



news

SEPTEMBER 2006

Innovative, independent, local – values we must preserve

Dave Prentis General Secretary UNISON



UNISON is a friend to, and a member of, the community and voluntary sector. A sector in which we have many thousands of members. A sector with organisations which campaign for progressive social change, develop new and innovative ways of improving civil society, and work in partnership with statutory bodies. We recognise that all of these roles are crucial to the UK's public services. So we welcome the Government's newly-stated commitment to what it is calling the "third sector". The creation of a dedicated minister within the influential Cabinet Office should join up the Government's approach – and if the Government is genuinely committed to quality public services without any ideological bias towards contracting out, then this new Office will be a constructive force for reform.

However, we fear that the Government is in grave danger of creating a sector in the private sector's image - rather than recognising the distinct value of the community and voluntary sector and building upon its strengths and capacities. Qualities which are encapsulated in the very term "community and voluntary". We worry that the Government seems determined to base the community and voluntary sector's involvement in public services on the principles of markets and competition.

Contract culture

Broadly speaking, the community and voluntary sector has three sources of funding: grants, charitable giving, and contracts to provide services. This diversity of funding is vital. It means that voluntary organisations can plan for the long-term but also retain their independence and individual identities as campaigning bodies. When they bid for contracts it should only be when it is in the interests of both the organisation and the service users. But the Government is increasingly forcing health trusts and councils to contract out more and more work to the sector – as a cheap and ethically sound alternative to the private sector.

Contracts for service provision are now the Government's preferred option for supporting the community and voluntary sector, as opposed to grants. In 2003/04, 38% of third sector income came from statutory sources, and this figure is rising. Meanwhile, for the first time, the community and voluntary sector obtained more money from

contract fees than it did from grants, and again, this trend is continuing. As a result, organisations are forced to put an increasing amount of their own resources into winning contracts, and less into obtaining grants and donations. Of course, this means that contracts are becoming the source of an ever-greater proportion of voluntary organisations' income. In this way, the move from capacity-building grants to the dominance of contracts has already begun to convert many voluntary organisations into service providers, without the same degree of independence and advocacy as before. With this comes competition. Intrinsic to the process of bidding for contracts is the Government's notion of contestability. For example, traditionally a local children's service would have been provided by the local authority, unless that authority felt that a particular voluntary organisation could bring something particular and useful to the process. Now the authority decides first to contract the service out, and then lets Barnardo's, NCH and the Children's Society fight it out. For the service users, there can only be one result: a cheap service.

Sector values under threat

But it is not just the particular service which suffers. Historically, the community and voluntary sector has played a crucial innovatory role in public services: using its campaigning and advocacy to identify gaps in public service provision, develop solutions, and work with the public sector to

implement them. Now, as voluntary organisations prioritise winning contracts, the research and development investment needed for such work is in danger of falling. So in the long-term too, the Government's own reform agenda for public services could be damaged, as it is beginning to destroy what could be seen as its own 'R&D' division.

As a trade union representing members providing public services in the public, private and voluntary sectors, we are clear where we stand. Competition for public services and the marketisation of the community and voluntary sector are damaging the essence of both the public services in question and the voluntary sector which is increasingly providing them.

But the people working in these services are the same public servants, whichever sector they are employed in. We may be talking about workers who are transferred between providers, between sectors, while carrying out the same roles – workers who often see their pay and conditions deteriorating with every transfer. Or we may be talking about people who are trying to maintain the integrity and innovatory role of the community and voluntary sector. Either way we are talking about workers who deserve, and quite rightly demand, our support, and they will get it. We do not seek to denigrate any of these workers or the essential jobs they do. But we do need the Government to look seriously at the policies that are harming the public services that these workers provide, and ensure that in its new enthusiasm to embrace the "third sector" it doesn't destroy the very qualities that make it special.



Keep up to date with UNISON Labour Link with our regular e-bulletins.

Contact labourlink@unison.co.uk to sign up.

**UNISON, 1 Mabledon Place,
London WC1H 9AJ**

Tel: 0845 355 0845 www.unison.org.uk

