Big Society and the Church

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Structure

• Where has the Big Society Come From

• Where have we come from

• What, if any, opportunities and challenges does the Big Society present the Church
The welfare society has been breaking down on the margin, and the social fabric of many communities is being stripped away. Although this has been increasingly accepted by commentators and academics in recent years, a defensive complacency, akin to attitudes towards Britain's industrial decline in the 1970s, has characterised our reaction to this problem. Too many either do not care or feel powerlessness to do anything about it. This study starkly illustrates the deleterious effect this breakdown is having on our children…

… We need a system that understands that while material deprivation must continue to be dealt with, poverty isn't just an issue of money, while money is important, so is the quality of the social structure of our lives. To improve the wellbeing of this country it is necessary that we help the people of Britain improve the quality of their lives or we will all become poorer.

RI Hon John Duncan Smith MP

Social Justice Policy Group
Chairman, RI Hon John Duncan Smith MP

December 2006
The BIG Society

Rt Hon David Cameron, Tuesday, November 10 2009

There are many things to admire about Hugo Young and his writing. The elegance of his prose. The doggedness of his curiosity. The strength of his integrity.

Above all, you had to read him - he mattered. He understood that the size and role of the state was a key issue in politics and returned to it often - and that is my subject today.

I want to extend and deepen the argument I made in my party conference speech this year, that the size, scope and role of government in Britain has reached a point where it is now inhibiting, not advancing the progressive aims of reducing poverty, fighting inequality, and increasing general well-being. Indeed there is a worrying paradox that because of its effect on personal and social responsibility, the recent growth of the state has promoted not social solidarity, but selfishness and individualism.
The BIG Society

Church History

In the second half of the 19th century it is estimated that 75% of welfare projects were run by evangelicals
Two Changes

. Renaissance of the voluntary sector

. Big Society
Proportion of charity funding from government

1975/6:    7.3%

2006/7:    34.6%

Big Society

Euphemism for cuts?
Acquiescing with the deconstruction of the welfare state?

Something New?
Opportunity for Church?
Big Society

Not euphemism for cuts?

Not invented by Conservatives
Big Society: Something New
Big Society Content

Spread
Social enterprise

Community Bonds
Social Impact Bonds
Social Franchising
Asset Based Community Development

Co-operatives and Mutuals
Social Impact Bonds

Social Impact Bonds
A Social Impact Bond is a contract between a public sector body and Social Impact Bond investors, in which the former commits to pay for an improved social outcome. Investor funds are used to pay for a range of interventions to improve the social outcome. By enabling non-government investment to be utilised, Social Impact Bonds will lead to greater spending on preventative services. These interventions can have a direct impact on costly health and social problems. Social Impact Bonds are a unique funding mechanism, in that they align the interests of key stakeholders around social outcomes:

**Government** – the public sector pays only for positive outcomes by releasing a proportion of savings to Social Impact Bond investors. Success payments are calculated such that, if Social Impact Bond-funded services improve outcomes, these payments will cover the costs of the interventions. This enables investors to make a return. Investors carry the risk that funded interventions may fail to improve outcomes.

**Social investors** – investment in Social Impact Bonds by trusts and foundations, commercial investors, and high net worth individuals offers an opportunity to generate a blended social and financial return on investment. The social and financial imperatives are aligned; investors receive greater financial return as the social return improves.

**Social service providers** – Social Impact Bond investment is used to pay upfront for the delivery of services. This enables providers of all sizes to participate in generating success. Providers are encouraged to innovate in order to achieve the best possible outcomes for the target population. The focus is on the social value that service providers can offer, rather than on the cost of services alone.
Private backers fund scheme to cut prisoner reoffending

A “payment-by-results” pilot project aimed at cutting reoffending has officially been launched.

Investors have put £5m in social impact bonds to fund rehabilitation work with 3,000 Peterborough Prison inmates.

They could earn a return of up to £8m from the government and the Big Lottery Fund if their cash helps rehabilitate criminals.

Labour gave the groundbreaking scheme the go-ahead but new Justice Secretary Ken Clarke has fully embraced it.

The government has said the pilot is the first project of its kind in the world.

Mr Clarke has indicated the scheme, which may also cut court and jail costs, might be introduced in other prisons in England and Wales if it is successful.

The social impact bond scheme is jointly run by the Ministry of Justice and Social Finance, an ethical investment bank run by a former top City banker.

The money raised by Social Finance from charitable trusts and social investment groups will fund organisations including the St Giles Trust, a specialist charity with a proven record in rehabilitating offenders.

Earlier this year the trust published an economic evaluation of its Through the Gates rehabilitation programme which suggested that the government saved £10 for every £1 invested in such schemes.

The Peterborough prisoners will be given mentors when they are released and they will be given assistance to find jobs and housing and wean themselves off drugs if they need to.

If the money helps cut reoffending, this scheme could return up to £8m to investors, comparable with an annual return of 7.5% in a conventional bond-market investment.

Reoffending among the target group must fall by at least 7.5% to trigger the dividend payments in each of the six years of the bond’s operation.

No guaranteed return
The return on social impact bonds is seen as a share of the financial benefit gained by society when a criminal goes straight.

But as with other finance bonds, there is no guarantee of a return and investors could lose all their money if reoffending does not fall.

Male prisoners sentenced to less than a year at Peterborough Prison will take part in the scheme.

Although the official launch was on Friday, the scheme began on 16 August - with the first prisoners to go through it leaving the facility on Thursday.

Mr Clarke said that reoffending was the “weakest bit of the criminal justice system” and that the radical bonds would help tackle it without using taxpayers’ money.

“It pays by results,” said Mr Clarke. “We’re going to pay what works and what works should therefore grow and what doesn’t work will vanish.

“I like the innovative funding, the payment by results, the collaborative groups, and if it succeeds it will grow and if it doesn’t, by that time we will be trying something else.

“But sooner or later, something has got to be done about reoffending.”

Social Finance said there would be indications of whether the project was succeeding within a year but the full return would not be known until the end of the six-year investment term.

Social Finance director Emily Bolton said: “Investors benefit and the government gets some cost savings. The better the reductions in reoffending, the higher the investors’ return.

“It’s not taking money out of the system, in fact it’s enabling us to transfer the money to more
Our Success

Citylife's work has resulted in around £35 million being invested in local communities: £10 million from Bond subscriptions has leveraged a further £25 million of UK, EU and other matched funds.

Thousands have benefited from the impact of Bonds in Sheffield, Newcastle, London and the Welsh Coalfields:

- Over 5000 people have been provided with advice, support & training
- 3000 people helped into jobs
- 200+ people have been helped to start their own business, so creating further jobs
  - Hundreds more are being helped out of doorstep debt

Caroline Channer

Before her local Citylife Bond Caroline was on benefit with 4 children. Money from the Bond helped her start her own hair salon which is going from strength to strength.

View video

Steve Spring

Steve became unemployed and found it impossible to get a job or start his own business. No-one would give him a loan or a chance and he was forced to rely on unemployment benefit until a Citylife Bond funded charity enabled Steve to start his own successful business.
Scaling-up your Social Enterprise

Social Franchising Support

Social franchising is an option for both existing social enterprises that wish to expand their businesses through replication, as well as individuals who want to set up a franchise of an existing, successful social enterprise. However, it is a relatively new model of growth and little support exists for those wishing to embark on this route.

Therefore, as part of the Big Lottery (BASIS) funded Investing in Social Enterprise Expansion programme, the Social Enterprise Coalition is delivering an innovative Social Franchising Support project. The aim of this project is to undertake detailed research into the processes and issues that surround social franchising and from this develop a comprehensive suite of support tools and resources for all social franchisors, franchisees and social enterprise business advisors.

In addition to this, the project will also undertake research into alternative scaling-up models such as licensing, joint ventures, consortia and mergers; enabling SEC to develop a solid understanding of the wider scaling-up arena and the associated support needs for social enterprises.
Asset Based Community Development

http://www.abcdinstitute.org/
'Not for profit' train service proposed for Wales

Plaid Cymru are proposing a new not-for-profit company to run train services in Wales.

Arriva Trains Wales currently receive a subsidy of around £165m a year to run services in Wales, under a franchise agreement which ends in 2018.

Plaid propose a not-for-profit company to take over with the money that now goes to shareholders re-invested in services.

Ieuan Wyn Jones called it a "modern, efficient Welsh transport system".

Arriva Trains Wales run almost every train service in Wales, apart from around five services which include the Cardiff - Birmingham, Swansea to London services and the Holyhead to London train.

The proposal is one of the ideas being considered for the party's May 2011 assembly election manifesto.

Plaid leader Ieuan Wyn Jones said the proposal would be similar to Glas Cymru, the not for profit company that owns Welsh Water.

Glas Cymru has no shareholders and re-invests all its profit for the benefit of customers.

Speaking on BBC Radio Wales, Mr Jones said: "The idea is to meet the challenge we have in meeting the increasing demand for rail travel in Wales.

"The Public Accounts Committee in London recently published a report which said the current level of investment is not going to meet the demand for increased travel.

"Therefore we have got to release funds some way to make sure people have more train services, more carriages and a comfortable journey.

"What you find is overcrowding on many services and people can't get a comfortable ride and they feel they paying over the odds when they have to stand for long part of the journey.

"We believe a not-for-profit system would meet the growing demand for rail travel because the money would be invested in the business and not paid to shareholders every year."

Mr Jones said the staff of Arriva Trains Wales would transfer to the new not-for-profit company and a management team would be set up to run the new company. The new company would agree with the assembly government the new train services needed to meet the growing demand for rail travel.

He denied this was a move back into nationalisation of the railways.

"This isn't a privatisation, it's a not for profit company. It's not run by the government but by a management scheme who would be independent of government.

"The government would set the franchise and have an agreement with the new company about the train services needed in Wales - very much like current agreement."

But he added that unlike the current system, where the assembly government has to pay for additional rail services, the new not-for-profit company would pick up the cost of this in future because of the extra money it has as a result of not paying shareholders.

Arriva Trains Wales won a 15-year franchise in 2003, and in 2008 and 2009 made net profits of more than £10m.

Plaid said the money could be invested directly to create more frequent services in the South Wales valleys, more frequent journeys to West Wales and on the Cambrian line, as well as additional services between north and south Wales.
Swansea may outsource adult services
Tuesday, November 16, 2010

Swansea Council is considering outsourcing its adult social services by 2012 as it looks for ways to save money and is expected to put a business case to its cabinet next year.

Services the local authority is looking to put out to a not-for-profit 'social enterprise' include mental health, residential homes and domiciliary care. These services are currently valued at around £20m a year and if the move went ahead, around 900 council staff would be expected to transfer to the new organisation. This would lead to back office cuts while reducing staff turnover, sickness levels and overtime payments, the council claimed (pointing out that social services staff took an average of 19.5 days off sick in 2009).

But Labour's Andrew Davies didn't buy the social enterprise angle, saying: "The mass privatisation of adult social services has not been debated at all. What authority do the Liberal Democrats have to sell-off this essential service? There has been no discussion about privatising this in cabinet or the council chamber or with the unions, it is certainly not in the Liberal Democrat manifesto for Swansea, where is their mandate? Decisions made in smoke filled rooms are no way to run a democratically elected council."

Cabinet member for social services Nick Tregoning retorted: "I'm sure Andrew would love to believe that's true but sadly it isn't. This isn't privatisation. We're not outsourcing it. I want it, as I said to cabinet, to go out as a social enterprise but we actually have to put together a business case."
Challenge to the Church

Who

New thinking

Cuts