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PRIME MINISTER

FAMILY POLICY GROUP: 19 APRIL 1983

There are six papers to be considered. Three points of substance
need to be decided.

1. Sport and Recreation: Tom King's Paper FPG(83)17
Use of School Facilities Keith Joseph's Paper FPG(83)18
Outside School Hours:

Tom King suggests a joint DOE/DES circular containing a clear statement about right of access, plus advice on how to overcome the obstacles (caretakers, insurance, cost, etc). This would be an attractive approach. Lazy or obstructive LEAs would have less excuse for saying "we can't afford it". And sports groups would be able to invoke the circular when LEAs proved unhelpful. We could also make it clear at the time of sending the circular that we would not hesitate to take tougher measures if the response was poor.

DES officials, on the other hand, want to rule out legislating for a right of public access and are reluctant even to offer advice until early next year, after consultations with interested parties and finding out more information. But the DES has been 'consulting' and 'encouraging' since the year dot. Plenty of LEAs have learnt how to offer reasonable access without incurring unreasonable expenditure. We should urge that good practice becomes nationwide.

We recommend that the Group endorses a joint circular.

2. Support in Parenthood: Self-Help Family Centres:
Norman Fowler's Paper FPG(83)16
Keith Joseph would also like to say a word.

The idea of family centres is appealing. Equally clearly, we do not want to set up another national bureaucracy. But what Norman suggests in the first instance - 11 workers to advise local people on how to set up the centres - is modest and sensible.

But there are questions to be answered:

- (i) How would the family centres differ from existing community centres? If the difference is that the family centres would be largely voluntary, how do we prevent creeping demands for more and more paid staff?
- (ii) Can we use the Community Programme? Officials seem a little too sceptical about the possibility of the family centres finding plenty of unemployed young people who would help out in return for the MSC allowance.

We recommend that, provided Norman can make it clear that these family centres will remain overwhelmingly self-helping and voluntary organisations, he should have the approval to follow through the proposed initiative.

3. Voluntary Action and Giving to the Voluntary Sector:

Willie Whitelaw's Papers FPG(83)13 & 14

Norman Fowler's Paper FPG(83)15

The Home Secretary offers a useful review of the voluntary sector and the ways in which Government can and does help. But much of the paper is addressed to a rather extreme question which we have not really asked - namely, why don't we let volunteers take over some of the welfare services? Surely what we are really interested in is how the voluntary sector can make a bigger supplementary contribution to the statutory services.

The real question is how do we reverse the decline in charitable giving, particularly by companies?

Willie says he does not want to re-open the thorny question of charity law. But then, in effect, he does re-open it by suggesting that fiscal benefits should be extended to a defined range of voluntary bodies not registered as charities.

Here the objections of the Inland Revenue are crucial. They argue that it would be wrong to extend fiscal benefits significantly so long as charitable status is open to abuse for personal gain. It is hard to deny that, if we do extend fiscal concessions as suggested in Willie's 15(iii)(b), nasty tax-dodging scandals would crop up.

D. B.
I think, therefore, that we do have to consider the question of charitable status. We might wish to consider the possibility of the American two-tier system in which, as I understand it, only certain charities selected as desirable and impeccable receive the full range of full fiscal concessions. There are difficulties about the value-judgments involved in Government drawing up a list of accredited "super-charities". But so long as we stick to the present system, the concessions we offer are likely to remain depressingly stingy, for fear of scandals.

|| We recommend that we should examine the possibilities for further fiscal relief for a carefully selected list of charities. |

FERDINAND MOUNT fm

PRIME MINISTER

Family Policy Group

The Group is to meet at 9.30 on Tuesday. Since there are a number of papers, you might like to glance at them over the weekend. They are as follows:-

Flag A: Ferdie's paper drawing together the issues raised in the various papers

Flag B: Sport and Recreation (DoE)

Flag C: Use of School Facilities Outside School Hours (DES)

Flag D: Support in Parenthood: Self-Help Family Centres (DHSS)

Flag E: Voluntary Action to Meet Social Needs (Ho)

Flag F: Giving to the Voluntary Sector (Ho)

Flag G: The Voluntary Sector (DHSS)

15 April, 1983.



10 DOWNING STREET

From the Private Secretary

15 April, 1983.

Dear Tony,

Family Policy Group

The Family Policy Group is to meet at 9.30 on 19 April.
The agenda will comprise:-

- Item 1 Sport and Recreation
Paper by Secretary of State for Environment
FPG(83)17
- Use of School Facilities Outside School Hours
Paper by Secretary of State for Education and Science
FPG(83)18
- Item 2 Support in Parenthood: Self-Help Family Centres
Paper by Secretary of State for Health and
Social Security
FPG(83)16
- Item 3 Voluntary Action to Meet Social Needs
Paper by Home Secretary
FPG(83)13
- Giving to the Voluntary Sector
Paper by Home Secretary
FPG(83)14
- Paper by the Secretary of State for Health and
Social Security
FPG(83)15

I am sending copies of this letter to the Private Secretaries to the Chancellor of the Exchequer, the Secretaries of State for Education and Science, Industry, Transport, Social Services, Employment, the Environment, the Lord Privy Seal, the Chancellor of the Duchy of Lancaster, the Minister for Overseas Development and to John Sparrow, and for information to the Private Secretaries to the Secretaries of State for Scotland and Wales. A copy also goes to Richard Hatfield (Cabinet Office).

Tim Flesher

Tony Rawsthorne, Esq.,
Home Office.

15 April 1983

Use of school facilities outside school hours

Note by the Secretary of State for Education and Science

1. On 9 March the Group invited me to arrange for a study of the obstacles to the greater use of school facilities outside school hours and to recommend means of dealing with them. The necessary work is not yet complete but it is now possible to break down the problem, to rule out certain approaches and to identify others which hold some promise of success.

2. Three categories of case are subsidiary to the main issue:

- (1) special considerations apply to the 25% of schools which are voluntary schools. They do not belong to the local education authorities (LEAs); their governors have the main responsibility for determining their use out of school hours; and many voluntary schools can be expected to go on making facilities available and thus raise additional income for themselves. I intend to encourage the churches, who own the great majority of voluntary schools, to consider how their facilities might be made more widely available;
- (2) there is a very small minority of schools, rural as well as urban, which are organised as community schools so that the same building houses both the school and facilities for adult education and youth work. Such schools exist to offer facilities for their local community both during and out of school hours, and generally do a good job in this respect. The LEA meets most of the cost. Setting up new ones would be expensive. But I shall continue to encourage this process by using the Urban Programme where the opportunity arises;

(3) we must, I believe, leave on one side the generality of those schools belonging to the LEA (the county schools) where extended use is possible only after capital works eg to meet safety or security requirements. But I shall continue to support proposals for capital expenditure to this end which come forward under the Urban Programme.

3. I have considered whether it would be helpful to legislate for a right of public access to county schools. If this were enacted, the LEA would have to have the right to refuse access, if access was liable to make the facilities eg playing fields unserviceable for school use; the LEA would also have to have the right to impose conditions eg in relation to the supervision of the activity for which access was granted, and to recover the extra costs it incurred in granting access. These restrictions would probably mean limiting the right of access to organised groups and to those who could be trusted to supervise participation by individuals; they would not make the right all that valuable even to such groups. There would certainly be much room for dispute between the LEA and those claiming the right, and the burden on the Courts or specially constituted appeals machinery might be heavy. I doubt therefore whether it is worth while pursuing the idea of a public right of access.

4. The study I have set in hand suggests that the practical problems of extending the use of school facilities, and the reluctance of eg some head teachers and caretakers to take on the extra task of tackling them, are most readily overcome if the operation is adequately financed. Important extra costs are heating, cleaning and security. All these fall on the LEA because it is responsible for maintaining the school and employing staff such as caretakers. A recent study by the Local Authority Conditions of Service Advisory Board shows that caretakers are willing to work substantial overtime in this connection provided they are paid accordingly; doubtless the

employment of additional caretakers would help in some cases.

5. In principle the necessary extra finance could be found either by the local authority - perhaps in the discharge of its non-educational functions - or by the users of the facilities. Some authorities have shown themselves keen to do this. One shire county, Kent, is experimenting in one of its areas with the appointment of a Dual Use Development Officer responsible for encouraging the wider use of educational and sports facilities. If such measures were widely applied, they would presumably have to be financed under the block grant arrangements, which give the Government little leverage.

6. I believe that the most promising approach to the problem of finance is to consider whether we should find ways of funding the potential users - particularly the voluntary sector. The Home Secretary's papers FPG(83)13 and 14 address this possibility. The MSC's Community Programme may not, in its present form, be a generally suitable vehicle for finance because it understandably requires the subsidised activity to provide employment for a community purpose by limited categories of unemployed people.

7. The next step is to prepare the ground for sustained Government pressure on LEAs to extend the use of schools out of school hours, including, if necessary, a campaign to mobilise public opinion against bureaucratic inertia or trade union intransigence. But we shall improve our chances of making such pressures bear fruit if we can first identify the target and avoid well-founded charges that we are flying in the face of the facts or of our own public expenditure policies. I shall therefore obtain in the autumn detailed information based on a properly constructed survey about who now uses schools out of hours, on what scale, and under what financial arrangements; and about the extent to which there really is unmet demand for school facilities, given that most schools now offer some out-of-hours facilities and that there may have to be charges for them.

8. In the light of this information, which I would publish early next year, I propose, in discussion with the local authority associations and other interested parties (including those representing possible users), to consider what public guidance to LEAs would be most effective. I would aim to give guidance on such aspects as:

- (1) expenditure on running costs and manpower on the part of LEAs;
- (2) charging policies;
- (3) making available facilities within schools which were originally designed for community use but which have had to be used for school purposes as pupil rolls rose: pupil rolls are now declining;
- (4) disposing for community use of playing fields which have become surplus to the new minimum requirements which my Department promulgated in 1981;
- (5) advice, based on good practice, about the organisation and management of a systematic approach to making a school available out of hours.

9. I also propose, in the light of the new information obtained, to mount a public campaign designed to stimulate local pressures on LEAs if the situation, including the attitude of the local authority associations, were to make this desirable.

Department of Education and Science
15 April 1983

KJ

FAMILY POLICY GROUP

FPG (83) 17

Copy No.

14 April 1983

19

SPORT AND RECREATION

NOTE BY THE SECRETARY OF STATE FOR THE ENVIRONMENT

1. In its previous discussion the Family Policy Group (FPG) considered that expanding participation in sport and recreation could contribute to family and community development - especially for young people. The Government's record in funding is already a good one. Grant-aid particularly to the major agency, the Sports Council, has increased from £15.2m in 1979/80 to £27m in 1983/84. Other direct grants (eg. the Urban Programme) are now about £20m per year. To get the maximum participation by the family and the young requires more and better local facilities, promotion and motivation.

FACILITIES

2. The previous DOE paper (FPG/83/10) identified a need for more local, community facilities. FPG felt that one important solution lay in the dual-use of school facilities. Some local education authorities (LEAs) still point to the problems in bringing more school facilities into community use. But the problems have been overcome - or ignored - in most areas of the country in recent years. My Department is now supporting a voluntary sector Working Group which aims to bring user pressure to bear at the local level and also to propagate "best practice".

3. We must make every effort to bring suitable school facilities into community use. The family and the community should have a right of access to facilities provided by and for the community through statutory authorities; achieving this requires encouragement and pressure at all levels. A joint DOE/DES Circular containing this message would support and complement the voluntary sector's campaign. Specifically, the proposed Circular would:-

- (a) Contain a clear statement about right of access;
- (b) identify best practice in LEAs, to help overcome the obstacles to dual-use perceived by some authorities;
- (c) encourage the formation of joint education and recreation committees in local government, to co-ordinate the provision and use of local facilities;
- (d) Urge all authorities to take steps to intensify the use of existing facilities and co-operate with the private and voluntary sectors in bringing vacant land and buildings into (at least temporary) recreational use. We could

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usefully clarify the aims and role of Land Registers and of the new DES regulations on recreation space in schools.

(e) encourage sensitive pricing policies for local facilities, which neither obstruct wide community use nor generate large revenue deficits.

If the Group agrees I will arrange for preparation and drafting of this Circular to be put in hand quickly. My Department will be happy to take the lead.

5. There remains a need to provide more sport and recreation facilities for local communities. We have in hand Neil Macfarlane's initiative to persuade private and public sector industry to open their sports facilities to the public. The £-for-£ scheme has started well in Liverpool and we are about to launch two more projects in Bristol to the North East. The major programme is the Sports Council's; it is to provide 60 standardised, low cost (£0.5 million) sports halls in needy areas, in partnership with local authorities, by 1987. We should like to accelerate this programme. But it would require extra public resources, as the proposed locations will not readily attract private sector funds.

PROMOTION AND MOTIVATION

6. Somewhat less than 50% of the population currently take part in sport and recreation; the proportion is markedly lower for the young employed and for minority groups. The goal of greater participation requires some promotion and publicity, responsibility for which was given to the Sports Council in their Charter. They take it seriously. The Council's slogan is "Sport for All" and this message is carried in leaflets, stickers, etc at facilities and events throughout the country. The main responsibility for promoting participation must remain with the Sports Council: Neil Macfarlane and I will urge them to continue to give it priority.

7. There is an important role for leaders and motivators at the local level - especially in the inner cities - in encouraging and organising young people to take part in sport/recreation activities. Teams (called "Action Sport") have been established in London and the West Midlands, drawn mainly from the unemployed this is a Sports Council programme, in partnership with local authorities, which we are supporting. The programme has obvious benefits and could be expanded quite rapidly, given extra funds. We must however look for a heavier involvement by the voluntary sector. The Sports Council has this need in mind.

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RESOURCES

8. Sport and Recreation has already received additional funding under this Government. The money has been well and quickly spent; it has particularly benefited the inner cities and the young unemployed. With increasing leisure time for the family and the population at large, we must continue to give priority to sport and recreation provision and I therefore hope the Group will support my case for further increases in funding over the next two to three years. We must of course look for a greater contribution from the voluntary sector, particularly in helping to manage facilities and in participating as leaders and trainers. Allowing for this, an extra £5-10 million per annum (on the current provision of £27.03 million) for the next 2-3 years would substantially speed up the local sports hall programme and enable us to establish Action Sport teams in other cities.

TK

14 April 1983

Department of the Environment
2 Marsham Street
LONDON
SW1P 3EB

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D

SUPPORT IN PARENTHOOD
SELF HELP FAMILY CENTRES

Note by the Secretary of State for Social Services

Family Centres which provide social and recreational services for the community can also help to prevent families at risk from getting into difficulties and provide support for families already under stress. In this way assistance can be given without automatically labelling parents as having failed in some way or as being problem cases. The centres can also offer opportunities for example for adult education or for youth clubs, and for local discussion about the problems of unruly children between residents, probation service, police, social workers, teachers etc. Developments of this kind, which give the right sort of support to parents, may indeed well play an important part in the reduction of juvenile crime.

2. This paper discusses the needs of such centres and how they might be developed, and proposes an initiative in the voluntary sector involving:-

- encouragement by the National Council of Voluntary Child Care Organisations (NCVCCO) of established voluntary organisations to develop more centres in particular using Community Programme (CP) funds from the Manpower Services Commission (MSC)
- help to local groups via Regional Family Centre Workers linked to the National Council of Voluntary Organisations (NCVO) with the remit to stimulate and promote local developments with particular reference to the use of CP funds.

What is a Family Centre

3. Family centres may arise out of initiatives by local people or by a large voluntary body, or be established by a local authority. Essentially they develop in one of two ways:-

- a. from a neighbourhood base, but then developing facilities to meet particular local needs;
- b. from a 'problem base', gradually extending to encompass facilities for ordinary families.

Ultimately some family centres may well look the same whatever their origin, but the objective in this paper is to go via route a. with emphasis on prevention and early support of difficulties, rather than on dealing with established problems.

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4. Models vary according to how the local community see their needs, but two examples are given below:-

a. Botcherby, Cumbria Social Services Department.

This centre provides the following services: for under fives, a day care unit (8.45 am-5 pm), pre school playgroup, baby group, mother and toddler group; a mother and child clinic and a pregnancy group; for 5-15 year olds, youth clubs and holiday play; intermediate treatment for young offenders; day club and evening activities for senior citizens; more generally, a coffee bar, Open University groundwork sessions and Women's Dance Group.

b. Blackburn. Diocese of Blackburn Board for Social Responsibility. (Support from Lancashire County Council and Urban Aid.)

This started out as a local community club, then provided a summer holiday scheme especially for children of families where there was unemployment or only 1 parent, a weekly club for glue sniffing youngsters, run first by social worker and then by local resident, and a mobile coffee bar for young people, provided by County Youth Service.

5. Centres usually have Advisory Committees bringing together residents, community groups, local professionals from statutory bodies and elected representatives. The Blackburn centre for example involves an officer of the Social Services Department, a County Councillor, representatives of the local churches, a representative from the Secondary School, and 3 representatives of local community groups. The Committee support the Centre Leader, monitor the work and advise on its development.

Resources needed

6. Premises/Equipment

There might be one meeting place or several, with particular activities in particular places. The meeting place might for example be an adapted pair of semi-detached houses, a local school or college or a church hall; often LAs will provide premises rent-free - if not, a lot of capital may be needed. A modest amount of equipment is also required.

7. Staff

If worthwhile and lasting results are to be achieved, a nucleus of trained staff is needed to shape the activities. Typically, family centres have a Centre Organiser. Other staff eg to run the various sessional activities, to organise creche facilities, and to provide administrative support, could be local residents, either acting as volunteers or employed by a voluntary body. Some would need to have appropriate experience or to receive some preparatory training.

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Sources of Finance

8. Local authorities often give some financial support from their ordinary resources eg sponsored day nursery places, sponsored IT, rent free premises, adult education staff time.

9. A number of Family Centres are supported under the Urban Programme. This number might be increased if LAs were asked to give them priority in compiling proposals. Though the need is essentially for revenue expenditure, this is an area in which a modest number of staff can help to mobilise considerable community resources. The guidelines to be issued in May might make special reference to family centres.

10. Funds for volunteers - either the DHSS "Opportunities for Volunteering" or the MSC Voluntary Projects Programme could also be relevant in some circumstances.

11. The MSC Community Programme (CP) provides the opportunity to staff the centres if employment goes to those who have been out of work for some time. DHSS officials have had a preliminary talk with officials from Department of Employment and MSC, when a number of potential difficulties were aired eg

a. CP runs only to October 1984 so that MSC commitment can only be to 1 years funding. However there could then be a review with the possibility of extension.

b. The Centre Organiser would need to be retained for considerably longer than 52 weeks if the project continues: renewal of contract is permissible under CP rules so long as no other suitable unemployed person is available.

c. Any one particular project may employ relatively few staff, and the operating costs of the centre may not be fully covered by the MSC allowance (up to £440 per year for each place provided - whether full time or part time).

12. It seems unlikely that the CP could fund all the costs of a Family Centre, but in some places it could make a significant contribution. And it seems reasonable to expect that the community will help itself in the traditional ways - jumble sales, sponsored walks etc.

Constraints on developments

13. There seem three important constraints on developments:-

a. A lack of initiative in some places. Though LAs have powers in this area, they do not have duties and may not see family centres as a high priority. And local people may lack the confidence themselves to start a project.

b. Ignorance among local people and the smaller voluntaries about how best to take advantage of the various sources of finance or how to plan a centre in an organised fashion.

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- c. The need for a suitable body to act as employer; a small centre may be unwilling or unable to accept such responsibilities.

Possible initiative

14. We need better co-ordination of effort between the major voluntary organisations (NCVO, NCVCCO), the large voluntary bodies (National Children's Home, Church organisations etc) and small local groups, with the objective of helping local people make optimum use of human and financial resources. As the Home Secretary says in his paper, there is a key need to boost the local voluntary sector's infrastructure. Two pieces of action now could help to promote family centres:-

a. Appointment of a National Family Centre Worker to NCVCCO, cost say £25,000 pa (of which salary about £8,000 pa), to stimulate key voluntary bodies into promoting local activity, to give advice on harnessing available resources and in particular to promote CP projects.

b. Establishment of up to 10 Regional Family Centre Workers employed by NCVO at cost of say £250,000 pa to stimulate action by small local groups, to help them to sponsor and manage CP projects, and more generally to advise on how best to finance a centre from all the various available sources.

15. This would cost perhaps £0.3 million in a full year. Though the posts would not be wholly concerned with Community Programme projects, they should result in a number of relevant projects. However MSC say that, since it seems unlikely that there will be suitable unemployed people to fill these posts, it is unlikely that it will be appropriate to provide money from the Community Programme. But financing needs to take into account that Family Centres would provide services which cover a range of Departmental interest (DES, Home Office, DoE).

Next step

16. NCVO and NCVCCO have indicated informally their interest in doing something in this field. The initiative would next need to be discussed in detail with them and MSC. The Local Authority Associations need also to be put in the picture, since the Family Centre Workers would need to work closely with LA staff to co-ordinate efforts. The discussions would also need to cover how the effect of this input of resources would be monitored.

Proposals

17. I invite colleagues to agree that:-

a. a sum of £0.3 million pa be in principle allocated to fund a number of Family Centre Worker posts;

b. DHSS officials should hold detailed discussions with NCVO, NCVCCO and MSC;

c. subject to a satisfactory outcome, the initiative be launched as soon as possible.



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2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

14 April 1983

Dear Tim

FAMILY POLICY GROUP

/ I enclose 20 copies of my Secretary of State's paper on sport and recreation for the next meeting of the Group. As I agreed with you, the Secretary of State will be accompanied by Mr Macfarlane.

*Yours sincerely,
Roger Bright*

ROGER BRIGHT
Private Secretary

Tim Flesher Esq - No 10

FPG(83)15
14 April 1983

THE VOLUNTARY SECTOR

Note by the Secretary of State
for Social Services

I support in general the approach which the Home Secretary, in his two papers, adopts to the voluntary sector in its important role of meeting social needs. It seems to me vital that we convince people that the range and scale of social needs - and I am thinking particularly of infirm elderly people, handicapped people and children - is way beyond what could or should be met by public provision. The emphasis should be on the totality of help that can be given by both the voluntary and the public sectors - and, increasingly, by private sector involvement.

I agree with the Home Secretary that we should not put at risk the contribution which the larger organised voluntary bodies make. They provide variety and choice, even though they are often manned, in the main, by paid professional staff. Bodies like the NSPCC and Barnardos are reliant, to some extent, on both 'core' and 'project' funding from public sources. They also provide services on payment for example to local authorities who sponsor children in care. My Department's funding - under powers which are sufficiently defined in statute - is mainly towards their headquarters expenditure, and to meet costs of particular innovative local projects.

The Home Secretary stresses the need for better training, and I agree. Some of DHSS grants are spent with this in mind, and I would like to provide further support, if additional finance becomes available.

The other main area of voluntary endeavour is the encouragement of local community support and self-help groups. This is the area to which my existing initiative "Opportunities for Volunteering" is

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directed. In the context of family support, it is the main plank of the programme set out in my other paper for the Group. And it will feature in the proposals I shall be bringing back to the Group later on, for the better support of home care of the very frail elderly. The Home Secretary's papers propose that local trusts and similar arrangements should be stimulated so as to give a framework of organisational and financial help to these groups. I have also found it useful to work down through the regional and local organisations of some of the major organisations such as Mencap, who can quite quickly provide a necessary minimum of administrative support and accountability, provided I can give some funds to pay for this management. There is no doubt room for both approaches.

Wherever possible we should encourage the closest links between the local authorities and the voluntary sector. The role of the local authority social services departments is as both a provider of special care for those who need professional, expert help and an "enabler" to ensure that those in need are assisted by effective voluntary bodies, neighbours and volunteers, without having to rely in the first instance on a state service. Where voluntary effort has needed to be stepped up - notably in some inner cities - the urban programme has been useful: but it has not always supported projects with revenue for long enough nor as many schemes to meet social need as would be desirable.

In his paper about "Giving" the Home Secretary has suggested how the business world should be brought closer to meeting social needs by support of volunteer work and voluntary bodies; both in cash and in kind. I entirely agree, and want to find ways of persuading the businessman - and the shop-floor worker - to do much more to help the infirm elderly, handicapped people and children. The contacts we have made in DHSS suggest that there is already interest, but it needs to be fostered and shown how to make an effective contribution.

In addition to the suggestions made by the Home Secretary for further work by officials I think we should consider :

- displaying as much Ministerial support for firms who sponsor 'social needs' as those who sponsor 'arts' or 'sport';

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- engaging one or two senior businessmen to study the field and advise my Department on the tactics we - and the national voluntary organisations - should adopt.

As a Government, we should continue to support effectively by grants the general level of activity by voluntary bodies. We should build on the 'Opportunities for Volunteering' scheme and back it up with initiatives focussed on particular priority tasks. Provided we do not relax our own efforts, including our measures to improve efficiency, I would have no hesitation in calling on the community itself - in business and beyond - to do more.

NF

Department of Health and Social Security
London
SE1

14 April 1983

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FPG (83) 14

5 April 1983

GIVING TO THE VOLUNTARY SECTOR:

CAN IT BE EXPANDED?

Note by the
Home Secretary

If voluntary bodies are to do an effective job in supporting and supplementing statutory services, especially in local situations, they must have adequate resources. To the maximum extent possible, the necessary resources should come from private rather than public sources. Voluntary bodies need people's time and skills as well as their money. This paper suggests that they could be helped to obtain more of each of these by a determined drive to persuade industry and commerce to demonstrate a greater concern for the social needs of the community around them and to make the local work place more of a focus for individual and corporate giving and volunteering. It recognises that the business community will need some encouragement to act in this way and considers various possibilities for providing this, including further fiscal changes.

Charitable giving now

2. The total income of charities - excluding the churches, universities and other educational bodies - is not far short of £3000m, and in a typical year some 40% of this income represents gifts or grants made during the year from private sources. The rest includes investment income, fees, charges, trading income and, in increasing measure but still only around 10% of the total, grants by central and local government. Company giving, at under 2% of the total and 5% of voluntary giving, at present makes only a minor, and declining contribution. (Sponsorship and charitable advertising would add to the total, but their benefit is mainly felt in the arts and sports world.) More important is giving by charitable trusts (10%) and legacies (10%). Giving by individuals, of which some 32% represents covenanted gifts attracting repayment of basic rate tax to the charity, amounted (including fiscal benefit) to nearly 19% of total charitable income.

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3. The impact of the recession is increasingly felt. There is less impulse giving. In real terms charitable giving by companies has declined, especially recently. The current drop in interest rates is hitting investment income and giving by charitable trusts. The Chancellor's generous concessions for covenants by higher rate taxpayers, and on C.T.T. are helpful, but have so far benefitted most more sophisticated national charities with access to wealthier donors - causes like the national heritage, private health care and medical research.

4. Individual charities' income and prospects vary widely. The voluntary income raised by professional fund-raisers for established charities for medical research, children or animal welfare, or for prestigious arts trusts may be relatively buoyant: unpopular causes, e.g. offenders, and smaller, local bodies, especially new groups in areas of social deprivation, rely much more heavily on grants from statutory bodies and charitable trusts.

5. Local voluntary groups can often draw on the time, skills and enthusiasm of volunteers. But the finances of many local groups, even with support from statutory sources, including Urban Programme and M.S.C. funding, are usually precarious. Much more effort and volunteer time is needed to raise sums which a few years ago were easily attainable. Some groups have scope for income generating activities, but many have not. It is unrealistic to expect local voluntary groups to take on more of the growing task of meeting social needs from their own resources, unless something can be done to increase the pool of charitable giving locally.

Scope for action

6. What is needed is:-

- to reverse the downward trend in corporate giving, and seek ways of extending the habit of giving, particularly regular giving, to wider sections of the population;
- to find ways of stimulating, at local level, giving of all kinds - time, skill and money to voluntary groups and charities whose activities benefit the local community.

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7. American experience suggests that too obvious a Government lead may be counter-productive, and that the role of the corporate sector could be crucial. 'Business in the Community' has been set up with funds and secondees from industry to promote socially responsible involvement by companies in their local communities. To date it has focussed on job creation schemes and setting up local enterprise trusts, where it has been helped by the provision in the 1982 Finance Act which makes contributions to them tax deductible. But it plans a wider thrust, embracing other forms of voluntary action to meet social need.

8. There will be obstacles:-

- most small and some large firms are close companies, and their gifts are treated as gifts by the shareholders as individuals;
- giving by large companies in the U.K. is over-concentrated at headquarters and Director level;
- leading companies prefer to give to prestigious, or conspicuous projects (e.g. universities, opera) and are wary of risk-taking, and of small local projects;
- company management and voluntary groups often do not talk the same language;
- there is widespread reluctance to make gifts in replacement of statutory funding, to which companies already contribute through taxation.

9. We should take this last point seriously, since the belief that the State has a direct responsibility for meeting the nation's social needs is now deep-rooted. There is no consensus on the precise limits of statutory bodies' responsibilities, but what is known about the present spread of corporate giving suggests that potential donors give little priority to charities which meet the major social needs. One study suggests that in 1980 only 2% of giving by big companies went to charities for the elderly. We should encourage companies to recognise the large area of real and growing social needs, admittedly less acute than those the public sector must meet, where a partnership between voluntary effort and private and statutory funds can be highly effective. Help in kind is also welcome; and, as we have already noted, there could be wider community use of firms' own sports facilities at times when they would otherwise be idle. In benefitting the local communities where their workforce lives and helping local people to help one another and themselves, firms may also hope to gain from improved morale and goodwill.

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10. American experience suggests that companies may be readier to provide funds for voluntary projects in deprived areas through a well-managed and prestigious trust, local or national. Such agencies, acting as or with local development agencies, can create rivalry among companies to be seen as 'community minded', and thus increase total giving and other forms of help, like secondments. Local enterprise trusts are already mobilising community minded firms in many areas to tackle local economic problems; but, to persuade the business sector to involve itself constructively with the voluntary groups, some broader based agencies, able to interpret the voluntary sector to business and vice versa, would be needed. Such trusts could also serve as a focus for other forms of local charitable fund-raising.

11. Many American firms have also successfully promoted charitable giving among their employees. Companies here could do more, through locally-based payroll deduction schemes, and grants 'matching' or 'challenging' workforce fund-raising efforts by the workforce.

12. The workplace could also be more of a focus for volunteering and voluntary service. Contrary to public belief, those in full-time work are the most, and those unemployed the least, likely to spend time on voluntary activities. Secondments can bring much needed management skills to voluntary bodies and social development agencies. Big employers and professional firms could be one source of financial, legal and technical advice for groups in less fortunate areas. Investment advice for small charitable trusts, P.R. advice on fund-raising and help in making trading activities profitable could boost charities' income. Firms could let local groups display information about their work, to attract support and volunteers. Schemes allowing employees limited time off for volunteering, especially as they approach retirement, have started in America and could be copied here. In the long run, a growth in the number of workers with a stake in the voluntary sector is likely to moderate union attitudes to the role of volunteers working with the statutory services. Promotion of volunteering by the working population could also reduce the risk that the Government's schemes for encouraging volunteering by the unemployed might damage the image of the altruistic volunteer. In time, it could lead to an increase in voluntary service by others in the community, especially the retired.

Fiscal benefits

13. The Chancellor's imaginative gesture in making the cost of secondments to charities tax deductible could help the voluntary sector, in partnership with business, to launch a campaign to stimulate charitable giving and help in kind towards charities meeting social needs. Fiscal benefits are, in general, indiscriminate in their efforts in comparison with grants, but they can influence the level of giving and form a significant part of total charitable income. V.A.T. has been a well publicised grievance, but on average accounts not for 15% but only 2% of the expenditure of charities: the Chancellor, for good reasons, has rejected any further concession. We should, therefore, consider other fiscal changes which offer incentives to charitable giving. A simple scheme for tax refunds on payroll giving could encourage regular giving by individuals. The system, found in American and most European countries, which permits companies to set charitable donations against their tax liabilities cuts across our own approach to charitable giving, but it encourages giving more than the present U.K. system and, with suitable safeguards, should be considered for adoption here. As a pilot scheme, a concession for the local trusts suggested in paragraph 10 might be considered. Further consideration could also be given to whether, at the right time, when computerisation could ease the burden on the Inland Revenue, a feasible scheme for tax deductible giving by individuals could be devised.

Charity law

14. There has recently been some further criticism of charity law. This is a difficult and controversial subject. We considered it in 1980 when we decided to do nothing. I do not recommend that we re-open these issues now. In the present context, charity law is important only because of the fiscal benefits that can flow from charitable status. Without disturbing charity law, however, it might be worth considering whether the same, or perhaps an increased range of, benefits could be made available equally to charities and some other voluntary sector bodies not registered as charities. I have in mind in particular voluntary, non-profit distributing bodies actively doing a socially useful job in local communities. Local community transport schemes are one example. We should, however, avoid creating a separate or overlapping category of bodies enjoying fiscal benefits different from those already available in relation to charities. That sort of change would only add to the current criticisms of charity law. Officials could be asked to consider the case for and against extending fiscal benefits to a defined range of voluntary bodies not registered as charities.

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Recommendations

15. The Group is asked to:-

- (i) endorse the objectives described in paragraphs 6 - 12 of this paper and the strategy of persuading the business and voluntary sectors to cooperate in a drive to increase the importance of the workplace in charitable giving and voluntary service;
- (ii) agree that officials should give further study to ways of enabling local trusts to promote business involvement with the voluntary sector and stimulate charitable giving (see paragraph 10);
- (iii) agree that the following longer-term possibilities for fiscal concessions should be considered:-
 - (a) - a simple scheme for tax refunds to charities on regular giving by payroll (see paragraphs 11 and 13);
 - (b) - making single gifts to charity by companies (including those close companies whose trading activities parallel those of public companies) tax deductible to the extent of 5% of their pretax profits (see paragraphs 8 and 13);
 - (c) - to pilot (b) above, making gifts by companies to the local business/voluntary sector trusts suggested in paragraph 10 tax deductible;
 - (d) - a study of the feasibility and cost of introducing tax relief for single donations by individuals, once the Inland Revenue is able to computerise personal income tax (see paragraph 13).
- (iv) agree that officials should consider the case for and against giving fiscal benefits equally to charities and to a new category of non-profit-distributing organisations (see paragraph 14).

HOME OFFICE
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VOLUNTARY ACTION TO MEET SOCIAL NEEDS:

A GENERAL STRATEGY

Note by the

Home Secretary

This paper looks at the range of activities of voluntary and charitable bodies which attempt to meet social needs; argues that it is more realistic to think of them, in the main, as supplements to public services rather than as alternatives to them, and considers how we can best create the right climate for their growth. A companion paper looks at the scope for increasing charitable giving, especially to local voluntary activities.

2. First, we must be clear about what the voluntary sector is. It is not the same as the charitable sector, although there is some overlap. The voluntary sector is very large. There are nearly 159,500 registered charities; but there are many more local voluntary groups, many of which might qualify for charitable status even though they are unregistered. Some voluntary bodies receive large sums from public funds, but the essence of the voluntary sector is its independence of the State. The total income of registered charities, not counting churches, universities and other educational bodies, is about £3000 million. Adding in the income of smaller unregistered groups and the value of time given by volunteers could double or treble this. By no means all voluntary bodies are engaged in activities which we should approve: some may be politically motivated pressure groups. This paper is, however, solely concerned with those voluntary bodies which are concerned with meeting social needs.

3. The range of voluntary sector activities which meet social needs is vast. There are pre-school playgroups run by mothers; hospices, where professionals and volunteers work together to care for the dying. Bodies like Dr. Barnardos run large-scale professional services. The Samaritans and Marriage Guidance organisations use trained volunteers. Many small groups rely on mutual aid, eg. families with handicapped members helping one another, ethnic minorities running their own community centres, or tenants getting together to combat vandalism on run-down estates.

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The voluntary sector shades into the "informal" area of family and neighbourly care. Volunteers may be individuals working in a school, hospital or "good neighbour" scheme, or (cf. some MSC programmes) teams of young people engaged on energy saving or environmental projects. A voluntary body may be totally independent in every sense, like Alcoholics Anonymous; or, like those which help to provide youth training projects, it may act as the agency for a statutory authority. Some organisations are almost wholly funded from the public purse - W.R.V.S. or N.A.C.R.O. are examples: some rely mainly on their charitable income; some can sell their services, whether privately or to a local authority; some have income from trading activities; a few now are community enterprises which plough their profits back to benefit the community.

Supplement or alternative?

4. This diversity and flexibility in the voluntary sector is part of its strength. We must not therefore try to impose any rigid pattern on it. Instead we should encourage voluntary bodies to do those things that they are best at doing. In the context of meeting social need, they are especially good:

- at bridging the gap between services and those who use them - like Parent Teacher Associations.
- at humanising and enhancing life in public institutions like hospitals and old people's homes and lending a hand in schools and other public services.
- at mobilising and training volunteers to do things no busy professional can have time to do.
- at reacting imaginatively to new or changing needs.
- at providing services for those, like drug addicts or ex-offenders, who are wary of public services.
- at finding new ways to combine income generating activities with mutual aid or benefit to the community.

5. But voluntary bodies have their limitations. They are only rarely convenient substitutes for statutory services. Even within one large body, it is not always possible for them to maintain consistent standards of service and, although their work can be vitally important, they are not accountable in the same way as public

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bodies. Moreover, their geographical spread is patchy: flourishing groups may exist in one neighbourhood; another may have none. And, when voluntary bodies set out to provide alternatives to statutory provision on a large scale, they have a tendency to become bureaucratic and inflexible themselves. They may be no more cost effective.

6. The scope for transferring responsibilities from the public to the voluntary sector was examined last year by an informal group of Ministers under Tim Raison's chairmanship. They commissioned a review by a Treasury-led Working Party. But its report saw little scope for long-term savings. It concluded that few voluntary organisations would be capable of coping with any substantial transfer of responsibilities: and that there would be a minimal cost advantage in their doing so. Transfer would call for large-scale agency arrangements with strict requirements on accountability. Standards of care would have to be monitored to safeguard vulnerable clients against the risk of cost cutting at their expense. All this would further reduce any prospect of savings. Further, voluntary bodies taking on what are now public responsibilities could risk losing much of the income they now receive from charitable giving. Both company and private donors are noticeably reluctant to give to work to which they feel they have already contributed through tax.

7. I conclude therefore that we should continue to regard voluntary efforts to meet social need as in the main a supplement rather than an alternative to public provision. We should gain no advantage from proclaiming an intention to expand the voluntary sector to replace particular public services; nor could we rely on voluntary bodies to fill, nationwide, gaps left by rolling back the frontiers of the state. Already there is some suspicion among voluntary bodies of our intentions - some fear of being treated as instruments of policy rather than as partners in meeting social needs. We should allay these fears, remove obstacles to partnership, and encourage statutory services of all kinds to work with and through the voluntary sector wherever and however it makes sense to do this. This pragmatic approach is more likely to encourage growth in the voluntary sector and new types of voluntary initiative which might, incidentally, relieve the load on statutory services, than is any overt political initiative.

What steps should we take to encourage voluntary effort?

8. We already rely heavily on the grant-aided voluntary sector to implement many of our policies. If we want the voluntary sector to do more for us than it does

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already, we must consider whether we are prepared to inject additional resources into the voluntary sector; and what steps we could take to ensure that, whatever the level of resources we provide, these resources are used as effectively and efficiently as possible.

(i) Resources

9. The voluntary sector already receives about £140 million annually in grants from Central Government (excluding M.S.C. grants and grants from non-departmental public bodies). It also gets about £200 million in fiscal benefits. But if it is to expand and to become more effective it will need more resources, particularly revenue resources. The need for extra revenue is particularly acute in areas of economic and social deprivation where the traditional voluntary sector is weak. But this additional funding need not necessarily come from Government. We should try to help voluntary bodies to find new ways of generating income - not least from charitable giving, where fiscal incentives can be important.

10. But there are circumstances in which fiscal incentives cannot generate new income and when grants may be essential. We must, therefore, be prepared to consider diverting more of our planned expenditure to the voluntary sector. Further, we must be prepared to consider giving the voluntary sector a share of any extra expenditure we may in future decide to devote to our social policies - where we believe that voluntary bodies can deliver services effectively. Norman Fowler has shown us the way with the £22 million worth of "central initiatives" for 1983/84 which he announced last November. No less than £6.5 million of this was for initiatives relying wholly on the voluntary sector and a further £11 million was for initiatives in which the voluntary sector will have the opportunity to play a part.

(ii) Approach to Grant-Giving

11. Almost all Departments have some dealings with voluntary bodies. Some have special schemes, like the D.H.S.S. with Opportunities for Volunteering, or the D.O.E. with the Urban Programme, which enable them to fund local projects. But all Departments should be able to make grants to national or regional voluntary bodies which work within the range of their Departmental responsibilities, where this makes sense in policy terms. Where a Department's power to do this is in doubt, it may need to be clarified.

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12. We must use our grant giving powers wisely. Our aim should be to help voluntary bodies keep up-to-date with good practice and to organise themselves and the services they provide in a cost effective way. We should make sure that voluntary bodies are told exactly what they are expected to provide in return for their grant and reminded of how they will be accountable and monitored. Both contract or "purchase of service" funding for particular projects and "core" funding for basic costs and management are appropriate ways for Government to give grants to the voluntary sector. It will usually be appropriate to apply a cash limit approach to regular "core" funding of national organisations, but we must recognise that the development of new projects in support of our policies (eg., for the unemployed) may involve provision for additional management costs which may also need to be paid for.

13. Our grant giving should also recognise that voluntary bodies need to be able to plan ahead. Even if, within the constraints of Government accounting, the precise amount of a grant can only be worked out yearly, they need some indication of how long and to what extent they can expect help. Special programmes which try to involve the voluntary sector in implementing Government policies will be more effective if it is clear from the start that they will last for at least two or three years.

(iii) Voluntary and paid staff

14. We want to see a policy of partnership between statutory and voluntary services; but this will not work unless professionals throughout the public services learn to use, support and respect the contribution of volunteers and voluntary groups, without patronising them or taking them over. Learning to work effectively with the voluntary sector should therefore be part of the training of teachers, social workers, housing managers and others.

15. We must not think that the only truly voluntary body is one which relies entirely on volunteers. Many charities and voluntary bodies provide services which demand paid or even professional staff. This must be right. What parent would wish their handicapped child to be cared for or taught entirely by volunteers? The Spastics Society has a larger workforce than most public companies. Even volunteer using groups may need a paid organiser. And, with training and expert support, volunteers may be able to tackle social problems that would, otherwise, be beyond them.

(iv) Management skills and development capacity

16. The tasks many voluntary bodies are now tackling, under Government training

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programmes and schemes for the unemployed, for example, call for management skills comparable to those needed in industry. But in many cases these skills are lacking. There are management weaknesses in many organisations, national as well as local. Smaller local bodies, particularly self-help groups in inner cities, need to learn how to manage their affairs in a less amateur way. Like small businesses, with which they have much in common, they need access to management and technical expertise. This is less of a problem for groups in a prosperous suburb where neighbours who happen to be lawyers, accountants, surveyors, etc., can usually help, but inner city groups will probably lack these informal helpers. Here, as in other respects, there is a role for Government in helping the voluntary sector to make itself more effective.

17. Some Councils of Voluntary Services have already shown what can be done. They have encouraged local businesses and professional firms to provide financial and other skills. They have also organised training for local voluntary workers in basic management. To give these developments a push in other areas, we should try to ensure that local "back-up" and development agencies like the Councils and volunteer bureaux are strong enough to provide for smaller groups simple training and advice as well as help with development, volunteer recruitment and collaborative planning with the statutory services. Some will need more resources, but a quite modest investment in the local voluntary sector's infrastructure (in which several departments have an interest) should pay off in a more effective, but still spontaneous, growth of voluntary effort to meet social needs.

Recommendations

18. The Group is asked:

- (i) to agree that we should continue to regard the voluntary sector mainly as a supplement rather than an alternative to statutory services;
- (ii) to recognise a special need to promote the health of the voluntary sector locally, and of the national bodies which service it;
- (iii) to adopt the approach to grant giving suggested in paragraphs 10-12;
- (iv) to invite officials, under the guidance of David Waddington's Ministerial Group

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(a) to consider how the training of professionals should best be expanded to include training in working with volunteers and voluntary groups, and how the non-professional can be given the necessary skills to develop and manage voluntary groups and activities; and

(b) to explore ways in which basic training and support might be provided for small local voluntary groups (including the possibility of channelling funds to under-developed local "resource and development" agencies, including Councils for Voluntary Service and Volunteer Bureaux, to enable them to organise or provide this, and give impetus to developments).

HOME OFFICE
5 April 1983

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