



RSA Inclusive Growth Commission

NAVCA response to the call for evidence

This response has been produced by NAVCA, informed by a meeting Core Cities meeting with Tom Harrison from RSA.

The core city group comprises local infrastructure organisations from the Core Cities; Birmingham VSC, Voscur (Bristol), Voluntary Action Leeds, Liverpool CVS, GMCVO, Newcastle CVS, Nottingham CVS, Voluntary Action Sheffield.

Introduction

Economists are among the most traditional thinkers in society. They adopt and keep tight hold on theories and models sometimes long after they prove useful. This is why we welcome RSA's Inclusive Growth Commission and wish to support the commission's work by providing this evidence.

It is a time for more radical and creative economic thinking. Traditional trickle down and agglomeration economics have failed too many communities so need to be questioned. We have to also challenge the political orthodoxy that is focusing on the 'squeezed middle' or those 'just about managing' and ignoring those who have nothing to squeeze or are not managing at all.

Traditionally we have looked to Whitehall for solutions to local problems. We need to encourage local areas to have a greater confidence in their own ability to tackle their own priorities. Local charities and community groups should be recognised as playing a major role in doing this and building inclusive growth.

1. Having an appreciation of value beyond £s

Gross Value Added (GVA) has been accepted as the only measure of a successful economy and has become a proxy for wellbeing, as has the idea that everyone in society benefits from a growing economy. The result of the EU referendum challenges economic orthodoxy and yet the response does not show that the establishment is changing their thinking – on either side of the argument. For example, the Autumn Statement reported that the economy is expected to be £12bn a year worse off as a result. Many people will not feel they are losing anything as they do not believe a penny of the £12bn would have come to them anyway.

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Inclusive growth requires a weakening of the link between growth of GVA and perceived wellbeing. This in turn requires looking beyond measuring just in monetary terms. This is a challenge for the voluntary sector who when demonstrated the value of their services will often fall back into expressing it terms of money saved, for example by using the Social Return on Investment (SROI) model.¹ This strengthens the view that a service only has value when it can be expressed in monetary terms.

Two typical examples of this approach are the Early Intervention Foundation's 'Cost of Late Intervention' report² measuring the cost in just pounds not in terms of improved wellbeing. Ipsos MORI's evaluation of the National Citizen Service in 2014 ran with the headline figure of the scheme providing a social return on investment of between £1.12 and £3.98 per £1 spent on the programme rather than any focus on the way it improves happiness or wellbeing.³

Rotherham social prescribing

This is an example of measuring non-monetary outcomes. Voluntary Action Rotherham social prescribing scheme has received a lot of attention because of the evaluation carried out by Sheffield Hallam University that has provided evidence of these schemes success. The evaluation does provide a return on investment calculation but also it measures the wellbeing of people who have been supported.

Voluntary Action Rotherham's social prescribing aims to increase the capacity of GPs to meet the non-clinical needs of patients with complex long term conditions (LTCs) who are the most intensive users of primary care resources. It uses advisers to refer individuals to services provided by charities and community groups. Patient and Carers value social prescribing as it improves quality of life, reduces social isolation and moves the patient from dependence to independence.

They use a well-being outcome tool to measure patients' well-being and their progress towards self-management of their condition through eight measures;

- feeling positive
- lifestyle
- looking after yourself
- managing symptoms
- work
- volunteering and other activities
- where you live
- family and friends

¹ <http://www.socialvalueuk.org/>

² <http://www.eif.org.uk/publication/the-cost-of-late-intervention-eif-analysis-2016/>

³ <https://www.ipsos-mori.com/researchpublications/publications/1784/National-Citizen-Service-2014-Evaluation.aspx>

2. Failure to measure value properly leads to perverse commissioning practices

Charities and community groups tend to be interested in personal outcomes for individuals, whilst commissioners focus on value for money or achieving economies of scale. Reconciling these differences would not only help charities but support inclusive growth.

This contrasting focus of charities and commissioners had led to perverse commissioning outcomes. It has created a smaller number of bigger contracts. It has benefitted bigger organisations and resulted in worse outcomes and ultimately worse value for money, as evidenced comprehensively in Locality's report *Saving money by doing the right thing*⁴ and Lloyd Bank Foundation's *Commissioning in Crisis*.⁵

In the last ten years this has also led to a decline in grant funding. We have led calls for grants funding and campaigned with other charities through the Local Grants Forum and Grants for Good⁶. Grants are declining because too many commissioners are stuck in a traditional mind-set of only using monetary values to measure value for money. Grants give people more power. Where a contract imposes an already-made scheme on the people who need help, a grant puts trust in individuals to respond to local realities with people-centred ideas and ways of working that fit people's lives. The commission should recognise that grants are a symptom of the failure to measure real value and champion a revival of grants to support a more inclusive economy.

3. People are assets

As well as a fairer distribution of wealth, inclusive growth should also look at achieving a fairer distribution of power. Devolution should be an important part of this redistribution but so far it has largely been just about the devolution deals rather than encourage policies that transfer power to people and communities and transform public services. A voluntary sector devolution summit was held in September 2016 at which over 30 representatives from voluntary sector organisations met to produce a sector statement⁷ outlining the principles that will put people at the heart of devolution in England. The principles should be of interest to the Commission as they place a strong emphasis on ideas similar, or related to, inclusive growth.

We welcome the Commission's call in the Emerging Findings that "we need to put social capital on a par with traditional physical infrastructure." People are the biggest asset an area has but this is rarely reflected in policy. The importance of investing in physical infrastructure is understood and seen as a key way to stimulate economic growth. This was epitomised by the Autumn Statement announcement by Chancellor Philip Hammond of an investment programme worth £23 billion on technology, housing, and transport infrastructure.

⁴ <http://locality.org.uk/wp-content/uploads/Locality-Report-Diseconomies-web-version.pdf>

⁵ <https://www.lloydsbankfoundation.org.uk/news/news/2016/12/07/commissioning-in-crisis-report/>

⁶ <https://www.dsc.org.uk/grantsforgood/>

⁷ <http://www.cfg.org.uk/news/press-releases/2016/september/~/-/media/Files/News/Devolution%20and%20Voluntary%20Sector%20Summit%20Principles.pdf>

The Government now has a Department for Business, Energy and Industrial Strategy and an industrial strategy is back on the agenda. We share the view of the Commission that this should be an inclusive industrial strategy that invests in people alongside traditional physical infrastructure.

However, the 'bricks before people' approach seems hard-wired in our society. The Business, Energy and Industrial Strategy Committee's Industrial Strategy inquiry agreed a scope that fails to see the value of investing in people. Their focus is on, "priorities for the private sector, in terms of what businesses want from a revamped industrial strategy, the pros and cons of a sectorial approach and possible geographical emphasis."

Inclusive growth for people and places, the deep dive analysis undertaken by the Commission, looks at place based initiatives for inclusive growth. It identifies the growing recognition of asset based approaches to development. These are approaches that identify the assets an area has, both people and physical resources, rather than deficit approaches that just identify what does not exist. The Commission should take time to understand the asset based approaches being pioneered by voluntary organisations, particularly local voluntary infrastructure organisations.

Croydon and ABCD

There is a growing movement to use asset based approaches. These identify and build upon the human and social assets of a community, rather than focusing on problems and deficiencies within a community. This improves local services by reducing duplication, maximising existing resources and helping local people have control over their own services.

For the past six years Croydon Voluntary Action has been at the forefront of pioneering Asset Based Community Development (ABCD). ABCD projects enable local people to connect, identify priorities and then engage. They invite commissioning processes to engage with people at the neighbourhood level where they live their lives.

- 2,000 + local people have been recruited to speak with others in their community, to find out what interests them, and to make connections and help them set up new activities.
- 240 + new community-led projects have been run and / or completed - some of which have secured funding and others are able to operate completely with the time and resources donated by local people and organisations.

Civil Economy for Manchester

The Manchester voluntary sector infrastructure body Macc produced Manchester's first "State of the Sector" report looking at the size, scope and contribution of the voluntary, community and faith sector to the city. Having gathered this information, they wanted to think about what the city would look like if it really built on this asset working hard in communities all across Manchester. They recognised the voluntary sector plays a key role linking communities of disadvantage to economic opportunity. Their Civil Economy approach will be of interest to the Commission is founded on three key principles:

- Judging economic success on the experiences of people and communities
- Creating an economy which works for all the people in it
- Strong communities and social inclusion as inputs to and outcomes of economic and business success

Neighbourhood planning in Camden

Voluntary Action Camden believes that communities become more sustainable and resilient when individuals and organisations are able to take steps to effectively address local problems and enrich community life. In July 2011 they began work with two very different Camden communities in Bloomsbury and Somers Town to explore the neighbourhood planning process. They have successfully. This has resulted in valuable insights, and the development of tools and knowledge to share with other groups who want to set up Neighbourhood Forums or develop Neighbourhood Plans. A key lesson they have learnt is that some communities or neighbourhoods are better equipped than others to take advantage of opportunities to have a say over their local services. To achieve inclusive growth, some communities will need more support than others.

4. Supporting people not just assets

Plans to build a Northern Powerhouse typify conventional thinking about growth in that they focus on physical infrastructure, particularly transport, and neglect supporting people. Inclusive growth requires an investment in social and not just physical infrastructure.

Inclusive growth also needs to foster a fairer distribution of influence and not just wealth. Charities and community groups play a vital role in helping people engage in local decision making. National and local government are not always comfortable with this role. National government has recently attacked the independence of charities and the validity of charity campaigning through the Lobbying Act and the proposed gagging clause. Charities have also been attacked in national newspapers for their campaigning efforts. The overall effect has been to create a 'chilling effect' on charity campaigning that has dissuaded legitimate campaigning.

The Panel on the Independence of the Voluntary Sector

The panel was established by the Baring Foundation because of continued concerns about that independence. It produced four reports between 2011 and 2014.

The Panel's fourth and final report, *An Independent Mission: the voluntary sector in 2015*, set out the serious and growing challenges facing the independence of the sector and the action that needs to be taken to address them. The Panel's specific concerns included the impact of the Lobbying Act on charity campaigning; 'gagging clauses' in public service contracts; new restrictions on the ability of voluntary organisations to use the courts to overturn poor Government decisions; truncated government consultations; commissioning and procurement for public services that does not support independence and diversity in the voluntary sector; and concerns about the effectiveness of the Charity Commission and the Compact in upholding the sector's independence.

The Panel said that charity independence was in everyone's interests, they said "an independent voluntary sector lies at the heart of a healthy democracy and has helped shape much of what we value today, from the abolition of slavery to rights for disabled people. Its independent voice provides a channel for different people's voices to be heard, including those who have least power – and this voice is even more important, given increasing disengagement with formal politics. There's also enormous potential for an independent voluntary sector to help design more effective public services, especially to better support people with specialist needs, and it can reach out to different communities and mobilise their energies.

Alongside the attack on charity independence, we are also seeing the growth of unaccountable bodies that make decisions on behalf of local communities. Local Economic Partnerships are responsible for £7.3bn of public funding for promoting economic growth yet there is little opportunity to involve local people in decision making. The LEP boards rarely include voluntary sector representatives or similar independent thinkers resulting in a very traditional way of approaching economic growth. Getting a broader range of representation on these boards would help foster inclusive growth approaches. A NAVCA survey in 2014 found that in just a quarter of areas the voluntary sector felt they could influence LEPs.

Devolution is also creating decision making processes that are lacking in accountability. NAVCA and Locality worked with members in West Yorkshire to produce five principles of devolution.⁸ The first principle was that devolution needs to be based on inclusive growth. Other principles include the need for better involvement of people and communities in local decision making. This document was built on at a voluntary sector devolution summit in September 2016 when 16 principles of devolution were agreed. The voluntary sector can help devolution bring about a shift in power from national and sub-regional decision makers to the grassroots and [plays a vital role in giving people, including those often overlooked by the state, a voice.

⁸ https://www.navca.org.uk/assets/000/000/121/Devolution_key_principles_FINAL_original.pdf

Giving people a voice

Local voluntary sector infrastructure organisations provide an important way for people and communities to have an opportunity to influence local decision making. As well as the community based approaches detailed above, in most areas there are voluntary sector forums. Typical examples are Third Sector Leeds and the Birmingham Third Sector Assembly .The voluntary sector can also help local authorities understand how a convening role allows citizens to increase the say they have over the services that affect them.

There are also examples of local voluntary sector infrastructure supporting people to have a say over issues that are of specific concern to them. An example of this is Hackney CVS's People's Stop and Search Monitoring Group that in five months during 2014 helped reduce the number of stop and searches in Hackney from around 1200 to less than 300 a month.

5. Need for cultural change across all sectors

The inclusive growth agenda is a major challenge to orthodox thinking so will not be accepted overnight by economists, politicians and decision makers. It will require cultural shift across all sectors. Local voluntary sector infrastructure plays a key role in leading and supporting local charities and community groups to change.

We fully support the suggestion in the deep dive report that local authorities also need to change to act more like 'community anchors'. This will require local authorities to stop thinking they can deliver for everyone and instead see their role as place shapers and connectors. As part of this place-shaping role local authorities will need to develop co-operative ways of working. Local voluntary sector infrastructure can play a key role in helping a place-shaping local authority understand local need.

Newcastle 2020

Newcastle CVS were commissioned by the council to produce Force for Good , a report on the current position of the voluntary and community sector, the support it needs and uses now, and looking to the future in 2020. This was as part of the Council's recognition that it needs to change to meet the challenges of 2020. The report found that unless communities are involved and seen as central to Newcastle 2020, they will become purely the inactive receiver of services. It called for clearly engaged and active communities to link into any devolution discussions, and this gives a different dimension to genuine devolution. It found there had been some community decision-making initiatives in Newcastle, but they needed to be more significant and link into power structures or else they can become marginalised. Voluntary and community organisations are well-positioned to support local communities to engage at this level.

Importantly, the report found that voluntary and community organisations are not just a way of engaging into and with communities, particularly those who are often excluded from decision-making structures, but also act as a voice and advocate for them with external partners and agencies.

Community Insight in Hackney

In Hackney, a community insight group that includes partners from the statutory sector, community networks and the voluntary and community sector, helps Hackney Council gain insight into their communities by bringing together views and perspectives from residents, service users, businesses and the voluntary sector. The group reviews insight gathered through community networks, meetings, engagement events and surveys, informing the Team Hackney partnership and the annual State of the Borough report. It also identifies gaps in insight and looks for ways to address them.

Part of a community anchor role can be supporting the co-ordination of local services. Traditionally statutory services have often struggle to work together to provide co-ordinated or joined up services. One way that has had some success has been person-centred approaches, especially when the money follows the individuals. An example is the social prescribing in the Rotherham example above. It is also at the heart of the Personal Health Budget model. The relevance to the Commission is that not only does this co-ordinate services it also gives power to people who can shape their services rather than just be passive recipients.

6. Early Intervention and prevention

Early intervention and prevention are seen by the Commission as a way that “public services can support inclusive growth, rather than respond to the lack of it.” Many public services have often been developed to deal with problems rather than prevent them. In contrast many and charities and community groups focus on supporting people in a way that prevents problems.

Talking Health in Southend

Southend Association of Voluntary Services (SAVS) led an approach of contacting residents door to door to encourage them to use alternatives to A&E and seek preventative health measures. The initial cost of £33k was calculated to potentially save over £400k but as importantly improve people’s well-being. The work resulted in fewer A&E attendances, Increased awareness of the most appropriate way to access health and social care, improved take-up of preventative health measures (such as flu injections) and fewer people accessing hospital for preventative or inappropriate health conditions.

The same approach of engaging people through home visits and promoting information was used by SAVS to promote walking to work. They achieved a 14% increase in the number of people walking to work and a decrease in the number of people driving to work.

Redbridge Health buddies

Redbridge CVS has developed a Health Buddy model by recruiting, training and employing multi-lingual residents as Health Buddies to deliver health awareness sessions. Redbridge CVS's Health Buddies first started work on tuberculosis awareness in 2013, delivering targeted messages to community groups, places of faith, libraries, care homes, colleges, schools and other local centres in Redbridge. Positive responses from local communities as well as enthusiasm from the Health Buddies to take on more work led to an expansion of their role to raising awareness on other health conditions like HIV, management of diabetes and latent TB.

This peer to peer approach works. Redbridge TB rates have fallen from 54.1 per 100,000 in 2012 to 39.2 per 100,000 in 2015. Late diagnosis rates HIV in Redbridge have fallen from 58% to 49% between 2012 and 2014. This model has great potential and there have been talks to expand this approach to include late diagnosis of some cancers and poor take up of ante natal care amongst some communities.

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NAVCA is the national voice of local support and development organisations in England. We champion and strengthen voluntary and community action by supporting our members in their work with over 160,000 local charities and community groups.

NAVCA believes that voluntary and community action is vital for vibrant and caring communities. We provide our members with networking opportunities, specialist advice, support, policy information and training. NAVCA is a vital bridge between local groups and national government.

For more details about the full range of ways that NAVCA can help you please go to www.navca.org.uk or call us on 0114 278 6636.

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