affected by the reforms. The Communities and Local Government Select Committee, in a report published in June 2011, commented on the fact that other Whitehall departments have appeared unwilling to allow their services to be subject to the provisions of the Big Society and localism. Local government alone will see its services reformed by these policies.

Of course, the reforms are intended to empower local people and community institutions. However, because councils are currently responsible for the types of provision which ministers hope will be transferred to neighbourhood and parish bodies, it is inevitable that they will either have to pass over control of some services to other organisations and/or will have to manage the process of ensuring that statutory services continue to be delivered. It is also likely that councils will have to be ready to guarantee any providers that fail. One south London borough in particular believed that while it did not accept the Big Society and localism in the terms presented by the government, it did want to give more power to local communities so as to "foster self-reliance".

The Lambeth 'co-operative council' model, although apparently similar to the government's Big Society and localism policies, noted in its report *The Co-operative Council Sharing power: a new settlement between citizens and the state* explained that the council "has rejected the suggestion that the state should simply withdraw from delivering public services. We want to change the role of the state not roll back the state. Our proposals are about guaranteeing the long-term survival of more responsive public services over alternatives such as privatisation, while at the same time building stronger communities in charge of their own destinies"[7]. Nevertheless, Lambeth's approach shares with that of the government in having a desire to encourage more institutions outside the council itself delivering local services and, in particular, to empower local people to take over the running of aspects of neighbourhood services.

In conducting interviews, it was clear that borough leaders and chief executives value the ethos of public service while accepting the value of a significant role for voluntary and charitable organisations. Indeed, most of them are already involved in extensive commissioning of services from private companies and non-governmental organisations of various kinds. London Councils have provided ministers with a number of examples of recent or existing projects that are consistent with the objectives of the government's Big Society and localism projects. These are summarised in Appendix 1.

London Councils' publication *The Manifesto for Londoners*, published in 2010[8], proposed moves towards greater sensitivity in local provision by London boroughs which "do not involve complicated re-organisation or mergers. Instead London boroughs [should] focus on joining up local public services through integrated commissioning that can respond more precisely to

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[7] *The Co-operative Council Sharing power: a new settlement between citizens and the state,* London Borough of Lambeth, January 2011
[8] *The Manifesto for Londoners*, London Councils, February 2010

residents needs; and so deliver better outcomes"…giving…"people more power to shape decisions that affect them".

The sections below examine the boroughs' approach to likely change.

4.   Testing the capacity for extending these policies

The government's Big Society and localism policies are not fully-evolved reforms to be imposed on communities. Enabling legislation will allow people and organisations within local areas to decide whether and how to work together to take over or influence services. Unhelpfully, much of the debate surrounding both initiatives tends to be generalised, which makes it difficult for councils or residents fully to appreciate how things might change once new laws have been put in place.

London borough leaders and chief executives are in the position where they will be required to oversee and, to some extent, support the Big Society and localism policies, even if it was unclear how far such policies have the potential to work effectively. In fact, as will be explored below, proposals to develop neighbourhood planning will require councils to adjudicate on issues such as which group of local people should be accepted as the 'forum' as the institutional framework for implementing the policy.

Leading voices within the voluntary sector have expressed uncertainty both about the definition of the Big Society, and also about the relationship between the government and the sector. In the report of a commission examining the Big Society policy, ACEVO (the Association of Chief Executives of Voluntary Organisations) stated: "If the big society is to be a success, the Government will need to ensure that it protects and promotes this sector – and does not allow over-rapid and poorly-managed public spending cuts to damage it disproportionately and irrevocably. Government will also need to ensure that it works in partnership with voluntary organisations, rallying them to a common cause"[9].

That is, there will need to be a partnership between the public sector and voluntary organisations if the Big Society is to flourish. London boroughs and other councils, who are expected to be major commissioners of services from charities and other non-governmental organisations, will need to promote and facilitate the voluntary sector.

Appendix 2 of this report includes a brief analysis of polling evidence about the Big Society and localism. Opinion surveys analysed suggest the public trusts voluntary organisations and sees them being more likely to be 'caring' than private sector bodies. Voluntary organisations are seen as less business-like and less accountable than public authorities. People would, the polling suggests, wish to have greater involvement in local decision-making. However, the amount of volunteering may be in decline, as may charitable giving.

5.   Testing attitudes towards urban parishes and other potential innovations

The previous government enacted legislation that makes it possible for communities to bring a parish council into being. London currently has no parish councils, though in the 19th century its local government was dominated by parochial institutions. The Big Society and localism policies could, in principle, be delivered more easily if there were to be a significant increase in the number and scope of parish councils in the capital. In most rural areas of the country (and in some metropolitan districts) parishes with council tax precepting powers are the norm. Yet there has been little enthusiasm thus far for parishes within London. A proposal for a parish

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[9] *Powerful People, Responsible Society, A report of the Commission on Big Society*, ACEVO, 2011

is currently being promoted in Queens Park, north Westminster and there are two other, less developed, urban parishes. The project examines existing official attitudes to parishes and progress so far. It also examines the possibility, drawing on the basis of Business Improvement Districts, to evolve new kinds of 'community improvement district' to allow a more structured approach to the Big Society and localism-type policies.

6.   Examining challenges facing boroughs in ensuring provision remains consistent and uniform

The government hopes councils and other public bodies will, as a result of the Big Society and localism, increasingly use voluntary and private bodies to deliver public services. It is expected there will be further encouragement for public sector commissioning and contracting as the result of new requirements concerning the exposure of council and other public services to external challenge. The research will examine the extent to which London boroughs feel capable of extending the number and type of activities to delivery by other organisations. It will also examine the role of the council as 'provider or last resort' and guarantor of local public provision.

7.   Risks

Finally, the research has examined a number of risks associated with the government's localist and Big Society policies. Such risks include: the possibility of opposition from local authorities and other providers, lack of clarity in implementation and, above all, the risk of service failures if a significant proportion of provision is handed over to an array of smaller and inexperienced organisations.

2.   London, the Big Society and localism

This research project has examined only London boroughs and the City of London. Legislation implementing the Big Society and localism will affect the whole of England. Indeed, some aspects of localism such as directly-elected executive mayors for major cities and will not apply to London, while others such as elected police commissioners will affect the capital differently from other parts of the country.

Yet findings of this research are likely to apply equally to London and other parts of England. The challenges associated with a major shift of power (assuming it occurs) will be similar in most areas. Interviews undertaken suggest there are important differences that mark out London as different from other parts of the country:

- The scale of the city

   London is by far the largest urban agglomeration in the United Kingdom, consisting of almost 700 square miles of continuous city, with hundreds of wards, communities and neighbourhoods. Highly-localised government across such a large urban area is likely to be different from in rural areas with existing parish-based government.

- Population density means London councils are geographically smaller than elsewhere

   The capital is, by British standards, densely settled. Even outer boroughs are among the most tightly populated places in the country. Given official efforts over many years to create councils of broadly similar population size, London boroughs are geographically small. Croydon, one of the largest boroughs by size, has 342,000 people living within 34 square miles. By contrast, the metropolitan district of Kirklees

has a population of 404,000 in an area of 157 square miles. Sheffield has 534,000 people within an area of 142 square miles. The small size of London boroughs arguably makes them less remote (at least in the sense that it will take people less time to get to the town hall or council office) than geographically bigger councils.

- Its population is significantly more multi-ethnic than any other part of the country

  London is by far the most ethnically diverse place in the UK. About a third of its population were born overseas and a third are 'non-white'. Some boroughs now have a majority non-white population. The complexity of communities is very much greater than in other places, making geographical proximity arguably less relevant than in other parts of the country.

- Communities are more likely than elsewhere to be non-geographical

  In a major city such as London, communities based on interest are often at least as important as neighbourhoods or wards. People associate with others across the capital based on interests such as ethnic background, religion or the area where they work.

- There is a risk of segregation

  Governments in Britain have long sought to avoid the segregation of different communities and the separation of, for example, people from different racial or ethnic backgrounds. London neighbourhoods may be largely or exclusively made up of people from a particular part of the world, leading to the risk that barriers will emerge between them and the population as a whole

- Welfare services are under immense pressure because of deprivation and complexity

  London boroughs house some of the most deprived communities in Britain. Moreover, as stated above, the city's population is very complex as a result of the many different groups who have settled there. These factors combine to create unique challenges for social services, schools and housing. Homelessness, for example, is particularly acute in London. The scale and seriousness of these challenges creates service needs that are likely to require solutions at a level above a neighbourhood.

- Service failures or social breakdown will produce visible spill-over effects

  Where services fail and/or there is evidence of social breakdown, it is inevitable the consequences will not be felt only within the streets or ward where the problem occurs. In an urban area as large as London, it is possible that many neighbouring areas will be affected by social problems within a patch of the city.

The City of London is included in this research. With its relatively small geographical area and a resident population of some 10,000, the City is both a prototype of localism and a potential challenge for some of the policies proposed. In particular, the City's very high day-time population points to an issue that will be faced by most central London boroughs. Localism is intended to give a voice to local people, yet in many neighbourhoods in the city centre non-residents predominate. Giving residents control over business district development and policy would potentially impede economic development. On the other hand, people who live in the centre of cities often face the biggest challenges to their quality of life. The City has generally handled these issues by keeping some parts of its area as wholly 'business' zones

while developing the resident population within other wards. The question of how to balance residential and business interests in a city like London is likely to require solutions that are different from those adopted in villages and small towns.

3.   Working definitions of the Big Society and localism

The government has published a number of papers about the Big Society and localism. Ministers have given speeches providing greater detail about what they hope to achieve with such policies. However, it is important to note that these are not precise proposals that will be implemented in a particular, predictable, way. In fact, the government is creating a framework for action within which it hopes and expects that voluntary organisations, private companies and members of the public will come forward and give shape to a set of new outcomes. Because there is little prescription about institutional mechanisms, it is difficult for anyone to guess what a fully-evolved Big Society/localist country would look like. In the meantime, it is inevitable there is uncertainty and scepticism

In the absence of an easily-accessible understanding of the full impacts of these policies, it is necessary to provide an outline description of each to provide a starting-point for the research. These broad definitions have subsequently been used as the basis for interviews and other elements of the project.

1.   The Big Society

The Big Society is a politically-driven, philosophical, concept with direct, practical, implications for public service delivery. The prime minister and other Cabinet ministers have stated their view that there needs to be an increase in the provision of services by voluntary and private organisations[10]. This change is desired partly to increase the number and pluralism of providers, and partly to allow a shift from direct government provision to one where a large number of civil society institutions take responsibility for public services. At its simplest, ministers want a significant shift away from publicly-provided, services to one where private companies, voluntary organisations, management buy-outs, mutually-owned companies and co-operatives run publicly-funded provision. There is also an aspiration that people take greater responsibility for themselves and their communities, and have greater capacity to influence the services delivered to them.

2.   Localism

Localism is a different but related element in government thinking. It is widely accepted that England is one of the most centralised democratic Western democracies. The UK government controls virtually all tax-raising within the country and, consequently, is responsible for the allocation of resources to local areas. With almost all political power in the country (though, following devolution, not in Wales, Scotland and Northern Ireland) centralised in Whitehall, decision-making is inevitably distant from citizens.

Various official investigations, most notably the Layfield Report[11] and the Lyons Inquiry[12], have examined the centralised nature of local funding, though their recommendations were ignored. The shift of power to the centre in England has continued apace. Despite being a widely-recognised phenomenon, no government has been able to do much to stop the tightening grip of the centre.

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[10] "David Cameron: public services need to be opened up to competition" in *The Daily Telegraph*, 11 July 2011
[11] *Local Government Finance Report of the Committee of Inquiry* (The Layfield Committee), May 1976, HMSO
[12] *Lyons Inquiry into Local Government Finance*, Final Report, London, TSO, 2007

The Conservative Party's pre-election document *Control Shift*, discussed above, was a decisive statement of intent in relation to an attempt to move power away from the centre, though there are currently only limited proposals to give local areas greater control over tax resources. The local government resource review[13] is examining the possibility of allowing councils to keep the yield of the non-domestic rate (NDR) as a way of increasing the freedom of councils to increase local income by growing their tax base both for the NDR and the council tax. There is no proposal to re-localise decisions about council tax or business rate, except that it would theoretically be possible for councils to test a proposal to increase local tax increases in a referendum.

Localism, as envisaged in the Localism Bill and other legislation, will involve some strengthening of democratically-elected local offices, notably in the potential creation of mayors in major English cities and in elected police commissioners. Other aspects of the Bill propose a move from to participative rather than representative local democratic involvement in decision-making. The government wishes to transfer decision-making power to people at as low a level as possible, that is, at street, neighbourhood or ward level. Although the government is committed to localism more broadly, for example within the NHS and schools, most of the proposals within the Localism Bill apply to local government.

3.   The Big Society and Localism taken together

The combined impact of the Big Society and localism would, if it worked as the government hopes, allow Big Society micro-institutions such as local charities and co-ops to be the vehicle to enable localism to occur. For example, voluntary organisations could evolve to assist people to make neighbourhood plans within the proposed new planning system. Many existing local organisations could be seen as being examples of the Big Society and/or operating with localist impacts. Local charities already deliver a number of adult care services, while school governing bodies allow non-elected participation in local decisions. Business Improvement Districts are extant business-led micro-institutions that deliver public services.

4.   Precedents

It is important to put the Big Society and localism into an historic context, particularly in London. There is a long tradition of voluntary local provision throughout Britain, going back to the 19th century. Individuals such as Lord Shaftesbury, Dr Barnardo and William Booth created institutions devoted to social progress and to the delivery of services for the poor. Charities in the City, notably the guilds and merchant companies that have played a part in City government, have continued to provide charitable services such as the voluntary provision of schools, social care, housing and funding for voluntary bodies[14].

The growth of the Welfare State has led to the nationalisation of many public services. Hospitals and schools have moved from being sectors with significant voluntary provision towards ones where State-provided services are the norm. In the private sector, the search for productivity and growth has led to the creation of large, often multi-national, corporations. From time to time, policy-makers and commentators have urged a move towards greater community involvement in services. In the 1960s and 1970s, community power policies became important as the result of a number of radical philosophical and political

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[13] Local Government Resource Review, Terms of Reference, Department for Communities and Local Government, March 2011 http://www.communities.gov.uk/documents/newsroom/word/1866550.doc
[14] See, for example, The Mercers' Company 2009 *Annual Review*, pages 3-23

movements, notably the American civil rights movement and writers such as E. F. Schumacher[15].

Interviews conducted for this project highlighted the fact that the Big Society and localism can be seen as the re-emergence of pressures that have been seen within London government before. As one chief executive put it, "Power to the People" was a resonant rallying-cry in the politics of the late-1960s and early-1970s. A number of contemporary community organisations in London have their roots in this period.

More recently, the previous government was interested in ideas such as 'localism' and 'community government'. There were a number of publications relating to neighbourhood and community power in the period between 1997 and 2010.   A national strategy for neighbourhood renewal was published in 2000[16] and a white paper on *Why Neighbourhoods Matter* in 2005[17]. Both David Miliband and Hazel Blears, as Cabinet ministers responsible for local government, pursued 'double devolution' policies, with the objective of transferring power from central government to councils and from councils to local communities. A white paper entitled *Communities in control: real people, real power* was published by Ms Blears in 2008[18]. This latter document included proposals such as community ownership, the transfer of assets to local neighbourhoods, community trusts, social enterprise and many of the features now associated with the Big Society and localism.

Many of those interviewed expressed the view that there was "little new" in the idea of attempting to increase local autonomy or in the proposal to pass powers downwards to community and neighbourhood organisations. Others believed that Big Society-type institutions are already present in large numbers within London and that councils already deliver elements of many services using private companies, charities, faith groups and other institutions that were not part of local government. The relentless centralisation of power in Britain was seen by many interviewees as the main obstacle to progress in shifting power to local areas and people.

London Councils has commented on policies of the kind embraced by the Big Society and localism in response to the previous government's various localist initiatives. In a January 2009 paper, three pathways to community empowerment (then a government priority) were identified:

- *"Third Sector Access*: by increasing involvement with organised communities of both place and interest local authorities can become more responsive and thus better empower more individuals and communities – especially amongst groups that have tended to be excluded from power.
- *Customer focus*: By designing management and delivery systems around customers, rather than around producer needs, individuals and groups will become more empowered to access support from the state to which they are already entitled.

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[15] See " 'Small is beautiful': Can Big Society Advocates Learn
from Experience?" by Anne Power in *The Big Society Challenge*, edited by Marina Scott, Keystone
Development Trust Publications, 2011 and *Small is Beautiful: Economics as if People Mattered*, E.F
Schumacher, Blond & Briggs, 1973
[16] Social Exclusion Unit, 2001,   *A New Commitment to Neighbourhood Renewal: National Strategy Action Plan*, Cabinet Office
[17] Office of the Deputy Prime Minister, 2005. Citizen Engagement and Public Services: Why Neighbourhoods Matter, ODPM
[18] Department for Communities and Local Government, 2008, *Communities in control: real people, real power,* Cm 7427

- *Inclusive democracy*: by opening up democratic processes, by making them more transparent, ensuring that they are close to communities and lastly by devolving decision-making so individuals and communities will gain more power over the local state"[19].

 These observations relating to community empowerment could as easily relate to contemporary efforts to deliver the Big Society and localism. Successive governments have made efforts to extend voluntary organisations' involvement in local government provision, while ensuring that neighbourhoods and communities have the capacity to influence decision-making. The fact that it has proved difficult to deliver radical change of this kind is suggestive of barriers not only within councils but also, possibly, because the capacity of local people is insufficient to allow such change to occur.

4.   The existing 'Big Society' – current use of voluntary and external providers

1.   A pragmatic approach to the use of different providers

In interviews, London borough leaders, mayors and chief executives were highly pragmatic about their willingness to use voluntary and private providers to deliver services. All boroughs currently use a wide range of organisations to deliver provision such as adult care. But there is an evident range of approaches, with some boroughs wishing to preserve part or all of particular services in-house, while others were already pursuing extensive contracting-out and/or market-testing. One Labour-controlled borough, in particular, expressed a desire to ensure decent terms and conditions for staff delivering council services, and thus would be cautious about extensive commissioning. Another, Conservative-controlled borough had long exposed a significant proportion of its services to external competition, though most of the contracts had been won by private rather than voluntary organisations.

Most boroughs fell between these positions, with one Labour-controlled borough's mayor stating he was "almost completely relaxed" about the increased use of outside organisations to deliver most services. All boroughs rely heavily on the voluntary and private sectors for the delivery of adult care, though personalisation is having the effect of shifting the control of what is delivered from the council, via commissioning, to personal decisions about the use of budgets. In future, individuals are likely to have greater power than at present to determine which providers are used.

2.   Concern about the fragmented nature of the third sector and the need for rationalisation

Some leaders and chief executives stressed that the voluntary and charity sector was often highly fragmented, and that many organisations would be likely to be too small to take over significant provision.   Charities are often, according to one borough leader, highly competitive, but generally require capacity-building by the council if they are to be fully effective.   The same leader made the point that many charities expect to retain funding once they have received it, even though this is unlikely to be the case in a competitive environment. In south London the leader reported that the borough had an important role in capacity-building in the third sector, but conceded that it was possible to be "over romantic" about the capacity and strengths of charities and other voluntary bodies. Some boroughs reported difficulties in monitoring the detail of contracts, and some failures. External providers will fail from time to time, raising the question of how far the council must remain 'provider of last resort'.

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[19] *Community Empowerment*, Report to Capital Ambition Board, London Councils, January 2009

3.   Budgetary pressures

None of the boroughs interviewed suggested that the voluntary and not-for-profit sector would be protected from council spending reductions: "Charities will have to share the burden of efficiencies" according to a north London borough leader. A number of boroughs see the third sector as often expecting public support. Indeed, it is clear that many parts of the charitable and voluntary sector have come to rely on government grants and, to a significant extent, believe in a 'big State' to fund them. There is a paradox here: the government believes that charities and other voluntary bodies should expand and take over the delivery of council provision, while the third sector itself is often sympathetic to the idea of increased public funding for its existing functions. There will need to be a change of approach from some parts of the charitable and voluntary sector if they are to be as robust and business-like as the government wishes them to be.

4.   Resistance to the use of external providers in some boroughs for some services

A number of boroughs believed there were services where it would not be possible to use external providers (voluntary or private) to deliver services. Among the services most frequently citied as being unlikely candidates for commissioning or contracting-out were:

- child safeguarding
- housing allocations
- entitlement to care rules
- emergency planning
- budgetary decisions.

Not all councils held similar views. In particular, while some boroughs still provided in-house refuse collection and housing management services, many were happy to contract them out. Overall, it appears to be the case that there are some elements of provision which councils do not see as appropriate for external commissioning. Child safeguarding is important as an example. In the light of a number of serious child abuse cases in recent years, leaders and chief executives believe it is necessary to have close control over the provision of this part of children's services. It is felt that a direct, 'command and control', relationship with the staff who are responsible for protecting children will be necessary if councils are to be sure services are effective. The implication is that by commissioning services to external providers, there will be a risk that failures will occur beyond the oversight of the council.

Budgeting, the allocation of resources, housing allocation rules and decisions about entitlements to care were also cited by some (but not all) boroughs as examples of provision where councillors and the council corporately should determine rules. This would not be to say that the operation of these services could not be handled by charities or private companies, but the decision-making processes that decide which citizen receives which provision should it is often believed, remain within the borough.

5.   Some examples of the Big Society in action

As stated, one of the most powerful messages from the interviews conducted with borough leaders and chief executives (and also in discussion with charity leaders) was that much of the Big Society-type policy envisaged was not new. Examples were given of current actions by London boroughs to bring about public service efficiency and improvement which closely resemble Big Society policy in action.

1.   Reforms to the library service

Interviews revealed that at least one borough is privatising its library service in an attempt to improve efficiency. Elsewhere, a south London borough is offering a number of libraries to the community to see how far social enterprises and other not-for-profit organisations would be willing to take them over and run them. The libraries would be leased on a peppercorn rent, though the new operator would become responsible for maintenance. A library function (though not necessarily the full library) would have to be retained.   Another, north London, borough was in discussion about the future of its libraries, including the possibility of creating trusts to become responsible for individual branches. A south London borough is running a library jointly with another authority.

Because of the pressure on library spending, it is evident that boroughs are willing to consider radical changes in operation and control. Big Society-type models such as transfers to social entrepreneurs, community groups or trusts are being actively pursued. Private companies also have a role. The approach demonstrated to library provision suggests London boroughs are, collectively, willing to consider a range of options. The major question here is: how far are communities willing and able to come forward to take over library branches?

2.   Adult social care

All the London boroughs interviewed already make heavy use of charitable, faith and private providers in the delivery of adult care, particularly services for the elderly. Councils often work with voluntary and charitable organisations in the achievement of objectives such as gangs and knife-crime. Indeed, there is no possibility of delivering services to some 'hard to reach' groups (such as isolated religious enclaves) or issues (such as gang culture) by conventional service delivery. Council mayors and leaders were clear that in areas such as Hackney and Haringey, with their significant Charedi populations, need sensitive and culturally-specific provision. Nevertheless, the council is responsible for ensuring such services, for example ambulances, care for the elderly, are available is a way that is acceptable to people.

Home care provision is extensively delivered by private providers, not by councils themselves. There is a competitive procurement process within a developed market. Day centres are provided by council in-house or voluntary organisations. Throughout the provision of services to adults and the elderly, councils have been willing to use charitable and private operators. All the boroughs interviewed were happy to extend the use of such providers. However, there are two challenges to this developed model.

First, the near-bankruptcy of the Southern Cross care home provider had demonstrated that councils (and indeed the government) must always stand ready to step in where external contractors fail. Charities and private companies may fail, but the council cannot. Second, personalisation of budgets (by, in effect, giving people a 'voucher' to use to buy their own care) will make it harder for councils to manage provision. If personalisation is to work effectively, individual clients would be largely free to use their resources as they see fit. It is hard to be sure what the full impact of this reform will be for existing, external, providers. London boroughs, of course, will have a residual role in assessing the lawfulness of the use of public resources and, inevitably, standing ready to step in where there are breakdowns.

3.   Housing

Successive governments have encouraged the development of a mixed market in housing provision.   Some boroughs have sold off much or all of their housing stock to housing associations, while others have transferred management to an Arms-Length Management

Organisation (ALMO). Many boroughs have organisations running their housing functions that include some tenant representation. In its *Cooperative Council* report, Lambeth considered the wider use of co-operative and mutual ownership of housing estates.

Borough leaders and chief executives generally believed that decisions about housing allocation rules would continue properly to belong to local government. But it would be possible to commission the administration of such a system, in much the same way that benefits are often run by external contractors. Having said that, one west London borough has brought housing management back in-house and in so doing made the service more efficient.

The ownership of social housing, its management and tenant or community involvement varies substantially from borough to borough. Some boroughs have little stock and thus only a small management function, in relation to allocations. Others still own a large stock which may be managed in-house or by external contractors. Tenants have significant control over management in some places, but less so elsewhere. It seems likely that the Big Society and localism could lead to further use of commissioning and locally-generated management, but that there will always be fluidity from borough to borough in local choices about ownership, management and tenant-control.

4.   Education support

Islington contracted out the management of its schools from Cambridge Education in 2000 and has continued to operate this major element in its services ever since. The current contract will run until at least 2013. 'Cambridge Education @ Islington' is a division of Cambridge Education Ltd., a member of the Mott MacDonald Group - a global education, health, management and construction consultancy. The company employs about 400 staff based at four different locations within the borough. The company produces an annual report about local schools as well as regular updates to the council on performance against contract.

The relatively radical nature of this contract does, however, point to the reality of continuing borough responsibility for the services provided by Cambridge Education. The council uses a contractor and oversees its performance, but in the final resort it is the council that is held to account for the performance of services provided to schools. Hackney provides its education service in a rather different way, through the not-for-profit Hackney Learning Trust.

The NHS, by contrast, has tended to retain in-house management. A number of councils in England are, given pressures on their budgets, considering the possibility of management buy-outs for their educational support services. Islington suggests this is a possible route for London boroughs.

5.   Crime and disorder

The leader of a south London borough and one in north London explained that in tackling issues such as gangs and knife-crime it was essential to involve local families in the organisations that worked with the police to deliver efforts to reduce the prevalence of problems. Community safety partnerships often bring together many official agencies but also organisations such as tenants' committees and local charities. Interviews conducted for this project suggested such partnerships are far more likely to be effective if they enjoy the active involvement of families, youth groups and faith organisations. However, people are far more likely to take part if they feel there is direct benefit to them: mothers concerned about knife crime and residents worried about anti-social behaviour will volunteer to join and take

part in voluntary attempts to reduce crime. On the other hand, it is less easy to involve people more generally (ie who are not directly affected) in such initiatives.

6.   Heritage, arts, leisure

A south London borough has set up a trust to manage all its heritage buildings, while another has transferred the control of a major arts centre and a museum to an organisation with trust status. A number of libraries in several boroughs are being turned into trusts. It is evident that services which are non-statutory or where there is no legally-certain minimum level of provision are ones where boroughs appear most likely to consider a transfer to trust or not-for-profit status. Evidence suggests these are also the kinds of services where volunteers are most likely to be used. However, a number of borough leaders pointed out that volunteers are not the same as voluntary provision. Volunteers are people who will come forward to assist in the running of a service. Voluntary bodies require management and business processes. A museum or library may be run by volunteers, but the organisation that organises and manages them will require a degree of formality and business acumen to operate effectively.

Leisure services are in many cases provided by private or not-for-profit operators. For example, Islington uses Aquaterra (a charitable trust) to run its leisure services. Greenwich Leisure (GLL) provides sports and related services in many London boroughs. It is a highly successful social enterprise which floated off from the London Borough of Greenwich in 1993. Councils generally commission management services from GLL, which specialises in community-based provision and activity.

7.   Transport

Community transport organisations were common within a number of the boroughs reviewed for this project. These bodies often required subsidy and were generally a way of commissioning a service the council needed to have provided to a number of groups within the community for whom public transport was not a realistic option. But the voluntary bodies that run services are often very dependent on council funding, making it unlikely they would survive without grants.

6.   The Big Society and extended use of external providers

The research conducted for this study strongly suggests there is little or no significant resistance to the idea of increased use of voluntary or private provision to deliver local public services, though some borough leaderships observed that the use of the term 'Big Society', which identified such activity with current government policy, was not entirely helpful. Regardless of nomenclature, it is clear that all London boroughs are already comfortable with the use of a 'mixed market' of providers in adult care, housing, leisure, arts and even education. Many administrative support services are also provided by external contractors. However, there are a number of issues that the government will need to consider if it is to make a significant change to the capacity of voluntary and charitable organisations to deliver services.

- The fragmented nature of the third sector

    Several borough leaders and chief executives commented on the fragmented and potentially informal nature of parts of the third sector. This was not as much of a criticism as an observation about the way that many organisations evolve. Often, voluntary bodies emerge as very small and local bodies, without any expectation they might take responsibility for major elements of a public service. One north London leader said it would be necessary to see consolidation within the voluntary

sector to deliver the kind of capability required to run larger services. At present, many voluntary bodies are heavily dependent on the public sector and find it hard to exist without grants. If they were to be able to provide sustainable public services, third sector organisations would, in many cases, need to become more business-like and less in need of public support.

- Barriers created by the need for providers to jump a 'quality threshold'

Britain has a sophisticated, regulated, public sector. It would be hard to imagine charitable and other voluntary organisations being able to bid to provide statutory services unless they had passed some kind of 'quality threshold'. For major charities with their own reputations, there might be no need for such a test. But for many smaller voluntary, not-for-profit and even private providers there would need to be some kind of assurance the organisation was fit to deliver services. As one leader put it: "people can't just set up a GPs' practice"- Health & Safety rules would be another barrier: councils are required to deliver their services within statutorily-determined rules concerning health and safety. Employment and transfer rules could also inhibit the voluntary sector.

- Impossibility of transferring risk away from town halls – council will always be held responsible.

One north London mayor observed: "the risk of service failure is inescapable for councils…issues such as whether CRB checks have been undertaken can never be escaped if there is a problem". All the borough leaders, mayors and chief executives agreed that their council could never, in any circumstances, escape the responsibility for a service failure, even if the service had been commissioned from a voluntary body, co-operative or private company. Towards the end of the interviews conducted for this project, Southern Cross (a major provider of care homes for the elderly) came close to bankruptcy, with the risk that residents of homes would lose their care. Immediately, the government stepped in to guarantee continue of supply.

- Major charities, private companies with their own reputations to protect are 'safer' than smaller ones

The government's view of the Big Society has tended to suggest that smaller voluntary organisations would be able to take over the running of local public services. Interviewees agreed that larger charities, particularly those with their own reputations to protect, would be more likely to be commissioned to take over the running of services where there was any threat that failure could lead to groups such as children and the elderly being exposed to poor performance

- Uncertainty as to how far people in London are willing to give up more time

There was also agreement that there was a limit to the extent to which Londoners were likely to give up their time to sit on the boards of charities and other bodies with responsibility for services. As one mayor put it: "people have busy lives" and are unlikely to want to devote much more time than at present to taking on responsibilities. This observation is, if it proves to be accurate, a key potential inhibitor to the government's hopes for the Big Society and localism. Unless many more people prove willing to take positions running boards and/or volunteering it will be difficult to deliver many of the expected changes envisaged by the government's policies.

- Community budgets' would make extension of Big Society far easier and would make it able to deliver efficiencies.

  All the borough mayors, leaders and chief executives interviewed made it clear that public services could be more efficient and consistent if the government could extend the community budgets policy. If councils and other local service providers could break down the barriers between budgets, it would be possible to achieve better and cheaper services. However, the Big Society and localism are not, on the basis of current proposals, likely to embrace most other local services[20].

- Faith groups offer major potential growth (with caveats)

  A number of interviewees believed that faith groups will be able to provide some additional capacity to deliver services. Religious organisations have been enthusiastic supporters of the government's 'free school' proposals[21] and appear to be able to raise the resources necessary to guide proposals into action. A number of borough leaders believe that this capacity to organise schools may extend to other elements of the Big Society and that, more than any other groups, religious organisations may have the zeal and resources to extend their responsibilities by taking over some currently delivered by local authorities.

- Management buy-outs/mutuals may also offer opportunities to expand more rapidly

  The government has set up a task force, headed by LSE academic Julian le Grand[22], who was interviewed for this project. The task force is exploring the possibilities of helping public sector workers to create and run management buy-out style partnerships across the public sector. Few examples were put forward by boroughs during the course of this project of how there might be a significant increase in the use of management buy-outs and mutuals, though a number of borough leaders were enthusiastic about the services they commissioned from Greenwich Leisure and other organisations, discussed above.

  According to a report published by the European Services Strategy Unit[23] basing its findings on University of Nottingham research, "The number and value of management buy-outs from government, local authority or other public sector bodies have constituted a tiny fraction of management buy-outs in the last decade". Although there is some evidence of an increase in interest among local authorities in the issue as a response to constraints on public expenditure, it is not yet clear how far councils will want to encourage management buy-outs.

  The Task Force hopes to assist in the delivery of a position where one million public sector workers (broadly 15 per cent of the relevant workforce) will be employed by mutuals by 2015. Workers' co-operatives are thought to be the most likely to succeed. Social work practices[24] are seen by an academic commentator as

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[20] Communities and Local Government Select Committee Report

[21] See: http://www.guardian.co.uk/education/2011/jan/29/free-schools-approved and also:
http://www.enfieldindependent.co.uk/news/9030146.print/

[22] http://www.telegraph.co.uk/finance/jobs/8299556/Julian-Le-Grand-appointed-to-form-public-sector-partnerships.html

[23] *Briefing No 7*, European Services Strategy Unit, March 2010

[24] Care *Matters: Transforming the Lives of Children and Young People in Care,* Cm 6932, Department for Education & Skills, 2006

examples of how partnerships of professionals can provide services to local authorities. It is not yet clear how the up-lift in provision by mutuals and management buy-outs will occur. This is the issue currently under consideration by the task force.

Even if there were to be a significant increase in the number and scale of mutuals and buy-outs, there is a challenging issue in relation to competition. It may be relatively easy for a London borough (or other council) to encourage the creation of management-led companies or cooperatives. But it will be impossible for councils to ensure that such organisations win contracts. Commissioning inevitably involves appropriate tendering processes, which means there can be no guarantee that a particular company will win a particular contract.

7.   **Localism**

The Big Society policy is closely related to the government's separate, localism, initiative. A Localism Bill is currently before Parliament. There is significantly less certainty about the impact of localism on London boroughs, though many borough leaders made clear that voluntary action is widespread in London, with an array of lobby and good government organisations in every borough. Provisions in the localism bill will give citizens a number of new potential rights to act, including the following of direct relevance to London government:

- A community 'right to challenge' the delivery of services

  Leaders were generally unsure how this policy might work, though a number believed this kind of procedure would work better in rural parishes than in a complex city. Existing parishes might take over a number of services from district councils, though in London, where there is currently no such tier, it is hard to see how groups of citizens might take over provision. Groups linked to religious or national groups would probably be best able to take control of some elements of services. However there would be problems in urban areas created by the 'churn' of population – there is less stability within many communities making continuity more difficult than in smaller towns and shires.

- A community 'right to buy' assets

  Interviews suggested there was a willingness in boroughs to vest community assets with local voluntary organisations, though this was generally in response to the need to shift the responsibility for spending or services outside the town hall. Some boroughs had adopted a pro-active policy towards shifting assets towards community ownership. There was little evidence about how a 'right to buy' policy might work in places where there was no existing demand.

- Local referenda of a number of issues, including council tax increases

  Little evidence was available about this policy, largely because it does not yet exist. There has been no tradition of neighbourhood or community referenda in London, so it will only be clear how it operates when it is in place.

- Neighbourhood planning

  Several borough leaders and chief executives saw risks in neighbourhood or ward-based planning. There is a risk, for example, that isolated religious communities might

use 'micro' planning powers to adopt policies towards their neighbourhoods that would further distance them from the mainstream. Most leaders noted the fact that planning often attracts very zealous activists with strong views. There would be a need to ensure that such people did not 'crowd out' the views of the silent majority. Boroughs have a duty to balance the needs of different people and areas, while individual neighbourhoods might not.

- Community right to build

    Local developments will be allowed to go ahead providing they adhere to minimum planning criteria and can secure support in a referendum. There was no evidence about how such powers might work in London, though it appears likely that boroughs would be required to balance the needs of different groups within densely-populated areas where more than one view might be strongly held.

A borough leader stated "People are far more likely to act if it is in their own interest". This was not meant to imply people were only interested in themselves, but that they would be galvanised into action where they felt personally touched by an issue. Examples that were given by leaders and chief executives were (i) anti-gang organisations; (ii) in relation to a particular illness or mental condition; and (iii) a threat to a neighbourhood. It is easier to get people to take part in local and/or voluntary organisations if they feel a strong motivation to do so. Faith groups, as was stated previously, were often effective in generating local action. In many cases, such involvement was for the public good, but there was always a risk – both with religious and other groups – that the drive and commitment of those running the organisation might exclude those who were outside the interest-group concerned.

Most of those interviewed, within boroughs and outside, were not able to envisage how localism would work out in practice. There was wide agreement that hitherto there was little evidence of a groundswell of enthusiasm to 'join up and take part'. Councils could, it was believed, have a role in 'brokering' between volunteers and those who need them, though many boroughs already felt they were doing this. Several leaders and officials stressed the difference between 'volunteering' and 'voluntary organisations'. Volunteers might give a day or two a month to help with an organisation, though they could not necessarily be relied upon to work continuously and consistently. Voluntary bodies, particularly larger ones, have a corporate existence that ensures they are managed consistently so they can deliver services. Volunteers and voluntary organisations are very different things.

The issue was raised of how to sustain an organisation once the original enthusiasm and individuals involved have moved on. In schools, successive waves of parents can sustain the institution. But for other organisations, there may be a less obvious succession of concerned individuals over time. Retired people are widely considered to be a key resource for both volunteering and voluntary bodies according to one commentator interviewed. Moreover, the elderly are a group whose capacity will grow in the future as demographic trends rapidly increase the number of over-65s in the population. But there was also seen to be a need for a mixture of age groups within voluntary organisations, particularly where they had to work with young people. The young, as potential volunteers, are seen as hard to reach, though in one borough there was evidence of the possibility of a 'clearing house' function whereby the council connected colleges with local bodies who needed volunteers and board members.

8.   Urban parishes: help or hindrance?

1.   Parishes not currently proposed in most boroughs, though some 'in development'

Many boroughs have, or have previously had, ward or community-based structures. Some of these have been given modest budgets to spend at the neighbourhood level. Lewisham has 18 ward-based 'local assemblies' which are open to anyone who lives, works or studies in the local area. Ealing has 23 ward-based forums, each with its own budget. Haringey has seven area committees, which can allocate small grants to local groups and develop local priorities. There have been a number of types of ward and neighbourhood-based sub-council structures within London boroughs, all with the purpose of allowing communities to shape their areas.

Processes set out in the Local Government and Public Involvement in Health Act, 2007 created a framework for local residents to propose the creation of parish councils. The legislation included London (except the City), which means that it is now possible for Londoners to put forward proposals to create parishes. The procedure involves the need to identify a relevant area, collect signatures on a petition and then submit the petition to the local council. The council may comment on the proposal before passing it on to the Secretary of State who can approve, amend or reject the new parish.

Such a procedure is likely, according to views put forward in interviews, to work better in rural or semi-rural than urban areas, largely because geographically-based communities are relatively easy to identify, but also because populations are less heterogeneous. In the words of one borough mayor creating new parishes, involving new functions "will work well in Ambridge, but not necessarily in London". Another simply stated: "It doesn't solve a problem". This view was widely supported by leaders and mayors of all parties and in all parts of the city.

There have been very few initiatives to create parishes in London since the 2007 legislation was passed. The most developed proposal is in Queen's Park. Interviews conducted for this project suggested a lack of enthusiasm among leaders, mayors and chief executives for the development of parishes in the capital. One chief executive believed the development of parishes in London would lead to "entropy" (randomness; a loss of order and predictability) within the borough.

In the *Open Public Services White Paper*, published in 2011, the government stated:

"Our proposals will consider allowing any neighbourhood to take control of very local powers and services (such as street improvement, recreational services, parking and licensing of certain premises, other than for the provision of alcohol) via their parish, town or neighbourhood council. We will make it easier to set up a neighbourhood council where one does not exist"

and

"We also want to do much more to reinvigorate the most local forms of government – parish, town and community councils – and allow them to take control of key local services, ensuring that these opportunities are available to everyone in the community. We would expect local authorities to work much more closely with these bodies to deliver services that are tailored to the needs of local residents".

and

"Where services are provided collectively and for the benefit of the entire neighbourhood or community, rather than for an individual or a collection of individuals, we will look to neighbourhood councils (parish, town and community councils) to take over the running of a community service, as this offers democratic accountability at the most local level".

Thus, there is a strong desire within government to use parish, neighbourhood and community councils to assume additional responsibilities. However, in London there is no such tier and little evidence of a strong public desire for one. Other vehicles will have to be found in the capital if the government is to achieve its objectives.

2.   A varied pattern of ward or neighbourhood consultative bodies exists

Borough leaders and officials were not opposed to shifting power downwards to citizens or to commissioning services from external providers. Most boroughs interviewed have (or recently had) a system of ward or neighbourhood-based consultative forums. Generally, such bodies included local councillors and representatives of other organisations such as the police. Many boroughs have experimented with different kinds of community representation, though it appears there is no particular model that is seen to work.

3.   The City of London

The City, which was excluded from the 2007 parish legislation, has a relatively small population (about 10,000) by British standards. It covers slightly more than a square mile. As such, it is close to the average size of a parish or ward in other parts of London. The City has long been strongly associated with livery companies and charitable bodies. Given the small scale of the City, it is hard to imagine significant possibilities for many of the kinds of localism envisaged elsewhere.

9.   'Community Improvement Districts' – a possible way ahead?

Parishes may not, therefore, be the vehicle for delivering the Big Society and localism in London and other major cities. An interviewee from a major think-tank suggested the government had launched the Big Society and localism policies by announcing that a major change would take place but without spelling out the steps that would be needed to generate all the enthusiasm and voluntarism that would be required to bring about the radical scale of change proposed. "There is no account as to how all this fits together". Places with large numbers of educated, retired, people were already able to deliver Big Society-type benefits, while many others were not. ACEVO, in the report of its Big Society commission, stated: "we need to recognise, without calling for an enormous bureaucracy, that this does not come free – that even organisations whose whole model of working is based on volunteer action still need to train, support and manage them, and that this costs money"[25]. There is an acceptance, among those who have sympathetically considered the issue, that the Big Society and localism will need both resources and institutional frameworks.

It was suggested by a leading public service commentator that a 'public champion' would be required if the Big Society and localism were to work effectively. Either the public sector or a private company would have to encourage citizens and organisations to work collectively, possibly with some resources from the Big Society bank. Local government, for its part, would have to stand back and "not oppose" change. In particular, local officials would need radically to change their approach to local service provision – allowing other providers to deliver services. A major culture change would be required in town halls. Having said this, the culture of openness and fairness to be found in British public institutions is a good thing:

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[25] *Powerful People, Responsible Society, A report of the Commission on Big Society*, ACEVO, 2011

smaller, voluntary, organisations can often include people with less tolerant and democratic attitudes. Councils would need to ensure that any new Big Society or localist organisations still adhered to high public value standards.

Given this analysis and the research outlined in the preceding sections, there appears to be little chance, with current progress, of most parts of the capital having a formal parish or any other community council government in the immediate future, if ever. In considering factors that inhibit citizens and organisations from setting up new forms of local institutions to deliver services, Lambeth's Cooperative Council report summarised theme as follows:

- "a lack of citizen involvement and limited use of citizen knowledge in assessing local need and designing services

- limited commissioning options being presented, often constrained by a need to work within existing organisational structures and processes rather than focusing on the issues of concern to service users or the outcomes citizens want realised

- an imbalance in the relationship between council staff and citizens, with the views of the citizens not always being fully valued

- an overly bureaucratic process which inhibits local organisations (such as co-operatives, social enterprises, third sector organisations, local businesses and faith organisations) from tendering for public services provided by Lambeth Council, and may in some instances compel them to incur higher costs than necessary"[26].

This summary of the factors inhibiting local voluntary action in Lambeth will, on the basis of interviews conducted for this project, apply equally to all efforts to extend the Big Society and localism in London and elsewhere. The very factors identified by those who believe there is a need for more localism and non-State provision, such as the scale and complexity of government, also hint at the difficulties that would inhibit any significant attempt to shift service responsibilities in that direction. Citizens need a mechanism or institution that would allow them to assume greater community control over services while not getting them mired in a complex new bureaucracy.

This project suggests other potential micro-models of governance and service improvement are available which would be easier to create and which would, according to interviews with borough leaders and chief executives, enjoy far greater official support in London. Borough leaders and chief executives were asked explicitly about the functioning of Business Improvement Districts. A total of 23 Business Improvement Districts (BIDs) have emerged in the capital during the past decade, with a 100 per cent success rate in ballots held to create them.[27] The key features of BIDs are:

- Set up under a legislative framework put in place by central government
- Created at the instigation of local businesses, following a referendum
- Area of BID determined by the local promoters
- Purposes laid down in prospectus
- Fixed time limits, subject to potential renewal
- Controlled by BID members
- Can set an additional local business rate
- Managerial and financial capacity

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[26] *The Co-operative Council Sharing power: a new settlement between citizens and the state,* London Borough of Lambeth, January 2011, page 31
[27] See: *Business Improvement Districts* at http://www.london.gov.uk/business-improvement-districts

- Co-operation with boroughs and the Greater London Authority.

BIDs have improved streets, tackled crime, undertaken marketing and worked with councils on common objectives. Although some community groups have been suspicious of the powers given to BIDs, councils have generally worked well with them. Interviews suggested that virtually all boroughs were comfortable with BIDs and their activities.

Given this experience, and given the government's Big Society and localism policies, a community-based version of a BID would appear to offer a possible way forward – at least in some areas – for both the boroughs and the government. The idea would be to create institutions that were sufficiently robust to deliver a service or facility, but which were sufficiently flexible and targeted to avoid conflict with local government. It would need to be community-led, capable of raising resources and, so as to avoid creating permanent additional structures, time-limited. Such an institution would need to be relatively easy to set up, but also have sufficient formality to be business-like. It would need to be able to demonstrate that it enjoyed local support and that they could deliver real improvements to all local people.

How might such a 'community improvement district' (CID) operate? First, there would need to be legislation to allow the creation of such new institutions. The law would have to allow CIDs to be created with the following steps and guidance:

- A simple, but formal, process to allow a group of people and/or businesses to determine a CID area
- Rules about the drawing of boundaries in relation to local communities
- Rules concerning the potential purposes and governance of a CID
- A referendum process to decide whether or not people wanted a CID, including the possibility of an add-on to the local council tax
- A fixed time-limit, but with the possibility of renewal following a further referendum
- Requirements about the on-going governance of the CID
- A light-touch role for the borough in shaping and approving the CID.

The potential purposes of the CID might include any of a number of functions and activities. Such functions could certainly include the kind of commissioned services envisaged by the Big Society policy. A CID could, for example, run a local library, open space or take a crime prevention role. Because the institution was bottom-up, but nevertheless reasonably formal, it would be capable of undertaking some of the functions suggested for neighbourhoods within the localism bill. For example, it would be the natural vehicle for community planning and for advising the council about service levels where there is a 'community right to challenge'. More importantly, the CID could take a role in local services provided by the NHS, education institutions and other Whitehall departments that have not been much concerned with the Big Society or localism. A CID could, for example, have a role in social care within the responsibility of a local hospital or for neighbourhood crime prevention.

The precise form a CID might take could be left relatively flexible. There would need to be proper democratic accountability, which would require day-to-day participation in management and periodic voting. But the institutional mechanism could, presumably, be a public body, a trust or a mutually-owned company. The borough council would have a responsibility for guiding the creation of a CID, including assisting with effective governance procedures and, in the final resort, to approve or reject a local proposal prior to the referendum stage. To ensure councils were comfortable with any CID-type institution, it is essential they have a say in their creation and, possibly, within the management structure. However, to make a CID genuinely 'localist', the initiative to set one up would have to come from local residents, possibly including non-resident local employees and businesses.

Constitutional arrangements would need to be adaptable and comprehensible. They should be able to be varied from borough to borough.

The purpose of outlining the creation of a body such as a Community Improvement District (a better name might be found) is to outline a mechanism for creating scalable and relatively non-bureaucratic mechanism for promoting greater citizen and community engagement in shaping localities and running local services and (from the government's perspective) Big Society and localism objectives in such a way that does not generate a new tier of government. Some areas might wish to create a CID, but others would not. There would be a time limit (probably five years) so as to ensure a continuing need for renewal and creativity. There would be sufficient formality and governance capacity to allow the effective delivery of some services and representation, but not so much that there was fruitless competition between boroughs and neighbourhoods. Non-partisanship would, as far as possible, be a significant advantage.

It would be possible to add Community Improvement Districts to the Localism Bill as an amendment during its latter stages. Alternatively, provisions could be included in a different piece of legislation next year.

10.   Conclusion

This research has taken two of the government's key policies – the Big Society and localism – and investigated them within the context of London. By common consent the capital, with its complex population of just under eight million, is a very much more challenging place to deliver a reform of the kind proposed which involves many people changing their approach both to volunteering and to the delivery of public services. The scale of dependency on local services and the 'churn' of local population make both sides of the equation more difficult than they would be in, say, a rural county.

London borough leaders and chief executives are already comfortable with the idea of commissioning a significant proportion of their services from private, voluntary and co-operative providers. There is little 'ideological' resistance to the further use of such organisations. A number of services, notably adult care, social housing and leisure already rely to a substantial extent on external providers. But there is a continuing requirement for the councils to deliver consistent and predictable services to all their residents and businesses. The recent failure of Southern Cross (a provider of care homes for the elderly) has shown that councils and the government are expected to guarantee provision where external providers fail. No London borough interviewed believes that that politicians can ever shift the blame for statutory service failures onto a voluntary or private provider.

The government has announced that there is to be a major expansion of voluntary, not-for-profit and private provision[28]. In the Open Public Services White Paper, published in July 2011, the following five principles for modernising public services were stated:

- "Wherever possible we will increase choice.
- Public services should be decentralised to the lowest appropriate level.
- Public services should be open to a range of providers.
- We will ensure fair access to public services.
- Public services should be accountable to users and to taxpayers".

Spelling out its purposes in more detail, the government explained: this "means breaking down barriers, whether regulatory or financial, so that a diverse range of providers can deliver

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[28] *Open Public Services White Paper*, Cm 8145, HM Government, July 2011

the public services people want, ensuring a truly level playing field between the public, private and voluntary sectors. It means being totally transparent about the quality and value for money of public services so that new providers can come in and challenge under-performance. And it means providing fair funding on the basis of quality, so that public service providers are paid for the results they achieve regardless of which sector they are from….That is why we believe that wherever possible, public services should be open to a range of providers competing to offer a better service".

There can be no doubt the government wishes to move in the direction explored in this report. But as explained in the previous section, there is currently no evidence of a likely upsurge in enthusiasm to take part in the Big Society or localism institutions. Moreover, there is no 'parish' structure to provide an institutional framework for actions.

Consequently, a proposal for 'Community Improvement Districts' is outlined. These institutions would have a number of characteristics and would:

- be locally-generated
- take different responsibilities from place to place
- be guided and approved by councils, but not run by them
- be empowered by local referendum
- be time-limited
- have some local tax-raising powers.

Without the creation of such bodies, it is hard to see how the Big Society or localism can get very far in London. The same is probably true in other major cities. The Open Public Services White Paper gives few clues as to how the government sees voluntary and mutual institutions growing so as to take over local provision. This paper, by contrast, makes a modest proposal to allow a manageable form of decentralised provision to flourish.

Appendix 1   Examples of London borough 'Big Society' or 'localism'-style initiatives

Sutton

Lifting the burden of bureaucracy: responding to concerns from residents, last autumn Sutton took the initiative and provided free grit at strategic locations around the borough. Over 10,000 residents took advantage of this offer and, following an information campaign to dispel the myths around their legal responsibilities, they were able to get involved in keeping their paths and pavements snow-free over the winter.

Hillingdon

Allowing local people to take control of learning programmes: in Hillingdon, the development of a 'community house' at Yeading Library and Junior School has significantly improved links with parents from local minority ethnic communities. Now receiving over 1,000 visits a month, parents and children can take part in formal learning programmes and establish social networks, which have strengthened local engagement and made the house a key part of the community.

Tower Hamlets

Increasing local control of public finance: faced with the need to save £70 million over the next three years, Tower Hamlets brought together community and business leaders from across the borough to explore choices and look for possible solutions. The Partnership Executive is now taking their recommendations forward and this useful model of engagement will be used to consider the impact of forthcoming changes to the Welfare system.

Lambeth
Bexley (and Bromley)

Diversifying the supply of public services: the transformation of the Lambeth Resource Centre to a social enterprise as part of the Cabinet Office Pathfinders Mutual Programme will see the development of new services and improved support for people in need of physical and occupational rehabilitation. Already targeting a 30 per cent increase in efficiency, the move to personalised budgets may increase this saving still further. Similarly, in Bexley, as part of local efficiency planning, the borough is considering how best to maintain a high standard of library provision, whilst reducing costs. A number of options are being explored including sharing back office services with Bromley, increasing the use of volunteers and looking at the option of community management for some smaller libraries.

Hammersmith & Fulham
Enfield

Strengthening accountability to local people: Hammersmith and Fulham and Enfield have developed initiatives to improve local choice and give communities a stronger voice. Enfield's Community Safety Partnership adopted a variety of consultation methods, including a public meeting with senior members of the Safer & Stronger Communities Board and focus groups with hard to reach communities, as part of commissioning projects from their 2011-12 Community Safety Fund. Similarly, Hammersmith and Fulham's network of neighbourhood watch schemes, helps keep communities safe, while allowing

residents to put their views to the borough police commander and the leader of the council.

These examples were provided by London Councils and formed the basis of a submission to the Department for Communities and Local Government.

Appendix 2   Polling evidence about the Big Society and localism

Opinion polling organisations have undertaken a number of detailed surveys that throw light on the public's views about the Big Society, and also about differing attitudes to public, voluntary and private provision. The results of these surveys provide a backdrop to efforts in London and across England to the government's proposals.

Understanding of the Big Society

YouGov asked people [Q1] how well they understood the Big Society policy.   The results, in February and May 2011, were as follows:

Q1.   *The Government has said that a key plank of its policy is to encourage a "Big Society". How well, if at all, would you say you understand what the government's "Big Society" plan is?*

	14 Feb - GB	22-23 May - GB	22-23 May - London
Very well	3	5	4
Fairly well	21	24	25
TOTAL WELL	**24**	**29**	**29**
Not very well	43	33	35
Not at all	29	29	28
TOTAL NOT WELL	**72**	**62**	**63**
Don't know	5	10	8

Source: YouGov/The Sun, 24 May 2011,
http://today.yougov.co.uk/sites/today.yougov.co.uk/files/yg-archives-pol-sun-bigsociety-240511.pdf

There is a significant majority for 'not well' over 'well', though the public felt it understood the policy better by the end of May than it had in mid-February 2011. Understanding was similar in London to the rest of Britain.

The poll then asked [Q2], on the basis of a question explaining the Big Society policy, if people believed it was a good or a bad idea. There was a clear majority who felt it was a good idea, though this support weakened between February and May. In London, support is rather stronger than in Britain as a whole.

Q2.   *David Cameron has said the Big Society is about giving more power to local communities and people, by taking more power away from government and allowing voluntary groups and communities to run public services. Examples include giving more powers to local government, encouraging people to take an active role in their communities and supporting charities and volunteer groups. In principle, do you think the Big Society sounds like a good or bad idea?*

	14 Feb - GB	22-23 May - GB	22-23 May - London
A good idea	49	45	48
A bad idea	31	34	29
Don't know	20	22	24

Source: YouGov/The Sun, 24 May 2011, as above

Having established that there was reasonable support for the Big Society once it had been explained, YouGov went on to ask [Q3] whether people believed the policy would actually work. There was a substantial majority (by 7 to 1) who believe it will not work, with very little difference between London and the rest of the country. This finding suggests the government has some way to go to convince the public that the Big Society has a chance of changing things.

Q3. *And in practice, do you think the government's policies to create a Big Society will actually work?*

	14 Feb - GB	22-23 May - GB	22-23 May - London
Will probably work	10	9	9
Will probably not work	71	73	70
Don't know	18	18	22

Source: YouGov/The Sun, 24 May 2011, as above

Lastly, YouGov asked people [Q4] two questions to test their views about the government's motivations in pursuing the Big Society policy. The first question allowed people to agree with the proposition that the Big Society would cut service costs and allow more local involvement, while the second suggested that the Big Society was 'mostly just hot air' and a cover for cuts. By 3 to 1, people supported the 'hot air' contention, with less than one person in five believing the government's stated intentions for the policy.

Q4. *Which of the following statements best reflects your view?*

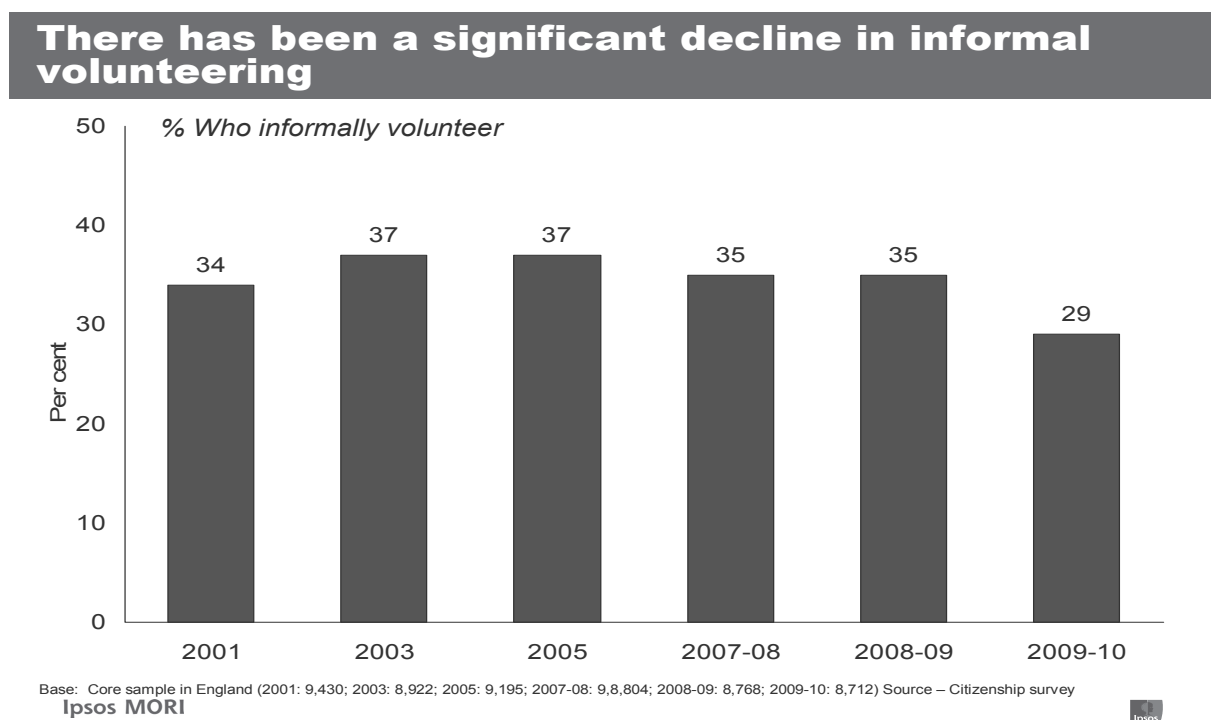|	14 Feb - GB	22-23 May - GB	22-23 May - London
The Big Society is a real vision of how the government can cut the cost of delivering services and get more people involved in their local communities	19	19	18
The Big Society is mostly just hot air, and is being used as a cover for the government while they cut investment in public services	58	59	57
Neither/Don't know	23	22	26

Source: YouGov/The Sun, 24 May 2011, as above

Volunteering and charitable activities

Ipsos MORI has undertaken a number of studies about volunteering and charitable activity. This body of work provides helpful time-series data about the extent to which people are members of voluntary organisations and also about their willingness to extend their activities in activities of this kind. If the Big Society and localism are to be successful in the way the government hopes, it will be essential for more people to come forward and take part in voluntary, not-for-profit and mutual activities.
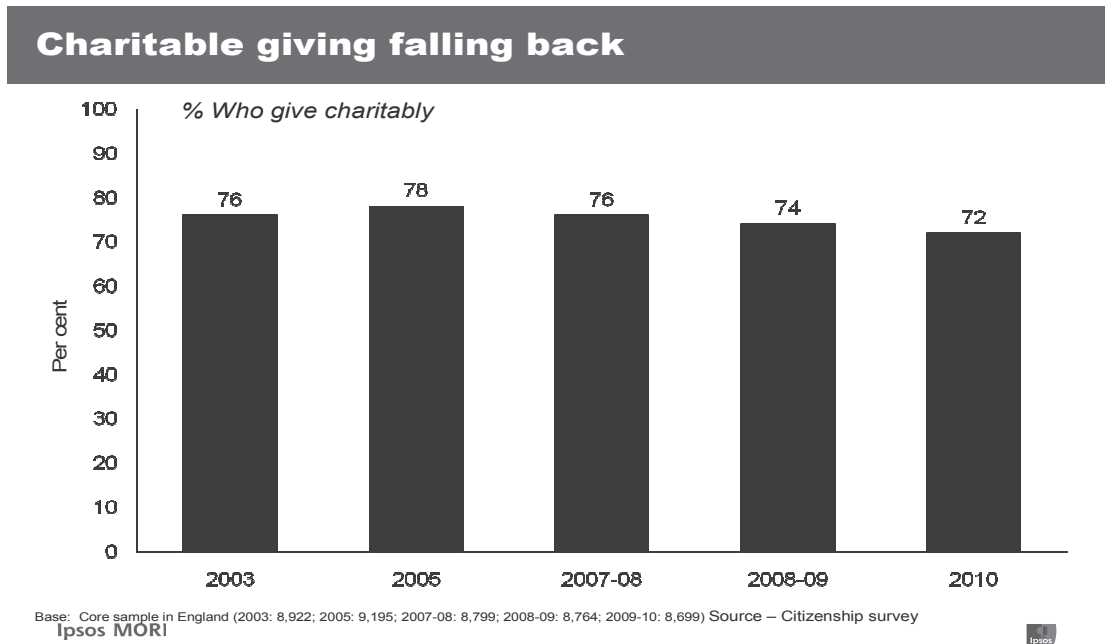
Figure 1 shows MORI's polling evidence about informal volunteering in recent years. There has been a significant reduction in this kind of activity in the period since 2005. The government will need to reverse this trend if the Big Society and localism are to be successful.

Figure 1

There has been a significant decline in informal volunteering

% Who informally volunteer

Year	Per cent
2001	34
2003	37
2005	37
2007-08	35
2008-09	35
2009-10	29

Base: Core sample in England (2001: 9,430; 2003: 8,922; 2005: 9,195; 2007-08: 9,8,804; 2008-09: 8,768; 2009-10: 8,712) Source – Citizenship survey

Ipsos MORI

At the same time, the number of people involved in charitable giving has also declined according to MORI. Between 2005 and 2010, the proportion of the population who give charitably has declined from 78 to 72 per cent. Of course, it is possible that those giving are making up for the decline in numbers of people giving. However, taking Figures 1 and 2 together, it suggests there has been a decline in the numbers of people involved in volunteering and charitable giving in recent years. Possibly the recession has influenced these trends.

Figure 2

Charitable giving falling back

% Who give charitably

(bar chart, Per cent)

2003	2005	2007-08	2008-09	2010
76	78	76	74	72

Base: Core sample in England (2003: 8,922; 2005: 9,195; 2007-08: 8,799; 2008-09: 8,764; 2009-10: 8,699) Source – Citizenship survey

Ipsos MORI

In undertaking the Big Society and localism project, some interviewees suggested there was more likely to be voluntary action in more affluent areas than in more deprived ones. Others were less certain and citied examples of community action in areas where people have lower incomes. Figure 3 shows MORI research on this subject. There is a close correlation between the scale formal and informal volunteering in an area and its deprivation. That is, better-off areas will tend to have higher levels of volunteering than poorer ones. Of course, this relationship will not hold everywhere and there will be deprived areas where voluntary action flourishes. But the trend is pronounced.

Figure 3

But the most deprived areas have the lowest levels of formal and informal volunteering

England

% of respondents

Informal volunteering in last 12 months
$R^2 = 0.94$

Formal volunteering in last 12 months
$R^2 = 0.95$

Least deprived   Most deprived

Deprivation - IMD Deciles
(England)

Ipsos MORI Base: England c.8,700 adults aged 16+ (Citizenship Survey 2009/10)
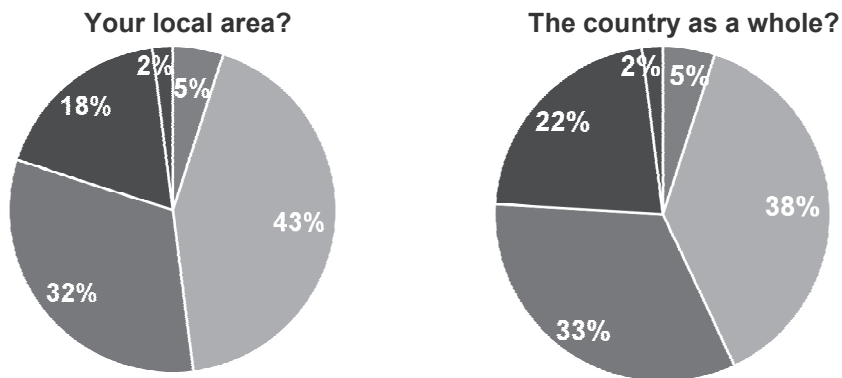
There is more encouraging news for the government in relation to localism and to people's propensity to become more involved in local decision-making. When asked to what extent they would like to be more involved in their local area, 75 per cent say 'very involved' or 'fairly involved'. MORI also found that nine million people want to influence things more. It is this untapped desire for influence and control that the government must now find was of activating if localism is to have an impact.

Figure 4

Around half <u>say</u> they would get more involved locally

To what extent, if at all, would you like to be involved in decision making in . . . .

■ Very involved   ■ Fairly involved   ■ Not very involved   ■ Not involved at all   ■ Don't know

Your local area?

2%
5%
18%
43%
32%

The country as a whole?
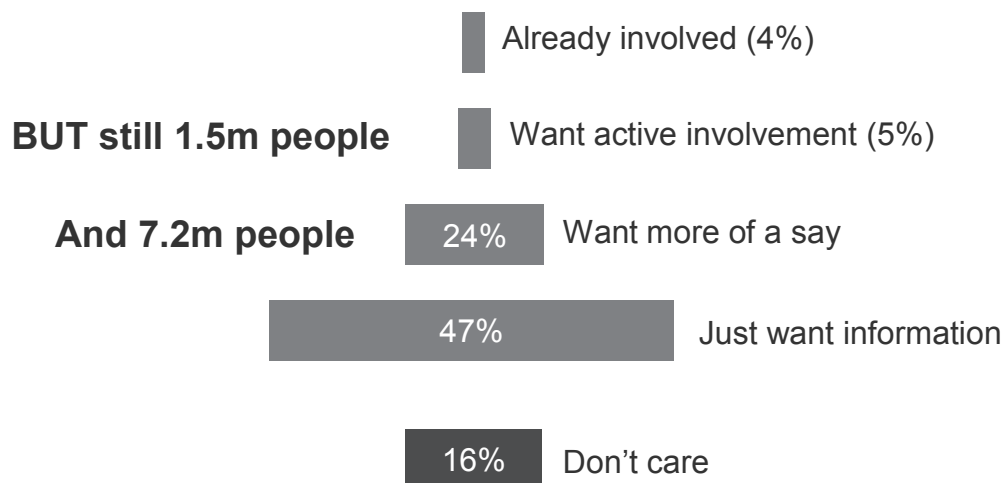
2%
5%
22%
38%
33%

Base:1,051 British adults 18+. Fieldwork dates: 11th - 17th December 2008
Ipsos MORI

...9 million people say they want to influence more

Levels of involvement/interest in involvement in local services

Already involved (4%)

BUT still 1.5m people   Want active involvement (5%)

And 7.2m people   24%   Want more of a say

47%   Just want information

16%   Don't care

Ipsos MORI   Base: 1,896 GB adults, 18+. Sept 2008. Source: Ipsos MORI

34

Q5 *I'm going to read out some different types of organisations and professions. On a scale of 0-10 where 10 means you trust them completely and 0 means you don't trust them at all, please tell me how much trust and confidence you have in each? [Average score shown]*

Doctors	7.68
Police	7.05
Charities	6.64
Social services	5.86
Ordinary man/woman in the street	5.59
Private companies	5.32
Banks	5.04
The Council	4.83
Newspapers	4.04
MPs	3.96
Ministers	3.94

Source: http://www.ipsos-mori.com/Assets/Docs/Polls/sri-third-sector-public-trust-in-charities-july-2010-tables.pdf, Table 1 and Table 15

MORI asked people about the extent they trusted different kinds of profession or institution. Charities scored highly, just behind admired groups such as the police and doctors. Private companies, who are also expected to deliver more services as a result of the Big Society and localism policies, did respectably well in terms of trust, somewhat ahead of local government. MPs and ministers came bottom of the table.

Having established how people rate levels of trust for different organisations, MORI sought evidence about who they think best to provide services. Question 6 below summarises the results.

Q6. *Which of these: charities, private companies or public authorities, do you think would be best at providing each of the following types of services or does it make no difference?*

	Charities	Private companies	Public authorities	Makes no difference	Don't know
Care homes	14%	14%	48%	21%	3%
Social housing	9%	8%	58%	21%	3%
Leisure centres	4%	23%	45%	26%	2%
Hospitals	3%	9%	72%	15%	2%
Schools	2%	8%	73%	15%	2%
Information/advice	16%	16%	38%	26%	4%

Source: http://www.ipsos-mori.com/Assets/Docs/Polls/sri-third-sector-public-trust-in-charities-july-2010-tables.pdf

Despite the high levels of trust revealed in Question 5 above, charities score less well when people are asked which organisations would be best as providing a number of services. 'Public authorities' are seen by a wide margin as the preferred option for providing social housing, hospitals and schools. Indeed, in none of the categories of provision considered did the public see charities or the privates sector as the best provider.

MORI then went on to probe people as to why they believed that different kinds of provider were good or less good in terms of service delivery. Here, the results were often more equal, though charities lagged behind the private sector and public authorities in terms of 'high quality service', professional service', 'value of money' and 'open & accountable'. However, charities were easily seen as the most caring kinds of providers. It appears people like charities and voluntary organisations because they care for people, but are not convinced such bodies are business-like.

Q7 *And which of these do you think would be best at each of the following, or does it make no difference?*

	Charities	Private companies	Public authorities	Makes no difference	Don't know
High quality service	12%	25%	24%	35%	4%
Professional service	6%	32%	25%	35%	2%
Value for Money	18%	24%	25%	29%	4%
Open & accountable	17%	11%	34%	33%	5%
Caring	40%	6%	21%	30%	3%

Source: http://www.ipsos-mori.com/Assets/Docs/Polls/sri-third-sector-public-trust-in-charities-july-2010-tables.pdf

Conclusions

Polling suggests the public trusts voluntary bodies and sees them as caring. People would like to be more involved in decision-making. But the amount of volunteering may be in decline, as may charitable giving. Poorer areas are less likely to see people involved in voluntary activities than more affluent ones. Voluntary organisations are seen as less business-like and less accountable than public authorities.

The government will need to challenge people to become more involved in Big Society-type organisations and also to change their attitudes to third sector organisations as service providers. In London as in the rest of England, there is support for voluntary activities but no real evidence people are willing to take part in expanding them so as to promote the more effective delivery of services.

Interviews

Structured interviews or discussions were undertaken in the course of the project with over thirty borough leaders, chief executives and other London borough officers. Similar interviews or discussions took place involving ministers and officials in the Department for Communities and Local Government and No10 Downing Street. Representatives of charities and other non-governmental organisations were also interviewed.

The project benefited from a Steering Group of officials from the City of London and London Councils.

The content of the report is the responsibility of the author, not of interviewees.