Big Society in Sutton

by Faith Reynolds, 2010 CLORE Social Fellow
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Acknowledgements

Foreword

The Government has set out a radical vision for public services and a new relationship between citizens and the state: ensuring people have more freedom, choice and control over public services. This presents a massive opportunity to communities up and down the country. Everyone has a role to play in Big Society but the voluntary sector is crucial in offering social leadership, a focus for local efforts and the entrepreneurial spirit necessary to achieve our aims. It is only by encouraging more people to volunteer and stimulating more charitable giving by individuals and businesses that we will be able to improve the services offered to people who need support at a time of austerity.

This paper examines how one community has tried to act on this new vision and drive real change in Sutton - a vanguard for Big Society with a vibrant voluntary sector. It shows that even with enthusiasm, change is not easy. In Sutton both the local authority and voluntary sector will need to redouble their efforts if they are to increase citizen participation and overcome the bureaucratic accountability that holds back changes in the relationship between state and citizen. But the report also shows green shoots of progress and a genuine willingness to reconsider existing ways of working and devolving power. This report is a credit to their commitment to transparency and decentralisation.

I welcome the drive from the Clore Social Leadership Programme to develop and connect the social leaders of the future and this paper which has sprung from one of its first cohort of Fellows. As local authorities across the country grapple with Big Society, we hope that the lessons learned from this study of Sutton prove useful to them - and to policy makers, practitioners and citizens everywhere.

Nick Boles MP

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Executive summary

Since its launch in the pre-election campaigns, the concept of Big Society has been much criticised and greeted with 'confusion, suspicion or apathy' (Hemming, 2011). However, despite the uncertainty surrounding Big Society, local authorities were willing to investigate it further and to the extent that they became 'vanguards' for Big Society, nailed their colours to the mast. The London Borough of Sutton is just such a local authority now working to make sense of the concept locally.

Big Society is often talked about with reference to civic action, voluntary action and local community organising, suggesting the voluntary sector is a key component. However, spending cuts create practical difficulties for the sector in delivering against their mission.

This report considers the voluntary sector's response to changes in the economic and political climate and the implications for its relationship with the local authority. In particular, it offers an analysis of how Sutton is managing the transition to Big Society and how the local authority can facilitate more entrepreneurship.

The report concludes that Big Society is a radical, transformative change, the extent of which has yet to be fully recognised in Sutton. Bureaucratic accountability and the voluntary sector's typically small scale operations combined with a mix of ambivalence towards Big Society and a pre-disposition towards the status threaten to undermine Sutton's transition. It recommends the voluntary sector refocuses on community engagement; while the local authority should incentivise community engagement; and take an active role in leveraging resources and investment into the voluntary sector from within and outside of the geographical area.

Government's vision of Big Society is transformative

Language used by David Cameron suggests that the vision for Big Society is a transformative one which aims to 'remake society' (Cameron, The Big Society, Hugo Young Lecture, 2009). The concept challenges relationships between state and society, pushing for wholesale public service reform, decentralisation and civil renewal. The voluntary sector is seen as a key player: delivering public services, increasing local accountability and empowering communities.   However, spending cuts and increasing competition to deliver public services puts pressure on the voluntary sector.

Big Society is a radical, transformative change which has yet to be fully recognised in Sutton

The London Borough of Sutton is a vanguard for Big Society. Sutton has many characteristics one might associate with Big Society, reportedly being chosen for its 'vibrant voluntary sectors'. However, organisations in Sutton are typically small and vulnerable to funding fluctuations. Government funding is a major source of income for the sector, with local authority funding being historically strong. This has had an impact on voluntary sector organisational models which have invested in 'upward' 'operational' functionality to serve the local authority sometimes at the expense of 'downwards' 'communal' accountability (Marilyn Taylor, September 2003). This has limited their capacity to engage in the wider community. As funding reduces, voluntary organisations are left exposed.

Ambivalence and a predisposition towards the status quo compounds the issue and hinders the necessary change. As one research participant noted at the collaborative event in March:

> *The emperor has no clothes!*

By implicitly favouring the status quo over the transformative change envisaged in Big Society the voluntary sector may risk missing the opportunities that it presents in gaining wider support for their mission and rebalancing the power dynamics inherent in relationships with the local authority. In turn, the local authority risks undermining its commitment to devolving power, harnessing the wider resources of the community to successfully survive the era of austerity and the significant challenges of the future. Together, this complacent approach puts Big Society – and Sutton - at risk.

Sutton should engage further with citizens in Sutton, create the environment for entrepreneurialism and attract outside investment

In order to mitigate these risks and drive forward the change envisaged by Big Society in Sutton, the report builds on the survey findings and discussions in Sutton to make the following recommendations:

1. The voluntary sector should refocus efforts on community engagement: building organisational resilience, increasing innovation and improving effectiveness

Community engagement opens up the possibility of re-creating organisational models that achieve mission objectives and build longer term resilience, based on community interest and will.

By refocusing efforts on community engagement, organisations have the possibility of fulfilling their desired mission with, through and around a wider network of people from the community. New connections provide the seedbed for innovation and entrepreneurship, while community participation improves the chances of success. Building up mass support for their efforts locally allows voluntary organisations to leverage support to challenge politicians *and* the flexible boundaries of limited resources (e.g. taxpayer's money) (O'Brien, 1999) while also creating legitimacy with which to hold local politicians to account.

> 2. The local authority should use the commissioning framework to rebalance upward accountability with downward accountability: incentivising models which promote community participation and creating the environment for entrepreneurialism

The extent to which someone perceives they have the capacity to influence correlates to the extent with which they engage with something (CDC/ATSDR Committee on Community Engagement, 1997).

To facilitate community empowerment, the local authority should procure services from the voluntary sector which focus tenders on delivery mechanisms which enhance community participation. Simultaneously it should ask commercial bidders how they will be re-investing in the community, when tendering for commercial services. Local authority staff should be incentivised to volunteer to improve informal dialogue and enable the benefits of transparency, beyond 'information disclosure'. It should also engage with voluntary organisations at the problem-identification stage. Focussing on collaborative competition, rather than zero-sum competition will help organisations and businesses to compete on what they can bring to the community and not what they can take out of it.

This approach will improve perceptions that people and organisations can influence. It will cultivate open innovation and the right conditions for entrepreneurs to grow.

> 3. The local authority should also build the capacity of the voluntary sector to scale up by attracting investment: facilitating local businesses to get involved in the community; brokering links with national primary contractors for public services (who may sub-contract locally); 'selling' Sutton's voluntary sector to philanthropists and investors

In order to meet the challenges of delivering public services, voluntary organisations need to step up. The council has a role to play in identifying potential funders and brokering relationships with them. Elected representatives can play a more active role in connecting external funders to voluntary organisations locally and generally 'waving the flag' for Sutton and its voluntary sector nationally.

Investing in outcomes evaluation and support tools within the voluntary sector will provide useful and robust evidence to support the Council's efforts. With good evidence in place it also makes it easier for elected representatives to work on behalf of the voluntary sector to identify potential investors and encourage philanthropic giving among residents of wealthier areas of Sutton.

Conclusion

Sutton is a vanguard for Big Society: a training ground for *'remaking Society'*. Big Society is not intended as an independent policy initiative – or *'fluffy add-on'* (Cameron, Speech on Big Society, 2011) - but an all-encompassing approach to government and governing that is radical and transformative.   Together, by refocusing resources in a way which promotes community engagement the local authority and voluntary sector can improve citizen engagement, facilitate rich open innovation and respond entrepreneurially to the challenges that face it in the immediate and longer term.

Introduction to Big Society

Since its launch in the pre-election campaigns, the concept of Big Society has been much criticised and greeted with 'confusion, suspicion or apathy' (Hemming, 2011). Given the 'nebulous' (Etherington, 2011) nature of the concept, it is interpreted by many in multiple ways with varying degrees of acceptance and resistance. As a Conservative-led idea it naturally attracts political and ideological opposition. Furthermore its stated aims do not appear to align with the significant public spending cuts that are taking place. Practically, a number of the proposals either remain just that, 'proposals', or are at an early stage of development. Stories and case studies best seem to sum up what Big Society is or is not, while data and evaluations at scale are not yet available (and indeed may never be).

However, despite the uncertainty surrounding Big Society, local authorities were willing to investigate it further and to the extent that they became 'vanguards' for Big Society, nailed their colours to the mast. The London Borough of Sutton is just such a local authority now working to make sense of the concept locally.

Big Society is often talked about with reference to civic action, voluntary action and local community organising, suggesting the voluntary sector is a key component. However, the spending cuts create practical difficulties for the sector in delivering against their mission.

This report considers the voluntary sector's response to changes in the economic and political climate and the implications for its relationship with the local authority. In particular, the report offers an analysis of how Sutton is interpreting and embedding Big Society approaches.

Section 1 of this report describes Big Society at face value based on David Cameron's speeches. Section 2 introduces Sutton. Together sections 1 and 2 provide a backdrop for sections 3 and 4. Section 3 draws on the indicative findings of research undertaken in Sutton and wider evidence to highlight the key challenges facing the local authority and voluntary sector there. Section 4 then goes on to elaborate on three key recommendations for further action in Sutton.

Information about the research itself can be found in appendix 1. Presentations summarising the findings from the survey with voluntary organisations in Sutton and the events held there (on 4th November 2010 and 8th March 2011) during the course of the research can be found at http://www.cloresocialleadership. org.uk/fellows-research. This report forms the final phase of the research. However, recommendations from the event held in Sutton on 8th March are being taken forward by Sutton CVS in partnership with the local authority in Sutton. Furthermore this report contributes to the Council's Scrutiny Overview Committee which is considering the capacity of the voluntary sector in Sutton to respond to the new challenges presented by spending cuts.

It is worth noting that for the most part, this research was undertaken with organisations that operate outside of the community's flagship Big Society programmes.   Without the Sutton community's willingness to open itself up to critical reflection for improvement purposes, this work would not have been possible. It is hoped that the door, already open, will now swing wide for the voluntary sector and local authority to work more strategically to overcome the challenges presented by the Big Society debate for the benefit of the wider community.

1: The Big idea

Big Society is a much debated concept. Rather than delve into the debate the following summary uses speeches by David Cameron to narrow the potential description of Big Society. It provides a back-drop for understanding the type of change that might be expected in Sutton, as a 'vanguard' of Big Society. It also infers some potential implications for the voluntary sector.

Big Society: a transformative change

In July 2010, David Cameron described the goal of Big Society as "a huge culture change...where people, in their everyday lives, in their homes, in their neighbourhoods, in their workplace don't always turn to officials, local authorities or central government for answers to the problems they face but instead feel both free and powerful enough to help themselves and their communities" (Cameron, 2010).

Big Society is based on the premise that a centralised, top-down approach to government has not successfully addressed the social issues impressing on society. Rather it diverts money from the frontline, creates national blueprints that do not work locally and increases the distance between the government and governed (Montgomerie, 2010).   Cameron goes further to argue that centralisation has had the effect of 'sapping responsibility, local innovation and civic action' and has inadvertently led citizens to irresponsible behaviour, 'selfishness and individualism' (Cameron, The Big Society, Hugo Young Lecture, 2009). For a new Coalition Government, change is urgent and necessary. And Big Society is that change: 'radical', 'transformative', 'different'. It 'turns government completely on its head' and aims to 'remake society' (Cameron, The Big Society, Hugo Young Lecture, 2009).

David Cameron's vision of Big Society 're-imagines' the role of the state. Rather than 'roll back' or 'retrench', he challenges the state to:

- Give power to communities and improve participative democracy

- Rebalance accountability to the state with accountability to people

- Transition from the procurement of targeted, paid-for services to the facilitation of an area's development which leverages a mix of resources to achieve community-desired outcomes.

The concept of Big Society challenges citizens to:

- Much more clearly articulate the specific outcomes they want in their community, not just as individuals but as groups of individuals

- Abandon political apathy in favour of community action or social entrepreneurialism

- Contribute their own (or additional, externally leveraged) resources into the local mix to achieve the outcomes they want.

It is no longer enough to know what 'should' be happening in society. Citizens are challenged to take responsibility to ensure they 'do' happen, either through their own individual or group action or by pulling the levers of accountability available to them: organising, challenging and voting. The state's challenge is to push power down to the 'nano-level' (Cameron, Big Society Speech, 2010); bring leadership to manage local wants and needs against those of the national and international community; and protect vulnerable groups from 'market failure' where the interests of the majority may exclude or cause detriment to minority groups.

These challenges to state and citizen also have implications for the voluntary sector. Organisations are thus required to:

- Engage more closely with citizens to harness their support and participation

- Demonstrate their effectiveness and distinctive contribution to the community; and

- Diversify funding streams to validate their work and manage the impact of spending cuts.

The methods outlined for the state in achieving the change envisaged are decentralisation, transparency and finance. These themes are not new in themselves but recur and re-emerge at different times from different people. As Cameron sees it, decentralisation involves the provision of new powers to local authorities and communities. Transparency provides data locally so citizens and voluntary organisations can hold public services to account or take action themselves. Finance offers a way to enable action to be taken. The way it is provided (payment by results and Big Society Bank) focuses on outcomes and connecting private capital to investment in social projects. However public spending is significantly lower overall as a result of the deficit-reduction programme. Moreover, payment-by-results requires voluntary organisations to have capacity to share any costs of failure. Spending cuts alongside the change envisaged by David Cameron requires a different approach to governing, policy-making and implementation (Hallsworth, 2011).

Government sees its role as to empower communities by giving them information and powers; opening up public services so providers can compete to deliver services and encouraging social action by making giving easier and leading by example in facilitating its own staff to volunteer.

Big Society presents an implicit challenge to the voluntary sector as lines between the sectors are blurred and funding is decreased. Voluntary organisations need to ensure that people are aware of their activity, believe in its relevance and actively support them in their campaigns, service delivery and fundraising. Spending cuts require voluntary organisations to diversify their funding streams; while the opening up of public services necessitates that they demonstrate their effectiveness in a more competitive environment.

To aid learning about how Big Society, and in particular, decentralisation, can be best implemented, David Cameron announced four vanguard areas for Big Society to act as 'training grounds'. Sutton is one such 'vanguard'. 'Vanguard' areas are distinct from other areas because of their professed enthusiasm for Big Society ideas, rather than because they receive special funding or support from central government. The aim of these training grounds is to learn about 'pushing power down and seeing what happens...unearthing the problems as they come up and seeing how we can get round them...together'. The hope being that the 'innovation, local inspiration and civic action' engendered in the [now three] vanguard areas will spread across the whole country (Cameron, Big Society Speech, 2010).

As a vanguard area Sutton provides an interesting opportunity to see how some of the challenges facing the voluntary sector are being managed and what role the local authority might play in facilitating 'Big Society'.

2: Introduction to Sutton

The London Borough of Sutton is a Greater London suburb to the south west of London. It has a population of 187,600 people across a mixture of relatively affluent and poorer wards. It is led by a Liberal Democrat council and in 2009 was recognised as a top performing 4 star local authority (London Borough of Sutton, 2010) for the second year running. Particular praise was offered it by the Audit Commission that highlighted its 'challenging ambitions for its diverse communities, sustained focus on service delivery and exceptional partnership working'. Nearly 90% of people living in Sutton are satisfied with the local area as a place to live and 72% of residents are satisfied with the council. (Ipsos Mori, 2010).

It was chosen as a vanguard area because of its 'vibrant local community and active voluntary sectors and a track record of devolving power to our neighbourhoods' (London Borough of Sutton, 2011). The council highlights four particular flagship projects for Big Society in Sutton. These include giving:

1. communities a bigger say on neighbourhood planning

2. people influence for transport decisions

3. people a greater say in local health services

4. young people the opportunity to learn new life skills (London Borough of Sutton, 2011)

These projects fit within Sutton council's vision of building a community where 'all can take part and take pride' according to its principles of creating a safer, fairer, greener and smarter (more efficient) community. This vision is supported by its PRIDE values of working in Partnership, treating people with Respect, seeking Innovative approaches, promoting Diversity and equality and Empowering everyone as active citizens and employees (London Borough of Sutton, 2011).

Following the recent recession and the Coalition Government's deficit reduction programme, Sutton is in the grip of 'Smarter Services', a programme which aims to reduce spending in the local area by approximately £30m over the next four years (London Borough of Sutton, 2011).

The voluntary sector community in Sutton is diverse. At the time the research was undertaken there were 336 registered charities in Sutton (Charities Commission, 2011), of which approximately 270 are members of the Sutton Centre for the Voluntary Sector.   The financial value of the voluntary sector in Sutton is unknown and unfortunately statistics regarding the reduction in funding to the sector locally were also too dispersed across the local authority to be easily calculated.

The Sutton CVS membership database shows that when asked their top 3 primary objectives Health and Social Care was cited by 152 organisations, Children, Young People and Families by 124, and information and advice by 73.

Sutton is home to a number of innovative charities and social enterprises. For example, BioRegional developed BedZed, the green housing complex and is successfully improving positive green behaviour among its residents. Other charities like Volunteer Centre Sutton have previously been recognised nationally for their contribution to local community, collecting a prestigious award from the Centre for Social Justice (Volunteer Centre Sutton, 2011).

The London Borough of Sutton and the voluntary sector in Sutton are committed to partnership working. There are a number of formal arrangements in place to facilitate this including the Sutton Partnership, which is the overarching strategic partnership for the borough and includes a further six themed partnerships including voluntary sector organisations. The council has eight strategic partners which receive core funding from the local authority and undertake a strategic role in the borough.   There is also a Local Compact which in 2009 was recognised at the Compact Awards and given a 'Highly Commended' certificate. Further funding is provided from the local authority to voluntary organisations by way of tendering for the delivery of services. The local voluntary sector commissioning framework also allows for the provision of grants. However, as spending cuts are being implemented the overall provision of funding from the local authority is reducing.

3: Challenges in Sutton:
scale, accountability and complacency

Sutton has many characteristics one might associate with Big Society, being chosen as a vanguard for its 'vibrant voluntary sectors' as noted above. However, organisations in Sutton are predominantly small and vulnerable to funding fluctuations. Government funding is a major source of income for the sector, with local authority funding being historically strong. This has had an impact on voluntary sector organisational models which have focussed accountability relationships between funder and beneficiary organisation. The time taken to service relationships with the local authority potentially limits their capacity to engage with a wider community. As funding reduces, voluntary organisations are left exposed. Ambivalence and a pre-disposition towards the status quo in Sutton compounds the issue and hinders the necessary change.

The voluntary sector is typically small scale

As noted above, the voluntary sector in Sutton is made up of approximately 343 voluntary organisations (336 when the research was undertaken). Taking into account the population sizes the voluntary sector is similar in size to the neighbouring boroughs of Merton, Kingston-Upon-Thames and Croydon. (Charities Commission, 2011), (Wikipedia, 2011)

The size of organisations in Sutton is predominantly small with over 70% of organisations having a turnover of less than £100,000 (Chart 1). This reflects the national picture where over 50% of charities operate at the micro-level with less than £10,000 turnover (based on figures for 2007/08). As government 'opens up' public services to delivery by a wider range of partners, the extent to which small scale organisations are able to compete is questionable, both nationally but also locally in Sutton.
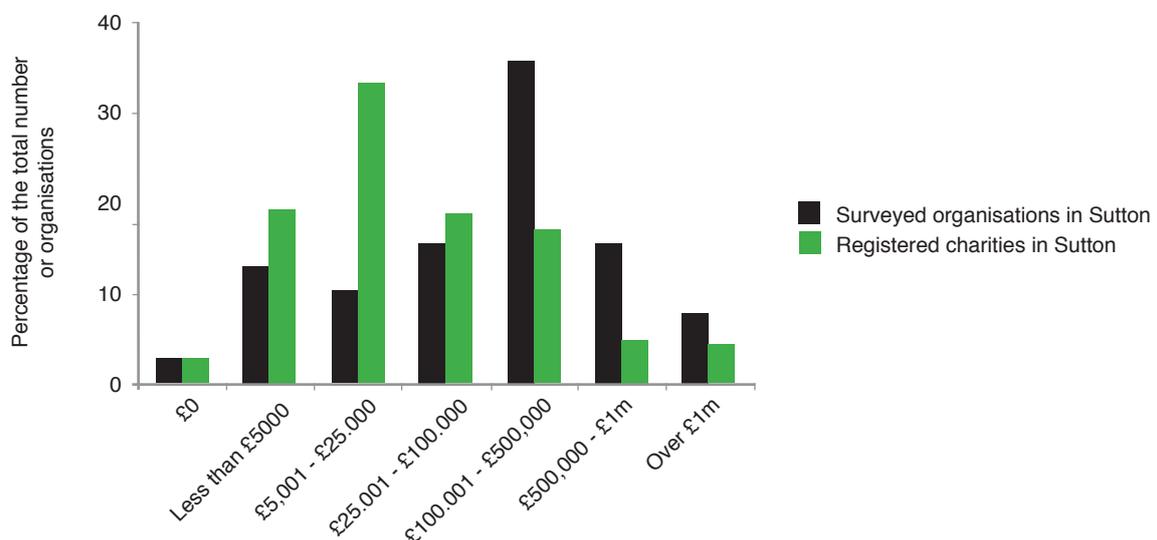
Chart 1: Turnover of all registered charities in Sutton and those responding to the survey

The nature of funding for voluntary organisations in Sutton is concerning when considered against the backdrop of reducing government funding. Of the 39 responses to the survey in Sutton, 26 organisations cited the local authority as one of their three largest funders, with 19 citing it as their largest over the last three years. Looking forward, 25 organisations continued to hope or expect that the local authority would be one of their top three funders. 80% of organisations citing the local authority as their largest funder over the last three years hoped or expected that the local authority would continue to be their largest funder going forward.

Combining local authority funding with other sources of government funding creates a worrying picture in Sutton, as 64% of respondents stated a form of government funding as their largest type of funding over the last three years, with 33% stating it as their second largest[1]. If one considers Big Lottery funding a type of government funding, these figures rise to 69% and 47% respectively. In contrast individual donors and grants from independent organisations like foundations and businesses were cited as the largest funder in 25% of cases and second largest in 37% of cases.
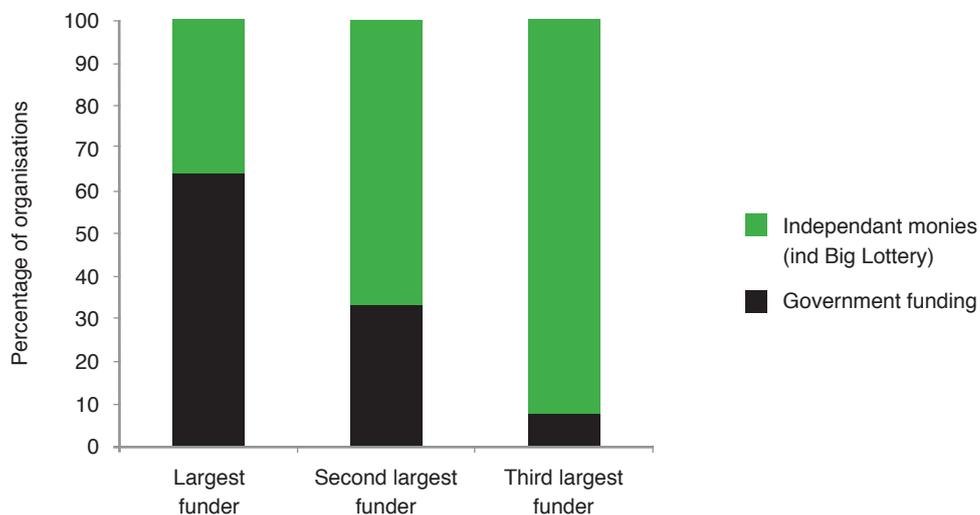
Chart 2: Top three largest funders of surveyed organisations in Sutton

NCVO data suggests medium-sized voluntary organisations are the most likely to be dependent on statutory funding, with this type of funding accounting for nearly 40% of their total income (NCVO, 2009).

[1]6 organisations cited central and local authority funding as two out of three of their largest funders

Government funding focuses organisations on 'upward' accountability

The picture of small to medium sized voluntary organisations in Sutton with high reliance on government funding is concerning because the exchange of money creates accountability relationships between funders and beneficiary organisations ('fundees') which then need servicing. This can sometimes come at the expense of engagement with other groups of people and ways of working, leaving beneficiary organisations vulnerable and exposed when the context changes.

Funding – wherever it comes from – focuses the beneficiary organisation ('fundee') on meeting the needs and desires of the funding organisation. The approach of the funder and the extent to which it is willing to negotiate is reflected in the organisational model of the fundee. Positively, organisations change and adapt to funders' objectives to compete, grow and stay relevant. Negatively, voluntary organisations can find themselves 'chasing funding' or subject to funders whose approach and objectives are not aligned to their preferred operating model or the needs of their users.

Julia Unwin notes in her comments on grants and contracts in the NCVO report on the voluntary sector the impact that different funding models has on the sector:

Twenty-five years ago most funding from the state to voluntary sector organisations was in the form of gifts. Small amounts, given to the same organisations created a dependent sector that was perennially poor. No one knew what the funding was for, but it kept a number of worthwhile bodies ticking along. It was not related to performance and provided no incentive to change. What was worse, was that the fixed list of recipients meant no new entrants could thrive. The funders felt that they could not change this list, for fear of destroying the organisations that they had funded for so long. Over the years, grants were replaced by contracts. Government threw away its identity as a kindly godparent and instead became a more demanding shopper, specifying the return that they sought for their funding. The shape of the sector changed, as new organisations came into the funding circle, and others lost their place. The voluntary sector became one of competition and margins, and the funders – now re-titled commissioners – talked about the need for cost comparison and unit prices (Unwin, 2010).

Accountability is important as a governance tool and can be used in a variety of ways to create different outcomes (Blatchford, 2010). Funding relationships focus accountability 'upwards',

> '...Hudson (2000) identifies a number of different audiences to whom accountability is owed, distinguishing "upward" accountability (e.g. to trustees and funders), downwards accountability (e.g. to members, users and communities), accountability to peers (fellow staff, others in similar positions in other organisations, etc.) to the "movement" (e.g., the environment, social justice, human rights), and especially for environmentalists, to future generations and to the planet. Meanwhile, Edwards and Hulme (1995, p. 219) distinguish between the different things for which third sector organisations are held accountable: strategic and political accountability (accounting for priorities) on the one hand, and fiscal, functional, and operational accountability on the other. (Marilyn Taylor, September 2003)
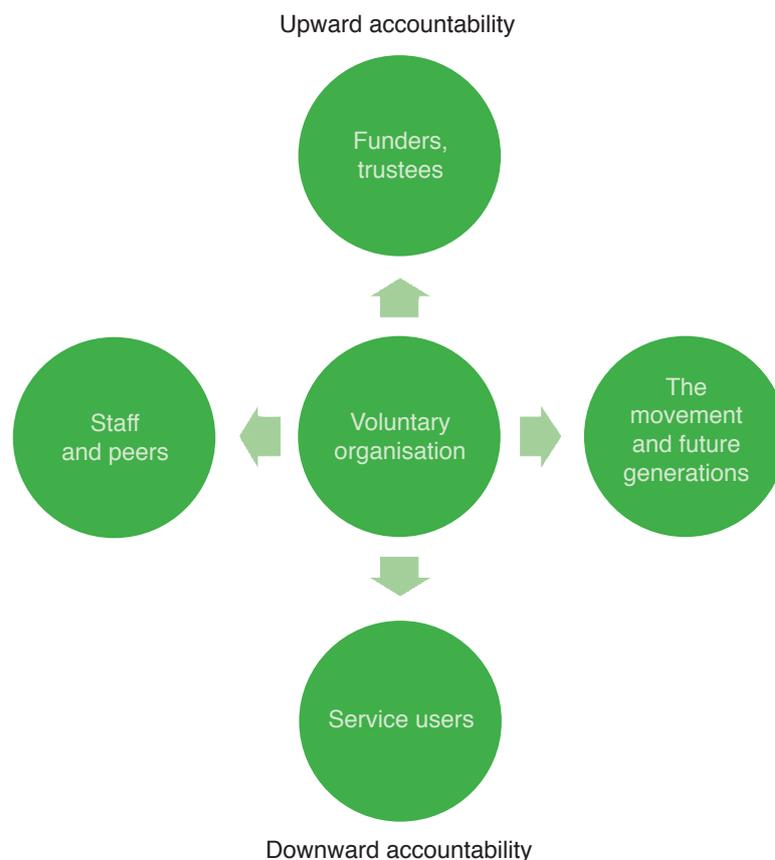
Figure 1: Accountability structures for a voluntary organisation

Relationships with government funders create strong upward accountability structures. These focus on holding organisations to account for measureable, quantifiable output: the fiscal, functional, and operational. It is also argued that this type of accountability is always stronger than strategic, political or moral accountability. Indeed the perceived legitimacy of organisations by government tends towards a performance or technical nature rather than a responsive one (Marilyn Taylor, September 2003). Thus historically, the extent to which organisations can prove their downward accountability is of little interest to government funders,

> *Certainly, therefore, while government bodies invite involvement in policy making (and accept evidence) from organisations that they consider 'legitimate', this is rarely related to the downwards, responsive and communal accountability that is valued by so many third sector organisations.* (Marilyn Taylor, September 2003)

With resources now stretched even further central and local government funding will be even more focussed on achieving value for money and ensuring funded services deliver maximum impact with minimum risk. However, the same reduction in resources and the call to Big Society, should also require local authorities to prove organisations' downwards, responsive and communal accountability. Understanding community support for voluntary organisations and their activities helps the local authority account for its spending priorities.

Accountability structures have had an impact on organisational models

The continual search for funding in order to survive can have an impact on organisational models. Evidence gathered by the Third Sector Research Centre (TSRC) suggests that voluntary organisations involved in the delivery of public services may: take their cues for strategic change from the public policy context rather more than from identified need; and invest in relationship building with officials and commissioners rather more than with others in the local community (Macmillan, July 2010). As a report by the Institute for Voluntary Action Research (IVAR) notes:

> *...community-based organisations have become less able to be responsive to local circumstances and increasingly pre-occupied with providing public services and with ensuring their own financial sustainability. The latter appears to be at the expense of carrying out activities that would contribute to civil renewal and neighbourhood governance* (B Cairns, 2006)[2].

However data also shows that those organisations that manage relationships well with funding organisations are more likely to be successful in securing funding.

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[2]B Cairns, M Harris and R Hutchison, *Servants of the Community or Agents of Government,* IVAR, 2006:6, quoted in *The third sector delivering public services: an evidence review,* TSRC, 2010:23

There is some evidence to suggest that the situation described above is reflected in Sutton.

Encouragingly, surveyed organisations in Sutton were clearly gearing for change as a result of changes in the economic and political climate, with 79% agreeing or strongly agreeing that they were developing new strategies and 54% reviewing their whole organisation's purpose and mission. However, at the Big Society event, in one group's discussions about funding, issues were entirely focussed on government funding, discovering government priorities, the commissioning process, transparency and competition. The first potential solution to the issues identified noted down was 'we need a better relationship with the local authority'. Positively, organisations in Sutton appear to be well aware of this, noting:

> *Are we as a sector too reliant and focussed on the funding issue?*
> *Is it money or a need to rethink what's done?*
> *Is the debate about funding preventing us looking at other issues?*

Respondents to the survey also had most trust in representatives in the local authority working in their mission area to work with them in a positive manner.
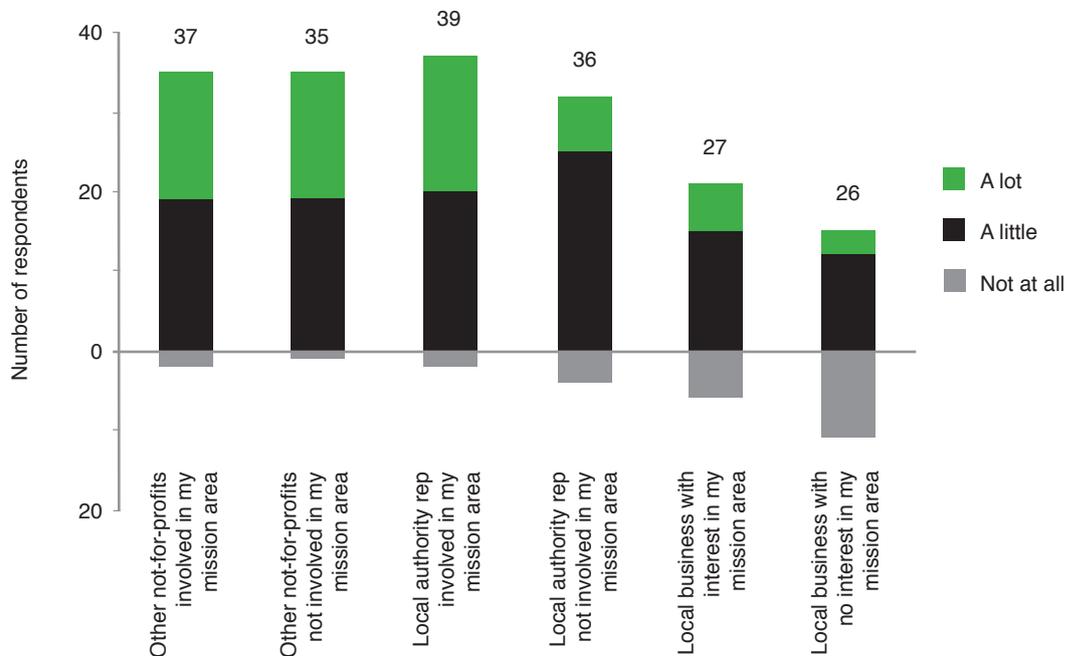
Chart 3: Respondents' trust of other organisations to work with them in a positive manner

Furthermore when asked whether organisations expected to have more opportunities to influence decision-making going forward, reasons given for their answers showed a common theme around direct relationships with the local authority:

Having the time to sit on committees and go to meetings

Depends if we have the necessary resources to develop the necessary relationships

Partnership working and tackling [x issue] will provide more strategic links

We will have more communication and attending more external meetings [sic]

These responses would appear to confirm that relationships do require time and resource to service.

Focussing resources on managing relationships where funding is available is sensible. However, this focus of resources comes at the expense of cultivating relationships and skills elsewhere, as illustrated below.

Fiscal and operational accountability upwards, in keeping with government's pre-occupation with stewardship of public money and with delivery, are given priority. The demands of these forms of accountability often prevent time and resources being devoted to more strategic forms of accountability, let alone the desire of third sector organisations (and many in the public sector itself) to engage with a wider constituency' (Marilyn Taylor, September 2003)
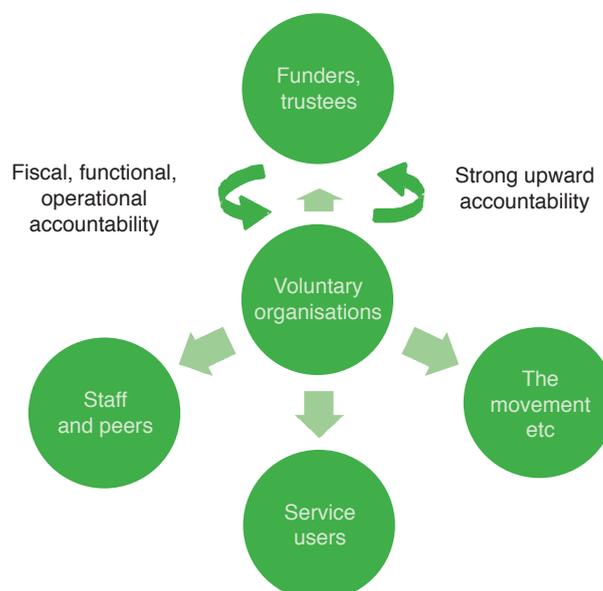
Figure 2: Strong accountability relationships with the local authority take time to service

In Sutton this is an issue where a large number of organisations have typically relied on historically good relationships with a sympathetic local authority, which is now under pressure. As one group noted:

Government's agenda is becoming more 'narrow' and VCS less able to influence and don't know who to go to

Central government has promised to 'open up' the delivery of public services to the voluntary sector and crucially, 'other', providers. The aim is to increase competition, drive down costs and improve effectiveness. Despite its historical relationship with the local authority however, this new 'opening up' does not protect predominantly small-scale voluntary organisations from the pressure of competition from other private or not-for-profit providers seeking to take up opportunities in Sutton.

The local authority in Sutton is sympathetic to the voluntary sector but is beginning to question the merits of the more 'parental' role it has played in the past. It is looking for voluntary organisations to respond to the new environment by taking a business-like and entrepreneurial approach which adds value to the local area and leverages in other resources. Organisational models built on the more traditional 'parent-child' relationships acknowledged by the local authority and the voluntary sector alike in Sutton[3] leave voluntary organisations exposed to competition and vulnerable in the face of changing relationships. The historical investment with a typical government focus on the operational and functional has inadvertently undermined the extent to which organisational leaders have had capacity to create wid*er* relationships in the community and act as entrepreneurial community leaders, galvanising alternative resources and support for their work. Yet as resources dwindle, this pre-disposition to fiscal and operational accountability may only increase, unless the local authority and voluntary sector pro-actively address the issue.

Sutton's ambivalence and predisposition to the status quo puts change at risk

Both the local authority and voluntary sector struggle with a pre-disposition towards the status quo and ambivalence.

Many in Sutton reason that Big Society already exists. The local authority itself downplays it, saying 'in Sutton, Big Society is nothing new or strange, it's about knowing what's going on, having your say and getting involved in local life' (London Borough of Sutton, 2011). While the local authority's commitment to Big Society is commendable and enthusiastic, its vanguard status is referred to as a recognition of its existing work (London Borough of Sutton, 2010), rather than as a training ground for pushing the boundaries of decentralisation.

[3]These traditional relationships were highlighted at the Big Society event in March, where attendees highlighted the desire for 'empowerment rather than direction' and an 'entrepreneurial spirit' suggesting previously it had been 'too parental'.

Voluntary organisations took a similar view to the local authority that 'Big Society already exists in Sutton'. The focus of discussion among voluntary organisations at the event in November 2010 was about how to ensure any new activity builds on *existing* networks, *avoids* external threats and *maintains* existing services.

Ambivalence further risks the transformative change envisaged by the government. Despite its enthusiasm for Big Society, the local authority's resistance to changing the status quo and a fear of losing control was highlighted by some attendees as a barrier to Big Society at the event in November 2011. In part this resistance is due to concerns about managing new accountability structures and legal responsibilities in a devolved environment. There is concern about who is held accountable 'when things go wrong' and who will take the 'blame'[4]. Transformative change is necessarily risky and unless there is a strong urgency to change, the local authority's best intentions stall when it reaches unknown territory.

In turn, the voluntary sector is also conflicted. Some organisations recognise that the changes envisaged by Big Society may present opportunities for them. However, there is mistrust of a political agenda which appears to go hand in hand with major – some argue, ideologically driven – cuts to public services. The politicisation of Big Society presents additional barriers to organisations. As it was noted by one group at the event in March 2011, 're-branding' may help people and organisations to sign-up to the concept without having to associate themselves with a political party they may not support.

The extent to which the transformative change envisaged by the government's vision to 'remake society' is being driven through with urgency is questionable. As one attendee at the Big Society event in March 2011 commented:

I was not left with the anthem of revolution ringing in my ears!

And another remarked on his pledge to action,

The emperor has no clothes!

Sutton is a vanguard for Big Society. The government has described this as a training ground for 'pushing power down', 'innovation, local inspiration and civic action' which will transform communities, 'turn government on its head' and 'remake society'. The concept of Big Society challenges the state to give power to the community, increase participative democracy and rebalance accountability

[4]Two papers by the Institute for Government may help here: an issues paper on *Community Budgets: putting the community in control* which provides a list of questions for local accountability architects to consider as they determine suitable solutions locally; and the working paper *Systems stewardship,* which provides a criteria against which central government can judge the appropriate level of devolution. The criteria are transferrable and could be useful to local governments.

to the state with accountability to the people. The language used by David Cameron suggests that Big Society is to be a transformative change which needs driving through with leadership, commitment and energy. Others will be looking to Sutton to see how it is managing the challenges, such as changing accountability structures, lack of direction from central government and political resistance.

Successful change has many features but the first fundamental building block is creating a sense of urgency (Kotter, 1996).

In Sutton respondents to the survey generally agreed that fundamental changes to the role of the state were required as a result of challenges facing society over the next decade, with 24 of 39 agreeing or strongly agreeing change was needed. However, reasons given for their responses showed that almost everyone had focussed on the current political and economic challenges: spending cuts and a new Conservative-led government. Only one person had highlighted 'we are getting older' as a reason for change.

As the 2020 Public Services Trust noted in its report:

> *Transformation is urgent. While politicians recognise the scale of the immediate fiscal crisis facing Britain, there has been insufficient public debate about the crisis looming in 2020 due to an ageing population, increasingly demanding service users and the "higher labour costs that high quality social care require". Without public service transformation, the breadth and quality of services to which citizens have become accustomed will not be delivered and expanding the range of services that are offered will be near impossible* (Cumming, 2010).

By sticking with the status quo rather than pushing for transformative change the voluntary sector risks missing the opportunities that Big Society presents in gaining wider support for their mission and rebalancing the power dynamics inherent in relationships with the local authority. In turn, the local authority risks undermining its commitment to devolving power, harnessing the wider resources of the community to successfully survive the era of austerity and the significant challenges of the future. Together, this ambivalent approach puts Big Society – and Sutton - at risk.

4: Recommendations for change:
engage, re-balance, invest

In order to mitigate these risks and drive forward the change envisaged by Big Society in Sutton, the report builds on the survey findings and discussions held at events in Sutton (in November 2010 and March 2011) to make the following recommendations:

1. The voluntary sector should refocus efforts on community engagement: building organisational resilience, increasing innovation and effectiveness

2. The local authority should use its commissioning framework to rebalance upward accountability with downward accountability: incentivising models which promote community participation and creating the environment for entrepreneurialism

3. The local authority should also build the capacity of the voluntary sector to scale up by attracting investment: facilitating local businesses to get involved in the community; brokering links with national primary contractors for public services (who may sub-contract locally); 'selling' Sutton's voluntary sector to philanthropists and investors

Recommendation 1: 28
The voluntary sector should refocus efforts on community engagement

Community engagement is not new. However, it is easily misunderstood or sometimes taken piecemeal as 'user-involvement' or 'consultation' enacted in 'forums' and 'partnerships' and facilitated by 'training' or 'volunteering' – all important but not sufficient.

Community engagement is understood here to be:

> *... the process of building relationships with community members who will work side-by-side with you as an ongoing partner, in any and every way imaginable, building an army of support for your mission, with the end goal of making the community a better place to live* (Gottlieb, 2009)

Discussions at the events acknowledged the importance of building links into the community. Some groups identified a lack of 'community spirit' in Sutton and many ideas were put forward to challenge this:

> *...building trust by door to door work...finding the hubs (e.g. hairdressers/ salon)...creating more time for people...valuing your neighbour...asking and listening, not instructing...make people aware/encouraging to take step to get involved – supporting those who come forward...be very clear about what we want people to do – harness community spirit...inspire/ encourage/ celebrate... resident associations ...neighbourhood watch ...church and faith groups...street parties...potluck parties...Bedzed Garden Party*

But by far the most popular idea across groups was to engage more with the 'business community'. Several suggested ways of improving formal ties with businesses to improve a sense of community, but also to seek additional in-kind support or skills transfer. This is a valuable and actionable idea, and work must be done to build links with businesses. Community engagement however goes further. It is more evangelistic in style, digging deeper into the informal ties and networks too.

As the lines between public, private and voluntary sector blur, this type of community engagement is a place where organisations – especially the smaller ones so characteristic of Sutton - can once again re-establish their distinctive contribution to society. While private and public companies can just as easily learn the needs of a client and compete to deliver a service (welfare to work, for instance), voluntary organisations have a unique role to play in building community: forming relationships (beyond a "service"), challenging beliefs and assumptions, gathering hearts and minds to a vision for local mission.

Voluntary organisations often use this kind of activity to establish themselves in the early days. As time goes by however, it can become harder to maintain that kind of community momentum especially in the face of upward accountability relationships, professionalism and concerns with policy. As organisations in Sutton review their mission purposes and strategies, this report urges them to consider increasing levels of community engagement because it builds organisational resilience; promotes innovation; and improves effectiveness.

Building organisational resilience

Strategic responses to reduced funding include competing for what is still available or seeking alternative funding, which may be difficult to source. Community engagement opens up the possibility of re-creating organisational models that achieve mission objectives and build longer term resilience, based on community interest and will. Trustees, staff, volunteers, service users and all their families and friends become part of the organisation's support network, offering friendship, mixed resources, money and the possibility of leveraging political support:

> *The only road to sustainability is to engage the community in your work, to turn that community into an army of friends achieving something amazing together, spreading the roots of ownership of your mission and vision throughout the community, so the community would not dream of letting that mission die* (Gottlieb, Boards and Fundraising: why board members don't want to do it and what they can do instead, 2011).

Implicit within this is a challenge. If the local authority is not able to fund it and the local community does not support it, then an organisation may die and with it, its mission. However, if social leaders are able to use what little they have to pursue the mission and expand their 'followers' they may find it possible to mobilise resources, and even politics in their favour once again.

Promoting innovation and entrepreneurialism

Wider community engagement – involving users, their families and friends – also provides a good seedbed for innovation and entrepreneurialism. Innovation can sometimes be considered a dirty word in the voluntary sector: an idea led by funders and 'worked around' by applicants. But Big Society is built on the premise that what has gone before is no longer fit for purpose. Intractable social issues and funding scarcity adds weight to this argument. Combined with the threat of new social enterprises which might *'focus on the sexy'* (as expressed by one group in Sutton), the drive to innovate and adapt grows.

In his book, *Creativity and Innovation,* Adrian Brown describes innovation as

The process by which an organisation generates new ideas and converts them into new products, business practices and strategies that create shareholder [or in this case community] value (Brown, 2007)

For incumbent organisations and businesses, innovation is always harder because they have existing 'baggage' and do not start with a blank sheet (Brown, 2007). Community engagement helps because it requires existing organisations to take a different view of the people involved in and connected to their service. People, their ideas and insights are at the heart of innovation. Technology plays a supporting role and new resources (for instance, unused community buildings) can also help, but people are critical to success. People from outside an organisation's typical sphere make new connections and suggest different ways of doing things. Service-users provide new insights and co-producing services alongside staff and volunteers enables potential cost savings. Tapping into unreached groups of people allows the possibility of discovering new needs which shape new responses (Sarah Gillinson, 2010).

Organisations in Sutton are already alert to the need to widen their networks. Over half of organisations agreed they were meeting new people outside their existing networks who might be able to help them fulfil their mission. After income generation, getting help with volunteer engagement and external relationships were the next priorities (alongside strategic planning). Potential solutions noted at the event also recognised the importance of new ideas, accessing different people and connecting them: *'ideas exchange', 'connect people to other groups', 'look abroad for working models – learning from others'* and *'reach beyond organisations – individual/resident in own home/man on the street'* among others.

Implicit in innovation is entrepreneurialism. This is described as *'the pursuit of opportunity without regard to resources currently controlled...the individual identifies the opportunity to be pursued, then as an entrepreneur, must seek the resources from the broader society'* (Stevenson, 2000). In many senses voluntary organisations are inherently entrepreneurial because they are constantly fundraising – *seeking resources from the broader society.* Yet entrepreneurialism also describes an attitude which includes *'alertness to opportunity'* and an approach which *'makes things happen'*. It is encapsulated in change and includes a willingness to take risks and see things through to the end (Woods, 2006).

Certain conditions encourage entrepreneurship.:

1. Entrepreneurship flourishes in communities where resources are mobile

2. Entrepreneurship is greater when successful members of a community reinvest excess capital in the projects of other community members

3. Entrepreneurship flourishes in communities in which success of other community members is celebrated rather than derided

4. Entrepreneurship is greater in communities that see change as positive rather than negative (Stevenson, 2000)

The list in the above box provides pointers to both the voluntary sector and local authority in practical approaches it might take (for instance using new powers to mobilise resources) as well as attitudes that will be necessary (for instance, healthy collaborative competition). It also highlights the importance of a vision for change which people see as positive.

While 61% survey respondents in Sutton agreed change was necessary, many were not comfortable with the political ideology which was driving it, for example,

> *There is a danger that ideological rhetoric becomes the currency of the supposed need to change and that private and commercial interests will begin to drive society into an even more fractured state. The attempts to create cohesion through Big Society is misplaced and even hypocritical as some of the very tools being espoused, use of social media and IT in general, are part of the inexorable change which mitigates against personal contact and localism.*

Improving organisational effectiveness

Alongside supporting innovative and entrepreneurial practices, community engagement is also likely to improve organisational effectiveness. Real change requires community participation at a level which changes relationships and societal norms as well as organisational structures:

Reflection on history shows that changes in law and policy and expenditures are necessary but not sufficient conditions for [change]...service organisations can absorb new language and new techniques without much impact on the day-to-day experience of the people who rely on them. Government can adopt new styles for funding and regulating services without much impact on the day-to-day experience of the people who rely on them. Community members can remain separated from the lives and contributions of [others with needs], simply assuming that the government and service workers adequately 'take care of people like that'. Without deep change in relationships, assumptions and beliefs, and structures – without shaping a different culture – reforms fall short of their promise (O'Brien, 1999)

The *deep change in relationships, assumptions and beliefs, and structures* requires social leadership in communities: people with a clear sense of mission and values, who can persuade, educate and edify the people they come into contact with, to the extent that those people are willing to live differently and likewise persuade others – their family and friends – to do so too. This is a niche space within which voluntary organisations can significantly increase their operations and not one that is easily filled by government or service-only organisations.

Research shows that change is *'more likely to be successful and permanent when the people it affects are involved in initiating and promoting it'* (Bracht, 1990). *'The real value of participation stems from the finding that mobilising the entire community, rather than engaging people on an individualised basis or not engaging them at all, leads to more effective results'* (CDC/ATSDR Committee on Community Engagement, 1997). Growing interest in 'community spirit' is not nostalgia. It has its roots in social science and research which reflects that people's perceived quality of life, wellbeing or 'happiness' increases when they are actively engaged with others in creating community.

Research in Sutton suggests that voluntary organisations can begin by involving their service users more in the design and delivery of services. While 17 of the 39 respondents to the survey did agree that their service users were able to make decisions about the design of services, 9 disagreed and 13 neither agreed nor disagreed, suggesting that at least for some intentionally enacting this idea was possibly new. Some organisations independently highlighted this alongside other areas they would like to learn more about:

Co-production, working together in areas which have the potential for conflict of interest...
New services and operating models

In contrast to building links with the business community, co-production was only mentioned in passing at the Big Society event in March. No solutions were taken forward as actions which involved service users, their families or friends.

However, organisations were aware of the need for 'culture change' and one group at the event highlighted the important role the media plays in civil society, connecting people to each other, and with information, and encouraging social action. 'Getting our story in the local press' was taken forward as a key action for the group. Progress is being made and the local press have offered to set up online community pages and to train community journalists locally.

Important in the interaction with the community will be the continued demonstration of effectiveness because sticking with relationships in a community through thick and thin necessarily involves an internal cost-benefit analysis by individuals. Having a firm idea about what people view as the benefits of being involved and being accountable to these will be important. Encouragingly, at least in reference to service users/customers, nearly 60% of organisations agreed they had the necessary resources to collect and analyse data to improve their services. Such data will be invaluable as organisations claim community support for their mission, push local authority boundaries and compete for public service contracts.

By refocusing efforts on community engagement, organisations have the possibility of fulfilling their desired mission with, through and around a wider network of people from the community. This builds up mass support for their efforts locally and allows them to leverage support to challenge politicians *and* the flexible boundaries of limited resources (for example, what money is available for social endeavours) (O'Brien, 1999), while also creating legitimacy with which to hold local politicians to account.

Recommendations to the local authority:

While research undertaken in Sutton provides a picture of how voluntary organisations are responding to Big Society, it also has implications for the local authority's relationship with the voluntary sector. Indeed the Scrutiny Overview Committee within the Council is currently seeking to understand the challenges facing the voluntary sector, how the sector needs to adapt, how it will achieve this and how the council can support this change (London Borough of Sutton, 2011). A practical response to these questions has been provided by Sutton CVS. The report here does not duplicate these suggestions (although many are validated by this research) but instead provides some high level strategic responses that the Council may wish to consider, given its commitment to Big Society and the community it serves:

> *Our work will continue to focus on encouraging behaviour change to enable our residents to make smarter choices; it will focus on devolving decision-making as close as possible to local communities and individuals; and we will work with our businesses and local community and voluntary sector groups to explore how we can deliver services differently.* (London Borough of Sutton, 2011)

Recommendation 2:
the local authority should rebalance accountabilities and encourage entrepreneurialism

As noted above Sutton has committed to devolving power to local people. However, while relationships with the voluntary sector have been positive and productive, they have inadvertently focussed attention on accountability to the state and less so to the people. The local authority should take steps to use what resource it has to incentivise community participation and provide an environment within which entrepreneurialism can thrive.

Improving perceptions of ability to influence is the first building block to community empowerment

Successful community engagement, however, relies on individuals feeling empowered. The first building block to empowerment is at the individual or psychological level.

> *Individual level empowerment can be described along three dimensions: (1) intrapersonal – an individual's perceived personal capacity to influence social and political systems; (2) interactional – knowledge and skills to master the systems; and (3) behavioural – actions that influence the systems* (Rich, 1995). *This concept of psychological empowerment has been found to relate to an individual's participation in organisations, the benefits of participation, organisational climate, and the sense of community or perceived severity of problem* (CDC/ATSDR Committee on Community Engagement, 1997)

Evidence from the above literature suggests the perception of being able to influence social and political systems correlates with the level of engagement people have. In Sutton this is important because of 802 residents in Sutton surveyed by Ipsos Mori in 2009 only 2% agreed they definitely could influence council run services in their local area. 36% tended to agree they could; while 45% disagreed and 17% did not know.

Among voluntary sector organisations in Sutton the picture was more positive with 10% agreeing strongly that they were able to influence decisions taken about Smarter Services Sutton and a further 41% agreeing. When asked whether organisations expected to have more opportunities to influence decision-making going forward, 51% said yes, while 21% said no and 28% remained undecided.

Reasons given for survey responses displayed cautious optimism as one commented *'I am hoping this will be the case, unless it's all rhetoric'* and others voiced concerns:

> *The trend in the LA when under economic pressure is to consult less and to include the VCS at later stages*

> *Vol sector has not been fully involved in Smarter Services Sutton although we were told we would*

> *I think that the council decide what they want to do*
> *Often I feel the decisions are already made*

> *I suppose I am sceptical. I have been to lots of meetings about who is going to do what – but when it comes down to it nothing ever happens. It would be nice if they did what they said they were going to. But the promised outcomes don't materialise from these initiatives.*

Interestingly, organisations' perception of whether they would be able to influence was based on being linked into the local authority's existing thematic areas of work and being able to attend meetings:

> *Having the time to sit on committees and go to meetings*
> *Depends if we have the necessary resources to develop the necessary relationships*

> *Partnership working and tackling [x issue] will provide more strategic links*

> *With Big Society vanguard and other such mechanisms highlighting the importance of [my area of work] – I hope to further strengthen our involvement in Sutton's strategic direction*

> *We will have more communication and attending more external meetings*

The extent to which people believe they can influence change affects the extent to which they want to engage (as individuals undertake the internal cost-benefit analysis mentioned previously). Of those who were asked in the Ipsos Mori residents' survey what involvement they wanted in the council only 19% said they would like more of a say. 62% like to know what the local authority is doing but are happy to let it get on with its job, while 14% are not interested.

22 of the 39 voluntary organisations (perhaps unsurprisingly) strongly agreed that more involvement of voluntary organisations in local policy decisions, design and delivery of services would enable power to be shifted out of local government and to local communities. Along with those who agreed 'to some extent' (13), this idea was the most popular presented and also the strongest response to any of the questions in the survey.
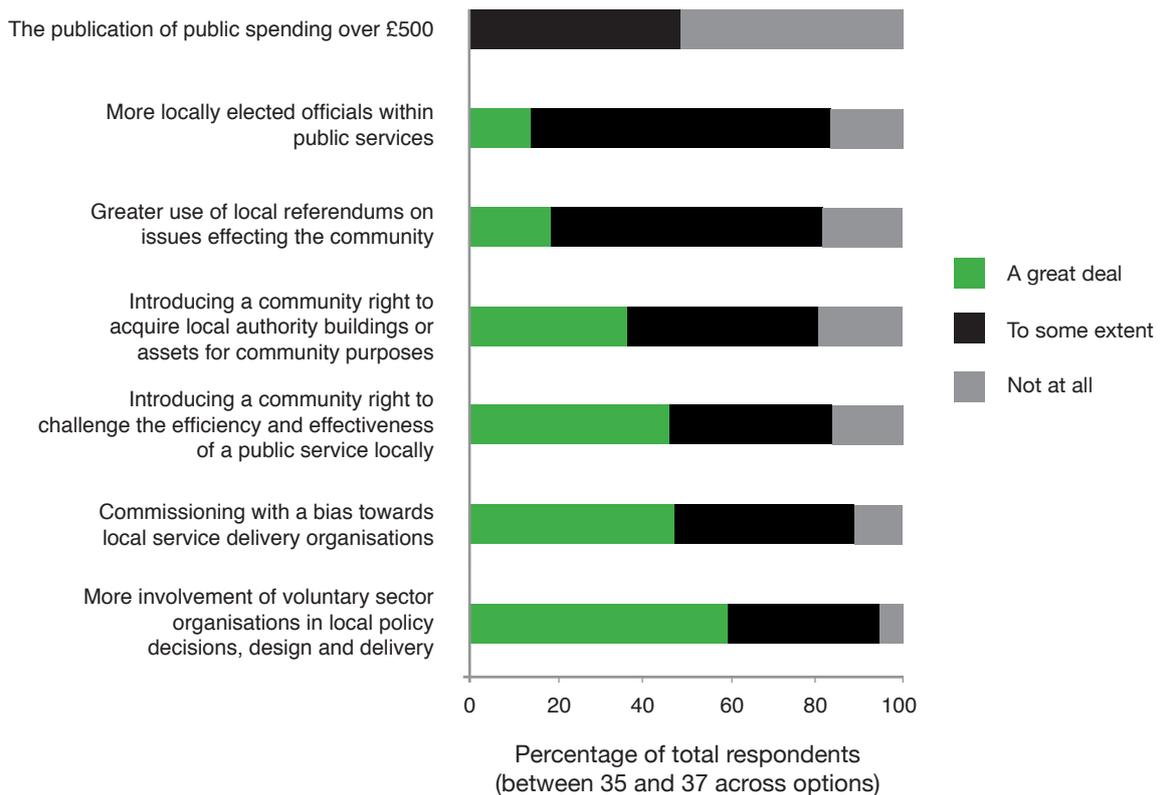

Chart 4: Response to the question 'to what extent do you think the ideas presented above will enable power to be shifted out of local government to local communities?'

Use procurement to focus voluntary organisations on models which build community engagement

Voluntary sector organisations have a better perception of their ability to influence than individual residents and are desirous of doing so. In answer to lingering questions about the role of the voluntary sector in a new competitive landscape, the local authority should be looking to engage with them as *'(1) empowering organisations, which "facilitate confidence and competencies of individuals* [in the wider community][5]" *and (2) empowered organisations, which influence their environment* (Rich, 1995)[6].

While the local authority may be familiar with and therefore more disposed to driving economic reforms locally, it cannot come at the cost of social reforms envisaged in Big Society. It may be easy to polarise spending cuts and Big Society, but in fact spending cuts make Big Society all the more necessary. Cuts create a sense of urgency which will be necessary to stimulate change in the local community, encouraging the 76% of residents who are not interested in getting involved (Ipsos Mori, 2010) to abandon political apathy in favour of action. Voluntary organisations are an ideal conduit for stimulating resident engagement.

The local authority can improve the environment for community engagement by procuring services from the voluntary sector which focus tenders on delivery mechanisms which enhance community participation as a route to improving effectiveness, perhaps even using citizens to help judge applications. This rebalances voluntary organisations' upward accountability with downwards accountability to people in the community, as illustrated:
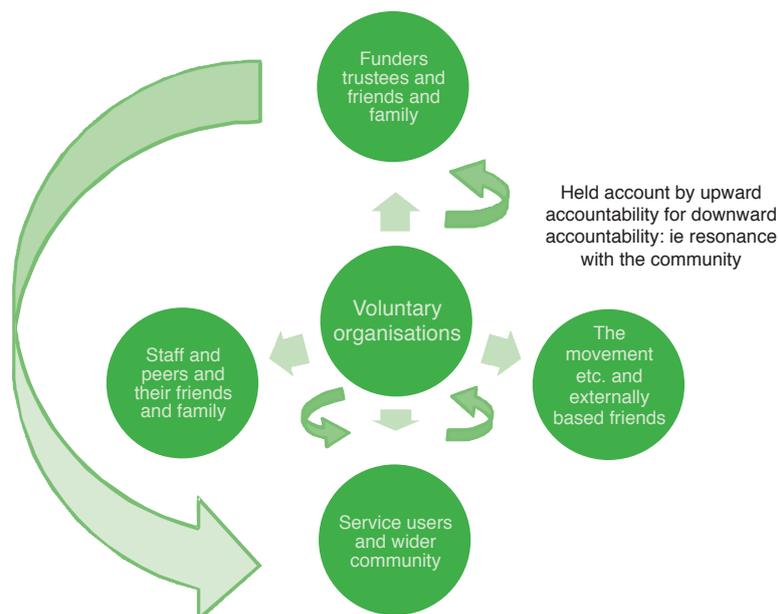
Figure 3: Rebalancing upward accountability with downward accountability to the wider community

[5] Author's insertion
[6] quoted in *(CDC/ATSDR Committee on Community Engagement, 1997)*

It can also seek to address the second and third building blocks of empowerment noted above by improving the flow of information out of the local authority. Transparency as an underlying principle helps. However, it is not a panacea for citizen inertia. As attendees at the local authority-led event in November noted, 'Big Society is more than a website – providing information is not always enough'. Through its existing forums the local authority should engage partners more at the problem-identification stage, reporting regularly to voluntary and community organisations about its progress and being open about the issues it is facing at an earlier point.

It can also actively encourage local authority employees to volunteer by including this as a key part of the employee performance appraisal framework. Perhaps the biggest challenge of Big Society is that it is a culture change that is required of all of us, as suggested by one group at the event in March:

> *Culture change – all of us – eg volunteering – statutory bodies and businesses committed to volunteering*

Volunteering has the advantage of improving informal knowledge exchange; increasing understanding as employees experience first-hand some of the challenges being faced; providing a role model locally; and mobilising resources. This is less formal consultation and more informal dialogue, improving perceptions that people and organisations can influence, while simultaneously cultivating open innovation and the right conditions for entrepreneurs to grow. Volunteer Centre Sutton's recent Sign me up campaign and Citizens University provide ideal conduits for ensuring staff are engaged in volunteering. Additional opportunities for cross-sector socialising (for instance, via sport or pub quizzes etc) also add to the helpful development of informal local networks.

Use procurement of commercial services to encourage local investment in voluntary organisations

Using commissioning and procurement to guide the type of services locally need not be limited to social services or voluntary sector interaction. By taking a more holistic view of the community the local authority can use its other more commercial tenders to encourage successful, locally based businesses to *'reinvest excess capital in the projects of other community members'* (Stevenson, 2000).

The local authority could for example, when the contract with the local authority's financial services provider is up for renewal, request bidders to describe what added value that company provides to the community, bringing 'community benefits' into the evaluation process. Such activities might include: encouraging employee volunteering, raising funds for local charities through to extending training or pro bono financial management advice to local voluntary organisations and SMEs. One could envisage a space where a local debt advice agency is supported by volunteer debt advisers from a local bank to provide advice to residents in Sutton who have council tax arrears. The bank reinvests its employees back into a community organisation which helps residents to manage their own money, thus reducing debts for the local authority, which uses savings to support the debt advice agency[7].

In the meantime, following overwhelming support for better engagement between voluntary organisations and businesses in Sutton, the local authority should use its 'soft power' to facilitate networking among businesses and voluntary organisations. Involving small businesses in the Sutton Partnership may be mutually beneficial – encouraging the cross-pollination of ideas while linking in with the local authority's objective to *'develop an environment where there is recognition that there is a very real place in the market for developing our local businesses and encourage them to seek business opportunities through the local authority'* (London Borough of Sutton, 2008). Sutton Chapter of Business Network International and the Sutton Chamber of Commerce could also take a proactive approach and invite voluntary sector organisations into their forums, as business representatives at the Big Society event in Sutton suggested.

Embedding this kind of approach across all its commercial operations would have the potential to raise awareness of the community culture the local authority is seeking to promote in Sutton and improve the possibilities of community engagement.

Uphold the PRIDE principles and encourage collaborative competition

It is worth noting here two different approaches to community engagement:

> *At a conceptual level, there are two modes of engagement by participants in a community: collaboration and competition. Communities can be designed to elicit either of these behaviours. Care has to be taken, though, because a mismatch between desired outcomes and engagement modes will undermine the effort.* (Carpenter, 2009)

Entrepreneurship thrives in places where 'success of other community members is celebrated rather than derided'. Community engagement and open innovation also rely on collaboration.

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[7] A quick look at Barclays Citizenship website illustrates the possibilities: http://group.barclays.com/Citizenship

A zero-sum approach to competition brought about through reduced funding and an over-emphasis on Sutton's 'smarter' objective may jeopardise Sutton's under-pinning PRIDE principles: partnership, respect, innovation, diversity and empowerment. The local authority should ensure that these principles are embedded in the approach taken by staff in commissioning and procurement; while the organisations with which it contracts should demonstrate their practical commitment to these principles.

Living its values will be important for the local authority in creating an entrepreneurial environment where ideas flow freely and people in organisations and companies compete on who can make the biggest contribution to the community, rather than on who can take most out of it. The extent to which Sutton is successful will rely heavily on the willingness of the local authority and others to adopt such an approach and steer attitudes, operational frameworks and behaviours towards it:

> *As with so many aspects of making modern business efficient and innovative, ultimately, collaboration is about the culture* (HSM Global)

The local authority itself could undertake to review the extent to which it manages to demonstrate its principles internally across departments as well as externally.

Recommendation 3:
the local authority should build on the capacity of the voluntary sector to scale up by attracting investment

In order to meet the challenges of delivering public services, voluntary organisations need to step up. Scale can be an issue both in terms of capacity to deliver but also in terms of investment required to build the necessary relationships with commissioners, gather the evidence and pull together quality bids. Funding is a perennial issue for the voluntary sector and government capacity building in the sector likewise (Macmillan, July 2010). The Council and voluntary sector representatives have identified areas where they can practically improve the capacity of the voluntary sector to engage in the commissioning process locally and potential funding arrangements that could help (London Borough of Sutton, 2011).

This report recommends that to further an entrepreneurial and engaged community, the local authority should be looking more closely at the role it can play to mobilise resources into the community. In its procurement strategy the local authority recognises the following objective for small businesses:

> *Identify national and regional initiatives to improve SME participation in the market place*

Interestingly, the same objective does not apply to voluntary sector organisations. On the basis that voluntary organisations also make a contribution to the local economy, employ staff and have the potential to deliver strong benefits in keeping with the Council's objectives it would seem appropriate for the local authority to also pro-actively look for ways of bringing resources into the voluntary sector.

Government has promised to 'open up' nationally contracted public services. In their consultation on Building a Stronger Civil Society, central government refers to spending in health, criminal justice and welfare to work, among others, where it expects voluntary organisations will be able to bid for funding. The local authority has a role to play in identifying primary contractors and others who will be selecting local delivery partners and passing this information to the voluntary sector. Elected representatives in particular, could play a role in brokering relationships with primary contractors, connecting them to voluntary organisations locally and generally 'waving the flag' for Sutton and its voluntary sector nationally. The local authority could kick-start this while Sutton CVS provides the natural conduit for information and training between elected representatives and voluntary organisations.

Big Society Bank intermediaries also offer the possibility of investment and the provision of much needed working capital. However, voluntary organisations will need robust evidence to demonstrate the value of their work. In addition to Sutton CVS' capacity building suggestions, it is recommended here that the local authority invests in measurement tools which enable better outcomes evaluation by thematic area (online tools are available for this purpose)[8]. This will enable better monitoring of its own partnership arrangements but also help organisations to build an evidence base to demonstrate its effectiveness to citizens involved with its work (referring back to the recommendation to the voluntary sector above) and also other potential funders.

With good evidence in place it also makes it easier for elected representatives to work on behalf of the voluntary sector to identify potential investors and encourage philanthropic giving. The Government has consulted on ways of increasing giving and making legacies and bequests more attractive (HM Government, 2010). As suggested by a Councillor at the event in March, the local authority can use its own publications, like Sutton Scene, to publicise the good work of voluntary organisations but it can also use it to encourage giving and volunteering at these organisations, especially among residents in the more affluent areas of Sutton.

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[8] Charities Evaluation Service http://www.ces-vol.org.uk/) provides useful resources and further information about developing outcomes-based models for planning and evaluating services in the voluntary sector.

5: Conclusion

Sutton is a vanguard for Big Society: a training ground for 'remaking Society'. Big Society is not intended as an independent policy initiative – or *'fluffy add-on'* (Cameron, Speech on Big Society, 2011) - but an all-encompassing approach to government and governing that is radical and transformative. By downplaying Big Society in Sutton as 'nothing new' the local authority risks missing the opportunity to increase citizenship engagement and foster entrepreneurialism. In turn the voluntary sector's pre-occupation with 'resources currently controlled' focuses its resources and emotional energy on local authority manoeuvring rather than galvanising the local community and harnessing both financial and political power in support of its missions.

Living Sutton's values of PRIDE: partnership, respect, innovation, diversity and empowerment will enable an environment of collaborative competition where community stakeholders compete on how much they contribute to the community and not on what they can take out of it.

Together, by refocusing resources in a way which promotes community engagement Sutton can improve citizen engagement, facilitate rich open innovation and respond entrepreneurially to the challenges that face it in the immediate and longer term.

Appendix 1:
About the research

The research was undertaken by a 2010 Clore Social Fellow and supported by the Clore Social Leadership Programme, Sutton CVS and the London Borough of Sutton.

The aim of the research was to ascertain how voluntary organisations were responding to 'Big Society' in Sutton and what the implications for their relationship with the local authority might be.

The research took place between August 2010 and March 2011. 49 voluntary sector organisations were involved in the research directly, accounting for approximately 10-15% of registered charities in the London Borough of Sutton (336 at the time of the research, now 345).

Scoping with the London Borough of Sutton (LBS) and Sutton Centre for the Voluntary Sector (SCVS) took place during September – October 2010 and research activities were supplemented by ongoing discussions with both organisations.

Observations of a local authority-led event were taken on 4th November 2010. Notes from four of five breakout sessions were gathered together and reflected the views of approximately 40 individuals from a mix of voluntary organisations, the council and businesses. Findings were fed back at the Voluntary Sector Forum on 25th January 2011 which attracted approximately 25 further organisations, most of whom had not attended the event on 4th November.

 An online survey about how voluntary sector organisations were responding to changes in the economic and political environment was sent out to over 270 voluntary organisations in Sutton and ran for 6.5 weeks, from late December 2010 to early February 2011. It was completed in full by 39 individuals representing 35 organisations.

A collaborative event was held on March 8th 2011. The event was attended by at least 66 people, with preference given to voluntary organisations wishing to attend above council attendees. 45 representatives from Sutton's voluntary sector attended, including people from 10 additional organisations that had not completed the survey. 13 council representatives attended. Other representatives included local businesses, facilitators from the Institute for Government and the Young Foundation and other interested parties. Findings from the online survey were reported back and validated by attendees, many of whom had completed the survey.

An event summary was circulated by email to attendees on 21st April 2011, including information about follow-up actions since the event. The survey findings and event summary have also been made available on SCVS website and were covered in their monthly newsletter to their 270 members.

This report forms the last formal stage of the research in Sutton.

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