

I am grateful to have the opportunity to contribute to the debate on this important matter.

By way of background, I should explain that most of my career has been spent in the senior management of the 'new universities' (which are interestingly 'complex' organisations). However, I serve as a trustee of several charities and was for four and a half years the CEO of Community Links (which is probably the largest multi-purpose, locally-responsive charity – 'community anchor' – in the UK). Since leaving Community Links I have returned to academic life as a visiting professor and teacher in the Law Department at London South Bank University and have continued to work with various charities, including Toynbee Hall and the Bishopsgate Institute.

I have also been engaged (with Alice Sampson at the University of East London) in a research project that addresses the particular problems of 'community anchors'. Briefly, as multi-purpose and locally-responsive organisation, many of the conventional approaches to assessing the performance of such organisation are inappropriate. The conventional approaches assume rather simpler projects and organisations. I attach a couple of papers that have been generated in the course of the research. One of these is available online at <http://www.uel.ac.uk/risingeast/essays/2010-02-24.htm>. The other was generated by a workshop held in October 2010 at the Third Sector Research Centre at the University of Birmingham. Some of this work is a development of ideas that were submitted to the House of Commons Public Administration Select Committee and is published in part in Volume II of the report, 'Public Services and the Third Sector: Rhetoric and Reality'. (see <http://www.publications.parliament.uk/pa/cm200708/cmselect/cmpubadm/112/112we28.htm>)

In the context of the White Paper, it seems to me to be important to recognise the following:

1. Community Anchors are enduring presences in their communities. They of course engage in particular projects and must pass muster in the delivery of these discrete projects but their *raison d'être* transcends any particular project. The real challenge is to ensure their continued presence and responsiveness. Our current research (please see the attachments) seeks to make available methods (focused on effectiveness as 'attractors' and 'connectors') by which such organisations can be made more clearly accountable without being forced into what, for them, can be the straightjacket of silo-based-delivery of project that are often of funders' basic design (and hence more 'top-down' than 'bottom up' – a very different perspective to that of the sub-questions on p.10 as to "what areas

could be opened up to civil society organisations”). Without such measures, a shift towards ‘payment by results’ could well lead to the loss of an important dimension of the contribution that community anchor civil society organisations can make in areas of fairly acute deprivation. (re sub-question on page 9 about payment by results)

2. It follows that some funding should somehow be made available to sustain them as organisations so that they can develop ideas and projects in response to local need. Their catchment areas are typically much smaller than those of local councils. Indeed, the democratic processes can all too easily be insensitive to the more intense needs to which community anchors respond.
3. The Camden experiment described on page 19 is valuable and, in principle, comes close to what is needed. The real worry is the practice year-to-year and council-by-council. In particular, community anchors will need to demonstrate their effectiveness and social value in ways that are rather different from those used by – or thought appropriate to – more narrowly-based organisations. Nevertheless, our research suggests that it could well be that, by the use of ‘connector-attractor’ evidence, a community anchor will be able to satisfy reasonably open-minded commissioners that it is providing worthwhile economic, social and environmental value.
4. In respect of community anchors, it is especially welcome that the Public Services (Social Enterprise and Social Value) Bill does not require that a particular methodology be used and will impose an obligation to consider whether to consult the intended beneficiaries. However, the latter requirement is dangerously weak. Past experience of local authority consultations suggests that their efficacy in “ensur[ing] that commissioning responds to the full range of communities priorities” (p.19) is doubtful without minds that are very much more open than many are presently and without suitable tools such as ‘attractor-connector’ evidence being available and utilised. Many councils will find – after some “consideration” – that consultation is avoidable or can be conducted on their terms. In practical politics, consultation often follows a decision rather than informs it.
5. Clause 3(3) of the Bill is particularly unhelpful to community anchors in insisting that “The authority must consider under subsection (2) only matters that are relevant to the subject-matter of the contract and must consider the extent to which it is proportionate in all the circumstances to take those matters into account.” This requirement would be too easily used to define the “subject-matter of the contract” in ways that do not capture or accommodate the wider social value that community anchors have.
6. The White Paper is right that “[t]he potential of civil society organisations to act as community advocates and representatives, as well as providers, is particularly important”. But that potential will not be realised without radical changes in attitude and, in respect of community anchors’ distinctive role,

sound evidence of the broad kind that the research that Alice Sampson and I are doing contemplates.

7. The passage on p.21 (“While local or national government has a legitimate role in deciding relative priorities where different parts of the community differ as to their priorities, those who use services, and other interested citizens, are best placed to identify priority needs, and understand how outcomes could be improved and waste reduced.”) seems platitudinous in the face of the day-to-day experience of many civil society organisations. The changes in attitude mentioned above will be needed if there is really to be a radical transformation of “the responsibility and accountability relationship between citizens, public service providers and commissioners.”
8. The financial security of community anchor organisations is often at risk. They are not well capitalised and cash flow is often particularly critical. Whilst I was at Community Links, I required daily information on its cash position. (Relevant to the sub-questions on page 11 about assets and barriers). The danger is that community anchors will neglect their fundamentally locally-responsive missions in order to secure funding that is shaped by local councils or philanthropists. Furthermore, Corporate Social Responsibility is often strongly formalised. The typical corporate committee has its own views about what should be done and will release funds only to those who are prepared to share that view.
9. Local councils often use the commissioning of civil society organisation as a means of exporting risk and problems – or as cheap outsourcing. They expect civil society organisations to have negligible overheads but outsource in order, in part, to sustain their own central (often over-inflated) hierarchies (see the sub-questions on p. 15.). Council’s democratic warrant is too often used as cover for the fairly naked exploitation of economically weaker organisation or ‘partners’.
10. Commissioners often lack experience and empathy with civil society organisations, especially the necessarily more complex community anchors. Ideally, there should be staff exchanges for periods of three months or more to broaden commissioners experience and to open their minds.
11. Clearly, the ‘community anchor tail’ cannot wag every ‘commissioning dog’. However, there is a strong case for finding the means to sustain and encourage those community anchors that are prepared to engage seriously with the demonstration of their own effectiveness.

I recognise that this paper is ‘special pleading’ on behalf of community anchors. However, they are currently outwith the dominant paradigm and the value of their particular work is under-recognised. Many of them are vital to their communities and consequently their case should be specially pleaded and specially addressed

before commissioning processes in these economically constrained times does irreparable harm.

Whilst I have discussed the research on which Alice Sampson and I are collaborating, the responsibility for the thrust of the above note is mine rather than joint.

Yours sincerely,

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