



## **NCVO Post-election briefing**

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## **NCVO Post-Election Briefing**

This has been a historic election, resulting in a significant change in the political landscape and the first coalition government for more than 70 years. In the coming weeks and months it is imperative that the sector works together to create an environment in which voluntary and community organisations (VCOs) can flourish and can play the fullest possible part in civil society, not because of who they are but because of the real difference we make to the lives of individuals and communities.

This briefing sets out NCVO's initial priorities post- election. We will be updating it as detailed policy proposals become available. It highlights the following key issues for our sector:

- the Big Society
- funding
- local government
- public services

### **The Big Society**

Both parties are committed to encouraging people to participate in their communities and giving them a greater say in decisions that affect their lives. This is most clearly seen in the Conservative's call for the creation of the Big Society.

NCVO believes that communities are stronger and more resilient when they are supported by a thriving voluntary and community sector. Our organisations:

- enable people with shared interests or concerns to come together;
- provide self help and support;
- deliver services (both independently funded and publicly funded);
- advocate on behalf of individuals, groups or communities; and
- campaign to achieve better outcomes for those they work with and for.

Therefore we will work with the Government to help refine the vision of the good society and the roles that VCOs can play within it.

### **Funding**

We recognise that these are difficult economic times and that public expenditure cuts will be necessary. However, it will be important that spending plans recognise the role that VCOs play across many policy areas and that they are properly supported to play those roles, not because of who they are, but because of the real difference they make to the lives of individuals and communities.

### *Giving*

Charitable giving is an essential source of independent income for VCOs. We therefore welcome commitments from both parties to explore new ways of increasing giving and philanthropy.

We look forward to working with the Government to progress reform of Gift Aid. It is the most widely used scheme to promote tax effective giving and is highly

valued by charities. However, it has proved administratively burdensome and take-up of the scheme remains low, with only 40% of donors participating in 2008/09. A number of options for change have been identified, but further work is needed to ensure that we get this right. The current system of transitional relief should be extended beyond April 2011 if agreement on reform has not been reached.

#### *National Lottery*

The Big Lottery Fund (BIG) is an important funder of voluntary and community organisations and is widely respected. NCVO has long argued that BIG should continue to receive at least the current proportion of national lottery funds and that all of this should go to voluntary and community organisations.

#### *Social investment*

We fully support proposals for a wholesale Social Investment Bank to provide capital finance to the sector. Its role should be to facilitate the development of a social investment market, capitalising existing funders and investors, rather than providing direct funding to voluntary sector organisations. It must also be sufficiently well capitalised from the outset to be viable and to be able to operate independently of government.

#### **Local Government**

There is a clear commitment to devolve power from central government to individuals, communities and local authorities. An aim is to encourage greater participation in local decisions, for example by giving people the power to instigate a referendum on any local issue that has popular support. Councils will be given explicit authority to act in ways that will improve their communities; there will also be fewer central government targets and an end to ring-fencing.

NCVO welcomes this commitment to devolution, but it must be matched with a genuine commitment to, and support for the VCS at a local level. There is a need for both representative and participative forms of democracy locally. Local councillors have an essential role, providing representation, information and advocacy for their communities. VCOs can and do strengthen this role: bringing different perspectives and enabling a range of different voices to be heard; providing knowledge, experience and expertise regarding local issues; and offering vital additional links into and out of parts of the community.

#### **Public services**

VCOs and other civil society organisations will be encouraged to take on a greater role in public service delivery. An aim will be to encourage greater local ownership of services through employee- and/or user-led co-operatives and mutuals.

In their manifesto, the Conservatives said that they would be committed to introducing a fair deal on grants to give voluntary sector organisations more stability and allow them to earn a competitive return for providing public services. There will be a greater emphasis on payment by results.

NCVO welcomes this support for the sector's role in delivering public services. However, this is only one of a number of roles that the sector plays: to achieve a lasting transformation in public services, VCOs must also be able to identify needs; design solutions and give service users the information, advice and support they need to make informed choices.

Those organisations that want to deliver services should be enabled to do so. Therefore we welcome the commitment to fair funding in relation to both grants and contracts. It will be important that contracts do not preclude smaller and local groups from bidding and we would be concerned if all contracts were to become outcome based. Such contracts will only encourage innovation if there is a fair apportionment of risk, and the contract does not seek to transfer all of the risk (and associated costs) to the service provider.

### **Supporting the VCS**

Over the last decade the sector there have been some critical improvements to the sector's operating environment, with cross-party political support. These include Charity Law Reform and the Compact. NCVO will ensure that these gains are maintained and built on going forward. The Compact has been an important tool to support better partnership working between government and the sector, but will need to be supported and strengthened, for example by giving limited powers to the Commission for the Compact.

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