

Means and ends:

a concluding commentary on
the work of the Council on
Social Action



COUNCIL ON SOCIAL ACTION

The Council on Social Action

The Council on Social Action was set up by the Prime Minister in 2007. It brings together innovators from every sector to generate ideas and initiatives through which government and other key stakeholders can catalyse, develop and celebrate social action. We consider “social action” to include the wide range of ways in which individuals, communities, organisations and businesses can seek through their choices, actions and commitments to address the social issues they care about.

The Council has a small support team equivalent to two full-time posts and 14 members – all extraordinary people with lots of ideas but very busy diaries. We are thus especially grateful to the senior civil servants, the many practitioners and to the corporate, public and third sector partners who have contributed generously and enthusiastically to the development of our thinking and to the swift progress of our practical collaborations in our first year.

This report is the work of the Council on Social Action, and as such it makes recommendations to government and to others in its capacity as an advisory body, independent of government. It is not a government document or a statement of government policy.

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Published by Community Links © 2009

ISBN 978-0-9552889-9-9

Registered charity no. 1018517

CoSA paper number eleven

Design by www.intertype.com



This publication has been produced with the support of Links UK, the national team of Community Links.



The work of the Council on Social Action is funded by the Office of the Third Sector.

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Introduction

The Council on Social Action (CoSA) was set up by the Prime Minister in 2007. It brought together innovators from every sector to generate ideas and initiatives to catalyse, develop and celebrate social action. It was to have a two year life.

CoSA was chaired by the Prime Minister and the 14 members were supported by a small team equivalent to two full time posts. It met every six weeks for meetings of two hours that were also attended by relevant ministers, senior civil servants and advisors. Beyond the meetings, we drew on the talent and commitment of many corporate, public and third sector partners who contributed generously to the development of our thinking and the swift progress of our work.

In November 2008 we published the “CoSA Commentary” reporting on the work we had undertaken in year one and considering the lessons. In this paper we update the story with further project reports and an extended reflection on our learning over the full two years.

The reflections conclude that there was significant value in the CoSA structure. We recommend a set of characteristics that might usefully guide the development of any successors.

We begin the project reports with “**People of Influence**”. At our first meeting the Prime Minister asked us to imagine a society where everyone has someone to turn to, a one-to-one relationship that is supportive and transformative. Responding to this challenge has formed a major part of our work.

Our work on one-to-one has important implications for the government’s work on the reform of public services. We have developed the case for “humanisation” focusing on the quality of the one-to-one relationship at the point where public resources are used by those who need them. To further develop and test our thinking we have examined in depth the relationship between civil legal aid advisers and their clients. This work is covered in the second project report “**Time well-spent**”.

Inevitably funding has been a recurrent theme in the work of the Council. Project reports three and four focus on two responses – the development of the **social impact bond** and further work on **alternative funding models**.

At the start of this year CoSA focused on social action in recession and what might be done now to ensure that we emerge from this period with not only a stronger economy but also happier, healthier, stronger communities. **The National Talent Bank**, covered in report five, resulted from this phase of our work.

The first **Chain Reaction** in 2008 took forward the idea of an event – part conference, part festival, part movement – to catalyse, support and celebrate social action. The results, and plans for the 2009 event, are summarised in the final project report.

The project reports do not represent the sum total of our work. In addition we helped in a variety of ways to develop activities like the Catalyst Awards for Social Technology and the Big Lunch and we responded to invitations from several ministers to help develop new thinking or new initiatives.

Many features of the CoSA structure and ways of working were new and different. We need to learn from these processes as well as from the products.

Double Nobel Prize winner Linus Pauling once said that “the way to have good idea is to have lots of ideas”. Progressive government needs the constant fuel of strong new ideas. This Commentary and the work on which on it reflects are our contribution to that healthy process of challenge and refreshment.

Means and ends

Summary

The Council on Social Action was set up with a life span of two years. We want now to reflect on what we have learnt over that time. CoSA was something new, it had to be a process that would unfold. We talked at the outset about the balance between advice and action, deciding that we certainly did not want to produce reports that might sit on shelves or carry out useful but marginal practical activity. We saw there was a range of ways for CoSA to pursue its aims, from making recommendations for new initiatives to carrying out heavy duty policy development ourselves, from energetically chasing recommendations through to convening others to do things. We have learnt lots over the two years. We saw a set of defining characteristics emerge from the process that we began. These were; having the convening power of the Prime Minister; occupying a unique space in between the three sectors; establishing a tone to conversations with partners and collaborators that was driven by finding positive and productive solutions; pursuing a deliberate combination of policy influence and practical action; following up our advice to others energetically and tenaciously; and focusing on filling gaps. We conclude that the CoSA experiment has been useful. It can inform the ways in which social action generates new solutions to the challenges we face. Building on a set of shared values, it has generated a wide impact. It has done this in ways that will last.

CoSA can inform the ways in which social action generates new solutions to the challenges we face

Part two of this report sets out what we have done this year. This first part steps back from the detail; we have talked to CoSA members and partners in order to reflect on what we have learnt over the two years we have operated. We cover:

- Where we started
- How we worked
- What we learnt about the process
 - getting started
 - developing our defining characteristics
 - doing the work
- What we learnt about catalysing, developing and celebrating social action

Where we started

When we began our work, we set ourselves the task:

‘to lead work that will support the genuine participation of diverse groups and individuals in the process of making the good society. [Our] work must not be about what government or other major forces can do unto others but about what we as a society can do together.’ (CoSA 2008 p. 4)

Making the good society needs coordinated action between individuals and institutions all pulling in the same direction

We recognised that making the good society needs coordinated action between individuals and institutions all pulling in the same direction and we set out the values that defined that direction.

We all have power There is a desire that this power should be used as a force for good in every part of our lives at home, at work and at play. The wellbeing of us all, our communities and our planet, is dependent on the aggregation of these individual, everyday behaviours. Together, through our actions, we have the power to change the world.

We are equal There is a belief that the individual is the author of their own life and can and should rise as far as their talents can take them, but also a recognition that we all need support at some time in our lives. With the right support and access to resources, everyone has the potential to achieve great things.

We are all connected The actions of each of us impact on the lives of others. Acknowledging this makes us tolerant and respectful of each other and recognise that we are more if we combine and collaborate than if we pursue me-first individualism. There is a sense of solidarity between each other across the world and between us and future generations.

We all need to work together Our democratic representatives will not, on their own, deliver the change we desire. Our public agencies such as schools or hospitals will not, on their own, create the world we want. Industry, business or the market will not, on their own, provide the means or the answers. Community organisations, social enterprises, trade unions or faith groups will not, on their own, save the world. But all of these are part of the response and unless we work together, we will not succeed. Our best ideas are created when we work together with others who are not like us.

We must be guided by those who have least Given the opportunity, the right space, an audience willing to listen, access to the right resources and networks, the solutions developed by those who currently have least can create significant change.

We are optimistic We believe that we can succeed in this effort to ensure that everyone shares in the good society.

We could have taken the practical work in many different directions from this starting point but none of these would have worked without this common understanding. We knew that the essence of collaboration was gathering around us people who shared this set of values. They inspired us, determined what we did and defined what we were trying to achieve.

How we worked

CoSA was something new, it had to be a process that would unfold and find its feet. At the outset, there were intense discussions with government about the constitutional format and remit of the group. The eventual formal arrangement was an “ad hoc advisory group”. We talked about the balance between advice and action. We felt strongly that we did not want to produce advice that would sit on shelves, but that we also did not want to invest all our energy in useful but marginal practical activity. We saw that this wasn’t a question of either giving advice or taking action.

The essence of collaboration was gathering around us people who share this set of values

CoSA's work had to be a journey and its activity more a response to what was needed, rather than feeling any particular types of responses were closed off. As such, we saw quickly that there was a range of ways for CoSA to pursue its aims. These can be divided into the following categories. CoSA has:

Given light touch one-off advice on policy or comments on speeches For example on volunteering and community service in schools.

Given policy advice and then chased this up For example, we worked with Department for Communities and Local Government (CLG) ministers and officials on the "Communities in Control" White Paper.

Made recommendations for policy For example, under our work on one-to-one, we talked to the Department for Children Schools and Families (DCSF) about how to ensure that one-to-one becomes rooted in the policy development process. We worked with the department on its Making Policy Tool which is used to shape and assess all DCSF policy. It now requires officials working on any new policy to consider how it creates opportunities for one-to-one working.

Helped departments to deliver policy recommendations For example, building on the Making Policy Tool, we are helping DCSF to gather examples about how and where one-to-one working has worked well.

Made recommendations for practical action For example, we recognised the valuable work by individuals in schools to establish 'outward-facing relationships' i.e. schools where third sector partners deliver services, businesses help with volunteers and student organisations train and supply mentors. We saw that establishing and managing these relationships can be very demanding. Working with DCSF, the Talent and Enterprise Taskforce, Specialist Schools and Academies Trust, National College for School Leadership and ContinYou, we proposed the setting up of a Fellowship scheme to reward and support outward-facing schools to connect practitioners, share ideas and support good practice.

Helped departments to deliver practical action For example, to continue the story in the previous example, we worked with DCSF and the Talent and Enterprise Taskforce to create the Sinnott Fellowship which helps to promote, develop and professionalise the role in schools that makes external links. CoSA has been closely involved in shaping the idea, and developing a network of people involved in doing this; 45 Fellows have since been supported.

Carried out heavy duty policy development ourselves For example, we conceived a new way of attracting significant non-government investment for early intervention services. Working with a range of partners, principally Social Finance, with support from Indigo Charitable Trust, the Social Impact Bond was born. A huge amount of detailed work has gone into the idea.

Led and delivered practical projects For example, in November 2008 we held our first Chain Reaction event in London. This brought together over 1,000 people from 17 countries to connect, collaborate and commit to new ideas for social action. Over 6,000 people followed the event on-line.

CoSA's work had to be a journey and its activity more a response to what was needed, rather than feeling any particular types of responses were closed off

An increase in the scale and quality of one-to-one working

- CoSA supported ...**
Skills for Justice and Mentoring and Befriending Foundation on developing National Occupational Standards for mentoring and befriending
- CoSA worked with ...**
Talent and Enterprise Taskforce to create the Sinnott Fellowship to support outward-facing staff in schools
- CoSA worked with ...**
TimeBank, MBF and Do-It to make it easier for volunteers to find local mentoring opportunities, and Direct.gov to signpost people to one-to-one support
- CoSA worked with ...**
Heart of the City, Business in the Community and MBF on attracting more employees to be volunteer mentors
- CoSA worked with ...**
DCSF and MBF to ensure people mentoring has a strong profile on the Shine web-site for young people and teachers
- CoSA worked with ...**
Leading mentoring organizations and Interbrand to develop a brand identity for one-to-one programmes
- CoSA worked with ...**
DCSF and the Children's Workforce Development Council to ensure mentoring is part of the "Common Core" of skills for everyone working with children

An increase in the prominence of one-to-one

- CoSA advised ...**
DCSF on its Making Policy Tool used for drafting new policy, which now requires officials to consider how all new policy creates opportunities for one-to-one working
- CoSA advised ...**
DCSF on building one-to-one approaches into its procurement processes
- CoSA led ...**
Research on the value of the relationship between legal advice workers and their clients
- CoSA worked with ...**
The Ministry of Justice on how relationships between advice workers and their clients can be strengthened
- CoSA influenced ...**
Ministry of Justice service delivery contracts now require a peer-to-peer element in the delivery of services

New mechanisms for funding social action

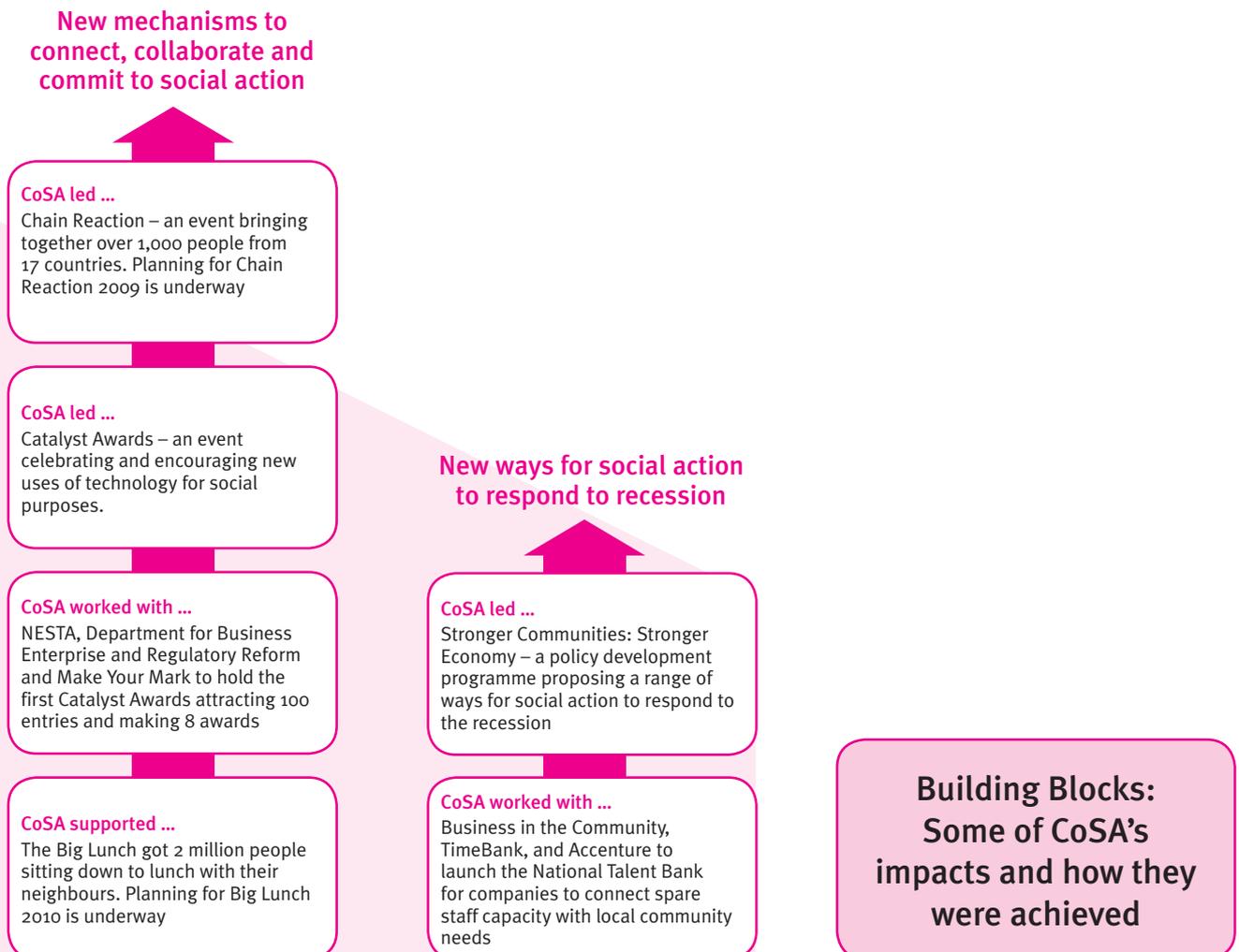
- CoSA led ...**
The Social Impact Bond – a new way of attracting significant non-government investment into early intervention services.
- CoSA worked with...**
Social Finance to develop the model. A pilot SIB will focus on reducing re-offending amongst short-sentence prisoners
- CoSA worked with...**
Social Finance and HM Treasury to plan a pilot SIB focusing on reducing re-offending amongst short-sentence prisoners
- CoSA influenced ...**
HM Treasury working with Social Finance to develop new models for funding early intervention
- CoSA led ...**
The creation of a new Alternative Funding Network to facilitate a collaborative effort on developing new funding models

Convened others to do things For example we brought together the Mentoring and Befriending Foundation (MBF), other mentoring and befriending organisations and communications experts led by Rita Clifton from Interbrand to deliver on our recommendations to devise a brand for one-to-one activity, which MBF is now taking forward.

The most important question is what this range of activity adds up to in terms of change. CoSA members and partners requested a visual representation of what CoSA has done and achieved. Given our wide brief and range of ways of pursuing this brief, it has sometimes felt difficult to

hold all of CoSA's work in your hands. **The diagram on this page only represents some of our work**, but we hope goes some way to meeting this request. Our aim was to show how a range of CoSA's activities have combined to result in the five outcomes indicated.

All our work has been about building and strengthening the human connections between willing citizens. We believe that social change begins with people making decisions about how to live their lives and working with others to challenge the forces that undermine the good society. This is a community development approach to social change. We have endeavoured not to lose sight of how to affect the structures that create and perpetuate the conditions that make our work necessary. On this basis, we could say that it is too soon to observe the collective impact of the many ways in which we have pursued this objective. However, we do feel confident in saying the work on one-to-one described in *Side by Side*, (CoSA Paper No2), its companion publication on the implications for public services (CoSA Paper No3), and the follow up report, *People of Influence*, (CoSA Paper No9), bear witness to solid, important achievements. Officials have told us we have influenced the thinking in government departments on the value of this approach and on how practically to shape policy and processes for policy making in the future so as to give greater prominence to this way of working.



The social impact bond. “a revolution in the way we fund public services.”

This, we would argue, helps ensure that the progress is sustained and also delivered on a large scale. It is evidence of structures being influenced. We would also point to the Social Impact Bond. One CoSA member called it a ‘revolution in the way we fund public services.’

We have also had disappointments, for example, that the bigger ideas in our paper *Stronger Economy: Stronger Communities* on the ways social action could respond to the recession never took off. This was chiefly because of a lack of capacity to develop this work from a standing start. With the resources to chase it through, it could have become another *Side by Side*.

If all our activity were to stop now, we could point to a significant body of work. However in all of the work, we have consciously tried to identify others to take ownership of what has been developed. Everything has been done with this journey in mind and achieved with most of the activities. Thanks to the generosity of our corporate partners, we have some additional funding beyond the end of CoSA to ensure safe passage of everything else.

What we learnt about the process

CoSA was something new, it had to be a process that would unfold and find its feet both in terms of themes it would take up and methods it would use. People applied to join the group and so it was right that a work programme should emerge out of this group, in a way that was more about what can you bring to the group, than what can you take from it. On reflection the tension between a wide and developing remit as opposed to one that was tightly defined at the start could have felt unmanageable, but colleagues concluded that it had freed CoSA to be a creative space where ideas could emerge and develop. We also had to build trust and confidence. This was true within the members of CoSA as a new group of people who mostly did not know each other. It was also true of the civil servants and advisors we worked with. CoSA had to prove itself in their eyes as credible and useful. There was a feeling amongst members that barriers, such as close management of the work and a sense of not being taken seriously by some, fell away over the course of the two year term. A significant turning point came at about six months as the substance and quality of CoSA’s output and its potential contribution began to emerge.

As the process unfolded, we began to fix on CoSA’s defining characteristics. These came to shape what we did and how we did it.

The convening power of the Prime Minister

This opened doors in government departments, the private sector and voluntary organisations. It helped that the people CoSA tried to engage knew that the issues we were pursuing were close the Prime Minister’s heart. People were ready to accept invitations to talk and others were keen to get involved. Throughout CoSA’s work, the Prime Minister’s personal involvement has come under understandable pressure. We have had an enthusiastic and optimistic Prime Minister who gave CoSA a huge brief and a license to roam all over Whitehall with his calling card. That is something quite special. It meant we checked frequently whether we could have done any of our work without the PM. If so it was not the right thing to be doing.

Occupying a unique space between the sectors

Being a cross-sector body has been absolutely essential to CoSA's strength. It made it what it is, though it is also the thing that made it hard, with members bringing different expectations, languages, working styles, assumptions and levels of resources. We were inside government and outside government. We had discussions about the implications of that for our independence from government. It has been important to think about our freedom to act and be aware of issues that might have constrained this freedom, but in reality the quite unique space that CoSA has occupied has been highly productive, providing the opportunities for new connections and new combinations. Another important implication of CoSA being cross-sector reflects our view set out above that CoSA must not be about what government or other major forces can do to others but about what we as a society can do together. We recognise that government cannot do everything and so a conventional approach of an external body being brought together to advise government was not appropriate for this. It was much more productive to convene a number of actors to address these issues, bringing new perspectives and different experiences and resources.

Establishing a positive and productive tone

The tone we established in the conversations CoSA had with others propelled all our work. It was constructive and collaborative – crucial to turning initial conversations into productive working relationships. We did not take problems to people, but saw our role as bringing solutions and sets of ideas, not complaints, at the same time as being mindful of constraints. If the convening power of the Prime Minister opened doors, it was up to us to ensure that the opportunity was well-used. A government partner told us that, even with the Prime Minister's patronage, doors would not remain open unless people felt the relationship was useful. One view of the benefit of a different type of conversation is that government is used to people wanting things and not so used to people coming and asking what they can contribute. Government partners told us that this aspect of CoSA's approach was special and needs to be preserved. Another factor was that the broad cross-cutting themes, such as the value of one-to-one, brought new perspectives to debates and helpfully opened up new ways of approaching issues. One voluntary organisation chief executive we worked with concluded that the way the importance of the one-to-one relationship was articulated was an innovative contribution to the development and delivery of public services and helpfully opened up new avenues for discussion on topics that had become paralysed by longstanding disagreements. The tone of conversation was shifted and new opportunities for progress were created. We could perhaps have done this even more.

We have had an enthusiastic and optimistic Prime Minister who gave CoSA a huge brief and a license to roam all over Whitehall with his calling card. That is something quite special

Combining policy influence and practical action

The practical work has provided evidence, credibility and momentum. It has made it easier for people to engage in, and be engaged by, CoSA's work, than if we had just relied on publishing reports.

Following up advice energetically and tenaciously

We worked hard to chase up advice and recommendations, not just produce reports. Whilst the work of some other mechanisms, such as Commissions, may culminate in a report, we had the opportunity to make

conclusions work, or not. Progress has rested very squarely on this follow-up, principally carried out by the CoSA support team. On *Side by Side*, we have invested as much time in chasing-up as we did in researching, writing and publishing the report. But the legwork in Whitehall has helped to press home the advice. Without our desire to combine advice and action, *Side by Side* could have withered on the vine. It hasn't.

Focusing on filling gaps

We also felt that CoSA was at its most productive when working on gaps, for example alternative funding mechanisms for prevention and making more use of technology for social purposes or when pursuing issues that cut across a number of areas, notably one-to-one. There is particular value in exploring in a different way the issues that interconnect with many themes.

Doing the work

The CoSA Support Team

CoSA's day-to-day activity was carried out by its support team: David Robinson working part time, a succession of full-time secondees from Accenture and two part-time secondees from Tom Hood School and Community Links. This is a very small team, the equivalent of two full-time posts. With a wide work programme and a schedule of regular large meetings to administer, this has been hard. The structure of meetings, events and the 11 CoSA publications, although a somewhat conventional way of doing things, have helped to impose deadlines, force decisions and create momentum. The links between the support team and CoSA members have grown throughout the process. Some members felt it took time for the group to 'gel.' Initially, we had a structure of meetings for two hours every six weeks. We decided to rotate the locations of meetings around the work places of the CoSA members from the Cabinet Room to the voluntary organisation to the corporate board room. This helped to deepen our appreciation of what different members brought as well as the different contexts for social action.

Resources

Whilst the Support Team was funded through the Office of the Third Sector, none of the additional work could have happened without other funds. One CoSA member went as far as to argue that the level of resources was not enough to leverage the intellectual capital gathered around the CoSA table. The lack of budget to implement ideas, not necessarily delivering them ourselves, but more about having capacity to follow-up recommendations, has been a constraint. We have drawn on the resources of a huge range of other organisations, including voluntary organisations, companies and trusts. Attracting support and engaging people can be slow and feel like a constraint, but a positive interpretation is that involving lots of people contributes to a more sustainable project. More people have a stake and a willingness to carry work on than if we had done lots of things with funding of our own. Despite being a challenge, this has been a good discipline imposed on us. CoSA had a time limited life and was not a delivery body. It was important therefore for

Practical work has provided evidence, credibility and momentum

work to put down roots in other organisations.

One thing to note is that the CoSA members from large companies had high levels of human resources to draw on, unlike members from voluntary organisations and social enterprises. All the members of CoSA have contributed. Some have taken their participation and used it particularly fruitfully and we should note the intense pressure on some of the CoSA members during this time. We did not, in the end, spend much time together; a total of just 30 hours as a full Council over two years. We realise that it would have been good to have greater resources to help members from smaller organisations play a fuller part in CoSA's work beyond the regular meetings.

CoSA had a time limited life and was not a delivery body. It was important therefore for work to put down roots in other organisations

Deciding what to push

We have had to make constant judgements about what to push. For example, CoSA made submissions early on in its life about people volunteering whilst claiming Jobseekers Allowance. This was a familiar issue and an acknowledged frustration of people who are unemployed and those who work with volunteers. We re-stated the case and it became clear that there was a fundamental, indeed legislative, principle at stake. This related to people having at all times to be "available for work", which government was simply not willing to re-examine. We could have carried on carrying-on or looked pragmatically at other avenues. We decided to move on. However, later in the year, when we were working with the CLG on its Empowerment White Paper, we saw an opportunity to revisit the theme and were able to give a boost to the Create Consortium's proposal for a Community Allowance which would enable unemployed people on any benefit to undertake part time work that strengthens their neighbourhood without it affecting their entitlement. This is now moving towards a pilot. It is not the change to legislation that many would have wanted, or perhaps hoped might be achieved given CoSA's connection to central government; however it was a pragmatic way forward.

The work has thrown up lots more ideas that we didn't have the time and resources to pursue. What we chose to take on reflected a mix of pragmatism and a sense about whether the time was right. Bankers talk about 'patient capital' i.e. long-term investments that will yield solid substantial benefits not quickly, but eventually. This has been a question for CoSA, when is no progress just that, or when is it the foundations of a longer-term process that will yield benefits? We also saw how one thing can lead helpfully to another. One example is that, building on the Social Impact Bond work, Treasury Ministers have asked Social Finance to work on further alternative funding mechanisms. Another example is that the research and development work written up in *Time well-spent* (CoSA Paper No10) created the opportunity to engage the Ministry of Justice over Legal Aid. When a large law centre was threatened with closure, the relationships CoSA had helped to facilitate meant a constructive and positive dialogue could take place about how government could help.

Factors that mean ideas flourish or wither

We have seen how ideas gather early adopters around them but require deeper roots to flourish. In a number of cases relating to ideas CoSA developed, a minister or senior officials were enthusiastic but key people moved on to other posts. There had not been the time to make these

We have seen how ideas gather early adopters around them but require deeper roots to flourish.

ideas take root and they were lost. As the recession began, we invested time in the *Stronger Communities; Stronger Economy* paper, specifically around the creation of a brand that would link a number of programmes that responded to the social consequences of the recession. Hazel Blears, then Minister for Communities and Local Government, was an enthusiastic supporter and was leading on this in government. Once she left CLG the work lost its driving force. Conversely, we have found that some early adopters have taken ideas with them and re-connected with CoSA at a later stage to create new opportunities or boost momentum. This has been one positive result from the churn of ministers that have attended CoSA meetings. Phil Hope attended our meetings as Minister for the Third Sector and saw the early work on one-to-one take shape. We kept in touch and are now talking to him in his current role as the Minister for Social Care on looking at how our work with DCSF on incorporating one-to-one approaches into all new policy making can apply to his department. In another example, progress on the Social Impact Bond was revived by the return to the Treasury of Stephen Timms who, as BERR's Minister for Corporate Social Responsibility, had attended our first City Leaders meeting where the idea had been discussed. Stephen wanted to know what he could do. His intervention at HM Treasury helped to create new momentum behind the idea, which is still being sustained.

The role of communications

CoSA has gone about its work without seeking a public profile in its own right; having said that, we have worked to ensure that individual activities have achieved the necessary recognition. This is particularly true of *Side by Side*, the Social Impact Bond and Chain Reaction. It is important that these are the heroes of the story, not CoSA. There is a view from some involved that we could have sought a wider role in stimulating discussion about social action in the mainstream media. CoSA has not had the resources to invest the necessary time for this. There is an issue about 'selling' CoSA. On its own it is not a simple 'brand' – both advisory and practical, cutting across many issues, in and outside government. It's a complicated story that is potentially difficult to explain and is therefore something that has not been prioritised over a focus on getting things done. However, there has been a good deal of communication between organisations and we have helped others to tell their stories such as Heart of the City and the Big Lunch. A large number of organisations have been meaningfully engaged in developing and disseminating ideas. As CoSA draws to a close, we will invest more effort in sharing experience and lessons. There is still time for CoSA, now and post-CoSA, to do some more public reflecting about what's been achieved and learnt. This report is part of that process.

What we learnt about catalysing, developing and celebrating social action

We think the CoSA experiment has been useful. We offer the following thoughts about what it tells us about future efforts to catalyse social action.

It is important for government to have the sort of input provided by an initiative like CoSA. CoSA brought together a group of interesting people, some of whom knew each other before, but most did not. A constitutional

format that reflected what CoSA wanted to be – cross-sector, part advice, part action, inside and outside government – did not really exist. That tells its own story about a lack of precedent for this sort of body with the potential to influence and act. A future body may helpfully be smaller, looser, drawing on others that have particular contributions to make as work programmes develop. One CoSA member cited the “Skunk Works” model – a term used in business to describe a group within an organisation given a high degree of autonomy and freed from usual bureaucratic processes in order to develop answers to complex new problems.

CoSA has occupied a highly interesting and productive space with huge potential for creating cross-sector coalitions for public policy goals.

When we were thinking about ways to tell the CoSA story, we made flow diagrams of one or two strands of the work. These aimed to capture what was done, who was involved and the impact. This helped to confirm the well-known reflections on the policy-making process that it is not linear, it necessarily has to involve lots of people, it takes time, and that it is impossible to follow conventional notions of an intervention that can be neatly planned. All of CoSA’s work has been a process in which different interests and struggles have come together. It has required us to understand the power dynamics involved and understand how knowledge is negotiated and jointly created. It requires certain attitudes and behaviours of the people involved for this to be successful: humility and openness; an understanding of what they can contribute but also what others can contribute to them. It also means being able to bring different people together around shared aims, being clear about where they agree, and also perhaps where they do not. It requires everyone to allow things not necessarily to be on their terms. This is difficult, particularly for government. So trust is important and also willingness. It requires that these spaces may feel more informal than others, but that are very creative and confident because of that.

Our belief is that creating the sorts of spaces CoSA has occupied and the tone of the conversations it has led, has been highly productive. It suggests to us the huge untapped potential for cross-sector coalitions on public policy goals. In this, government is seen as a progressive force, collecting resources and deploying them on our behalf. But the levers of government are nothing without the consent of wider society. And so working together in co-operation is central. In the first CoSA report *Willing Citizens and the making of the good society*, (Cosa Paper No1) we argued that the empowered willing citizen is the partner of the enabling state and not the alternative. Willing citizens help to build and then sustain the necessary consensus for action. They are both a pre-condition for, and a necessary step towards, achieving what Prime Minister Gordon Brown called in his speech to the United Nations in September 2007 ‘the greatest coalition of conscience in pursuit of the greatest of causes.’

This appreciation for cross-sector coalitions challenges the notion that government can do it all, or even achieve its goals with well-chosen delivery partners. Identifying common ground and agreeing what can only be delivered in coalition has been significant to the way the council has worked. We noted this at the outset, arguing that making the good society needs co-ordinated action between individuals and institutions all pulling in the same direction. We took care at the outset to identify the values that underpinned everything we subsequently did. These were built on the

Making the good society needs co-ordinated action between individuals and institutions all pulling in the same direction.

speeches of the Prime Minister, the writing in his book *Britain's Everyday Heroes* that he launched alongside the announcement of the Council on Social Action in July 2007, and the early work we did together as a Council. These were reflected in CoSA's *Willing Citizens* report and provided the solid basis for the collaborative approach.

But, it is important to note as we acknowledged in *Willing Citizens*, that there are times when elements of government, private or third sectors act in ways contrary to the values driving your own effort. There is consequently a vital continuing role for challenge and dissent and for people engaged in social action to have the freedom to have their own voice, to be angry, to disagree and to resist official indifference and potentially active resistance. CoSA has applied a deliberately collaborative approach to a set of issues. It has been an appropriate approach, but not the only one.

It is important to strike the right balance between useful activity at a local level and work to influence wider structures and trends. We say above that we believe in a community development approach to social change, by which we mean that we believe it is possible for people, working together, to have great influence. A criticism of this approach is that it potentially puts too great an emphasis on the power of individuals to succeed in bringing about change and fails to take into account the power of structures and forces that shape actions and behaviour in ways that people can not determine for themselves. Whilst the influence of structures cannot be ignored, analysis of change cannot entirely rest on the idea of external influence shaping what happens and how people respond for two reasons. Firstly, all external influences are interpreted and changed when they encounter individuals and groups. They do not have universal and uniform effects. Secondly, large-scale forces are only made real by the everyday actions of people within these forces. Stressing the interaction and potential for local and external forces to shape each other gives a more important role to human action and co-operation.

It takes time. Jonathan Porrit said recently on retiring after nine years at the helm of Sustainable Development Commission that it took the organisation three years to get anywhere. The Sustainable Development Commission is an interesting body to compare to CoSA. When it started, it had an annual budget of £350,000, considerably bigger than CoSA's but still modest, with a licence to be independent, provoke and scrutinise government as a "critical friend." Over nine years, it has grown into an authoritative and provocative body. It has challenged received thinking and found ways to make the Whitehall bureaucracy work for it.

We all have power. Some have more influence than others. The obvious point is that in the exercise of power some people have more influence than others. What we all have in common though is the same instinctive process of thought and action when we see something that we want to change. We ask ourselves: what resources and what influence do I have to respond? This is true of the child seeing the discomfort of a new classmate on their first day at school and of the Prime Minister in Number 10 seeing children still growing up in poverty.

In its work CoSA has tried to make people feel more powerful and develop the tools to be more powerful. Chain Reaction shared learning from across the world about how willing citizens are using their individual and collective actions to build a better world. It brought people together

in unexpected groupings – world leaders with children, international business leaders with people running micro enterprises. It inspired new collaborations, actions and networks. The Catalyst Awards rewarded and supported the development of ideas which promote the social uses of existing and widely-owned technology.

The important role of disruptive innovation. Clayton M. Christensen coined the phrase ‘disruptive technology’ to describe a technological innovation, product or service that overturns the status quo in its field. Such technologies are, in broad terms, designed either to create new markets amongst non-consumers or to meet the needs of mainstream customers who want more. CoSA has adopted this term to develop disruptive innovations in social action which both inspire people and enable us all to develop the level, depth and quality of activity. Officials say that our disruptive innovations have helped to generate understanding and to spark activity in places where we haven’t been as well as where we have

So what?

COSA set out to catalyse, support and celebrate social action. We endeavoured to harness the skills and resources of all the sectors as well as the power and influence of the Prime Minister. We were led by an approach that recognised the skills and contributions of public, private and third sectors but also their limits. We think there is value in continuing a structure like CoSA and, in summary, to succeed it would need to:

- Be built on a set of values that are carefully articulated;
- Bring together people who share these values;
- Benefit from the convening power of the Prime Minister with licence to engage ministers and officials across Whitehall;
- Be supported by a small paid development team with a paid leader and resources to develop and follow through on advice and ideas;
- Occupy a space between the sectors gathering people around its work;
- Establish a positive and productive tone to its conversations with others;
- Pursue a deliberate combination of policy influence and practical action;
- Have the resources and the mandate to follow up its advice energetically and tenaciously;
- Focus on making connections and filling in gaps; and
- Tell others what it is doing.

CoSA had a short life but there was a simple, fundamental, timeless principle at the heart of its work. We all need help at some time in our lives; we all have something to give. By understanding and realising that potential, individually and collectively, we become the best that we can be.

In its work CoSA has tried to make people feel more powerful and develop the tools to be more powerful

People of influence

“We know that the school improves its examination results child by child, the hospital achieves its targets patient by patient.

We’ve learnt that relationships are invariably the key; unlocking potential, releasing confidence and social capital.

Many of us, perhaps most, can think of a teacher, a youth worker, or a volunteer mentor who supported us in difficulty or opened our eyes to new possibilities. They weren’t people with power or money or senior positions but they were significant in their influence.

These are the standards we should reach for, consistently and systematically, across our public services. Services that see the person first, then the problem.

And these are the expectations that we should have of one another – to need and to be people of influence.” People of Influence. (CoSA paper No. 9)

At CoSA’s first meeting in December 2007 the Prime Minister asked us to imagine a society in which everyone has someone to turn to, a one-to-one relationship that is supportive and transformative. Responding to this challenge has been a major part of our work. It has resulted in us working together with most government departments and skilled practitioners in the field. We have been the catalyst for new relationships, identified and championed delivery options for government and put in motion a series of initiatives that we think will drive this work forward in powerful ways. We published two reports on this work in 2008 – “*Side by Side*” and “*Side by Side – implications for public services*” and two more this year – “*People of Influence*” and “*Time well-spent*”.

The best youth workers, teachers, health visitors, mentors – don’t seek to control people or make them dependant but to be the influence in the lives of others that makes them free. The practical service creates the conditions for progress but

it is the deeper qualities of the relationship that have the power to transform.

This is the insight that underpins the success of more than three and a half thousand mentoring and befriending projects in the UK and that should inform both the support of third sector work in this field and the reform of public services.

In “*Side by Side*” last year we responded to the Prime Minister’s challenge with 44 recommendations about how projects at the voluntary end of the spectrum might be helped to grow and be replicated. We also recognised the close connection with government’s ongoing work on the reform of public services. In a companion paper to “*Side by Side – implications for public services*” we made the case for “humanisation” focusing on the quality of the one-to-one relationship at the point where public resources are used by those who need them.

This year we have supported the implementation of the 44 recommendations: 20 have now happened or made significant progress; 10 have made some, and 14 have made none. We’ve noted the need for work at three levels: An overarching policy narrative endorsed by ministers, practical tools and guidance for the workforce on the frontline and a policy framework that connects the two.

The developments we have reported on this year in “*People of Influence*” include the specific inclusion of one-to-one in government procurement requirements, the change in the policy making processes which now require officials to consider the role of one-to-one in every new policy and the review of workforce training strategies to include mentoring as one of the “common core” of skills that all those working with children and young people are expected to demonstrate. We report on the development of the Social Impact Bond which could transform the funding of preventative services, the work with the Ministry of Justice on the central role of the relationship between legal advisers and clients and on how this should be reflected in the systems for funding and administering Legal

Aid, work with Heart of the City, the Department of Children Schools and Families, TimeBank, Do-It, Business in the Community, and others on promoting one-to-one volunteering, and a range of activities with the Mentoring and Befriending Foundation and other partners in business and in the third sector on developing new support mechanisms for practitioners and on generating and using a consistent identity for one-to-one.

To further develop and test our thinking we examined in depth the relationship between civil legal aid advisors and their clients. Our findings have been published separately *Time well-spent* (CoSA Paper No 10). This study demonstrates that in focusing our attention on the one-to-one relationship we are not arguing for a “nice to have” at the margins of the core service. Rather it is clear that strong relationships are instrumental in achieving quality outcomes and value for money. We need a better understanding of this **“Deep Value”**.

We have shared with policy makers the implications for public services and, with practitioners, the opportunities for progress making a further set of recommendations, some new, some an extension of the points we made last time. We acknowledge the current constraints on expenditure and argue that reimagining public services and reconfiguring budgets to focus more on deeper value, shared responsibility and early intervention does not need to be about additional funding or about a “race to the bottom.” It can be about effective alternatives that ultimately cost less.

Advances on the one-to-one agenda at the DCSF this year show the importance of activity at different levels. We recommend an extension of this principle across government and also of some of the specific approaches – particularly on policy development and workforce training. We recognise that “someone for everyone” is a huge aspiration supported at a high level by government and other key stakeholders but, by its very nature, only made possible through practical action on a personal scale impacting on communities and individuals one by one. We

propose a **“Leading Communities”** initiative developing in practise the elements of our vision. A funding partner will be launching this idea in 2010 initially in two communities.

CoSA has devoted the same level of resources, albeit modest, to following through on its 2008 recommendations over the last 12 months as it did to developing them last year. We are clear that this was essential this year and will be next year if progress is to be maintained. The CoSA term concludes in December 2009. We are indebted to partners for “extra time” funding to sustain work on this agenda for a further year.

CoSA’s strategy has been deliberately broad. We set out in 2008 *“to seek and develop disruptive innovations which both inspire more willing citizenship and enable us all to develop the level, depth and quality of such activity. We must harness the skills and resources of all the sectors as well as the power and influence of the Prime Minister to get all parts of society moving in the same direction”* Willing Citizens. (CoSA Paper No1.)

This year we have seen a host of initiatives on one-to-one. We don’t claim sole credit for most of these advances but officials say that our “disruptive innovations” have helped to generate understanding and to spark activity in places where we haven’t been as well as where we have. In essence there is a very simple idea here: “It is not only possible for one human being to make a lasting difference to another, it is often the only thing that ever does”. A simple idea but also an important one that politicians, policy makers and practitioners should never forget.

For more information please see “People of Influence: a progress report on the Council on Social Action’s work on one-to-one” (CoSA Paper No9).

Time well-spent

Developing out of the work on *Side by Side*, we produced *Side by Side and implications for public services*, in which we argued that the quality of the human relationship between the person delivering public services and the person using public services is an important factor in achieving quality and value for money. We argued that the system of planning, funding and delivering public services needs to reflect this. This includes where public services are delivered by voluntary agencies working under contract to government. We wanted to examine this topic more closely and chose to look at the area of civil legal aid and the relationship between advice workers and their clients.

One-to-one in the legal advice sector

We looked at what contribution the one-to-one relationship between advisors and clients makes to quality, how far it is possible to achieve productive one-to-one relationships in the current environment and what changes, if any, are needed in order to help advisors develop better one-to-one relationships with their clients.

To help us do this we gathered together a project group made up of colleagues from AdviceUK, Group8 Education, Law Centres Federation, London Legal Support Trust and Refugee and Migrant Justice. With further help from researchers at Community Links and volunteers from Allen & Overy we carried out a range of primary and secondary research.

The components of a quality advice service

We began by asking advice centre clients what they value about an advice service. This generated a list of 27 characteristics. Amongst these characteristics are the technical knowledge and experience of the advice worker, efficient systems, an appropriate office location and so on. We also saw clients identifying a range of characteristics that define a quality relationship with their advisor; someone who has 'the time to and the

ability to listen,' who shows empathy, sympathy and respect. Interestingly, when we asked clients to state their priorities, the set of characteristics relating to knowledge and skills and to quality relationships are by far the main concerns. Features such as a convenient office location and opening times, are much lower priorities.

However, we saw how the importance of the relationship between advisor and client goes further than just an understandable desire to be treated well – the relationship is instrumental to the quality of the work advisors do with their clients. This conclusion was supported by findings from a range of other work being carried out by advice sector organisations and by government.

The role of the relationship between advice workers and clients

We concluded that the quality of the relationship between advice workers and their clients helps to secure a range of factors necessary to the progress of a case:

- Trust and confidence between advisor and client makes it possible to gather and give accurate information. Where the relationship is poor, information can be withheld, misunderstood or passed on incorrectly, all leading to the wrong advice being given, to the wrong outcome being achieved or to failures that have to be addressed later. Furthermore, as the rules and bureaucracy around benefits and rights become increasingly complex, advisors have an important role in helping clients to navigate this complexity.
- Even when the eventual outcome of the advice is not what the client wanted, the resulting deeper understanding that clients have of the case and the confidence that everything has been done to pursue the case rigorously helps clients to accept this outcome more readily. Where relevant, this may mean that costly appeals are avoided.
- A good relationship helps to uncover underlying problems being faced by clients that may have contributed to the specific

issue being addressed. Advice workers can play an important role in helping clients to access support for these other problems.

- The one-to-one attention advisors give to clients is part of advice making a deeper contribution to the personal development of clients. This means that receiving advice goes beyond a one-off transaction to help clients potentially tackle their own problems differently in the future, perhaps seeking advice earlier and preventing problems from escalating, dealing with issues themselves or going on from this moment in their lives with renewed confidence. Giving and receiving advice can either be a transaction whereby information is transferred, or it can be a deeper relationship with the potential to change someone's life.

What advisors need

We also saw what advisors need in order to establish good one-to-one relationships:

- They need the time – building relationships takes time. Clients repeatedly talked about the importance of advisors taking or having the time to listen.
- They need to begin building relationships at the earliest opportunity.
- They need to hold certain values – the relationship with clients needs to be based on respect. From this, flow relationships where the dignity and equal worth of clients is recognised.
- They need certain attitudes – the rigorous pursuit of cases requires advisors to be proactive and show that they will not be put off by hurdles. This helps to inspire confidence in the client that the advisor cares about them.
- They need the skills – building relationships requires advisors to be good listeners and good communicators. It also requires an understanding of the impact of multiple disadvantage on people and how, in these

circumstances, it is especially important for clients to feel valued and that the service is responsive to their needs.

- They need to be able to deal with clients as people not as cases. They need to operate within a system that recognises the value of building a good relationship: rushed transactions in highly pressured environments, burdensome administration and excessive direction in how to manage the progress of a case all mitigate against creating the conditions needed to develop a productive relationship.

Increasing pressure on the capacity of advisors

The research uncovered a range of circumstances that are making it more difficult for advisors to establish the types of relationships with their clients where productive outcomes can be achieved. Most significant is the impact of reforms to legal advice services, notably the introduction of fixed fees for advice work. This is having the effect of reducing the amount of time advisors have to work with clients. It is easy to think that spending time and resources on building relationships is somewhat of a luxury when we should be focusing on efficiency and value for money. However, we found that rather than these reforms making the system more efficient, they are undermining the ability to achieve good outcomes.

We also documented the impact of the high level of demand for advice services that is caused by failures in the system of benefits and public services administration. Reducing this would save significant amounts of money and free up advisors to carry out more 'value' work with clients.

Measures to improve advisor / client relationships

We argue that a significant shift needs to occur, particularly within government, to recognise the value of the relationship between advice workers and their clients and to reflect this in the way that advice services are planned, funded

and monitored. This needs to start by agreeing shared definitions of (i) the purpose of legal aid, (ii) the outcomes legal aid is seeking to achieve and (iii) the level of quality of advice provision that therefore needs to be in place. We also think that the findings here are relevant to other areas of public services. Spending time building productive relationships with people is time well spent. These relationships are instrumental to achieving quality outcomes and value for money. Measures such as fixed fees, inappropriate targets and burdensome administration all get in the way of this effort. By focusing on driving down costs, services end up struggling to provide value.

A developing programme of work

We have used this work to engage the Ministry of Justice (MoJ) in a new conversation about the planning, delivery and funding of legal aid.

In February 2009, Allen & Overy hosted a dinner for the senior partners of City law firms to meet Lord Bach, the Minister for Legal Aid and his senior officials from the MoJ. This was the first in a series of meetings with the MoJ that helped to open up a highly constructive dialogue about the challenges for advice agencies. Alongside this, we were able to join with a group of ten grant making trusts and four other City law firms that fund voluntary sector advice agencies. These organisations had come together to discuss their shared concerns about the current situation for advice agencies and their collective desire to use their knowledge and influence to contribute to the debate.

In September 2009, a major law centre announced it was at risk of going into administration. The dialogue that CoSA had contributed to establishing meant that there was a productive route into the MoJ to take this up. Almost immediately, a package of measures was agreed by the MoJ and the Legal Services Commission to prevent the law centre going into administration. We also secured agreement to build on the situation for this agency by developing a joint piece of work with the MoJ to investigate alternative approaches to funding legal advice services. These discussions are currently making good progress.

Conclusions that we draw from this work

There is value in undertaking research to understand what are the major contributors to the difference to people's lives that advice organisations are able to achieve;

It is important to bring together people from a varied group of different but excellent organisations to share ideas and test hypotheses;

It is important to match advice sector practitioners with civil servants and MPs so that a shared understanding can develop of the constraints on government as well as the constraints on advice agencies imposed by current funding arrangements;

There are ongoing benefits derived from advice sector practitioners, civil servants and MPs working collaboratively on a joint project for the public good where previously relations have been fractured and at times working against each other;

The Prime Minister's involvement in the project provided authority, respect and an added importance to the project so that the reports produced by CoSA were able to have greater legitimacy and were consequently more widely distributed, read and considered;

The articulation of the primacy of the one-to-one relationship was an innovative contribution to the development of this debate that helped to open up helpful new avenues for discussion of seemingly intractable problems.

For more information, please see *Time Well-Spent, The importance of the one-to-one relationship between advice workers and their clients (CoSA report No.10)*

The social impact bond

Before CoSA began Peter Wheeler, then at Goldman Sachs, and David Robinson reflected on how work at Community Links with young offenders was funded year by year without regard to long term outcomes. Success resulted in the diversion of this challenging client group away from a steady and expensive ascent up the tariff of offending and punishment and into behaviour that benefited society and the individual. Surely public funding decisions should take account of future patterns of behaviour and the liabilities they incurred or the savings they generated?

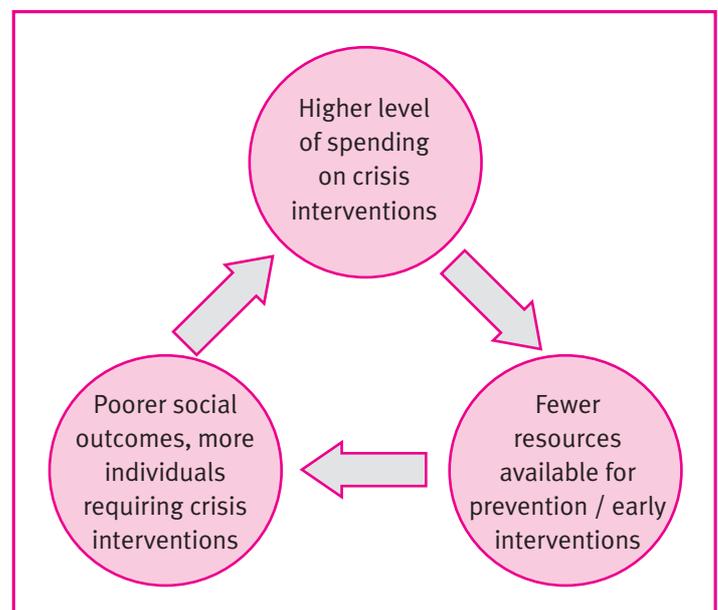
The challenge was shared at the first Council meeting along with the suggestion that the International Finance Facility for Immunisation (IFFIm) Bond which front-loads funding for immunisation in developing countries, might be a useful model. Trustees of the Indigo Charitable Trust agreed to fund Social Finance to undertake some exploratory work on behalf of CoSA. The Social Impact Bond has been developed from these beginnings. The work has involved, at various stages, an extensive network of partners and collaborators across the sectors driven throughout by colleagues from Social Finance.

In the UK, 40,200¹ adults leave prison each year after serving a custodial sentence of less than 12 months. These prison places cost the tax-payer well over £213 million a year – yet, on release, adults on short sentences receive no formal support to help them to successfully resettle into the community. 73%² of these offenders go on to reoffend within 2 years of release (92%³ for those under the age of 21 years). Government spending on a range of deep-rooted social issues, including healthcare, adult mental health, and school truancy and exclusion, is similarly focussed on expensive interventions that deal with the consequences of the issue rather than addressing the root causes:

- Of £92 billion health expenditure in England, only 3.7% is spent on preventative interventions;⁴

- Adult mental health costs government £10bn each year in benefit payments alone, while only £2m is spent on mental health promotion activities like promoting self-esteem and coping skills;⁵
- Government spends £650m on truancy and £800m⁶ per annum on school exclusions while only £111m⁷ is spent on preventative initiatives.

Government budgets are limited and early intervention spending is easier to cut in difficult times. Over time this creates a self-perpetuating pattern of expenditure, resulting in ever worsening social outcomes and an ever growing need for government resources to be spent on expensive crisis interventions (Figure 1).



Catch 22: Negative spending cycle caused by low levels of early intervention expenditure

- 1 Offender Management Caseload Statistics (Mo), 2007).
- 2 Two year re-offending rate. Reoffending of adults: results from the 2004 cohort. (Home Office: 2006/07).
- 3 Reducing Re-offending by Ex-prisoners. (Social Exclusion Unit, July 2002).
- 4 Prevention & Preventative Spending. (Health England, 2009).
- 5 Don't mind me: adult mental health problems. (New Philanthropy Capital, 2006).
- 6 Cost of truancy £650m per year and cost of school exclusions £800m per year. Misspent youth. (New Philanthropy Capital, June 2007).
- 7 Annual average based on DFES spending of £885m between 1997-2004. Improving school attendance in England. (National Audit Office, February 2005).

Charitable trusts and foundations seek to prevent acute social problems in the UK using grants to fund interventions that improve social outcomes and reduce the number of individuals requiring crisis interventions. However, trust and foundation resources are limited – only £4.4bn⁸ per year compared to government budgets of £603bn⁹ – enabling them to demonstrate effective interventions, but not to make them available to everyone who would benefit.

The Social Impact Bond, a new contracting and financing mechanism, is our response. Social Impact Bonds seek to drive significant private investment to address the causes of deep-rooted

social problems with returns generated from a proportion of the related reduction in spending on acute services. The ambition is to create positive government spending cycles that enable significant tax payer savings through improved social outcomes (Figure 2).

Social Finance has worked with the MoJ and the Treasury to build out a pilot focused on breaking the re-offending cycle for short-sentence prisoners in the West Midlands and East of England regions and is seeking approval to pilot the model this year.

Long-term vision

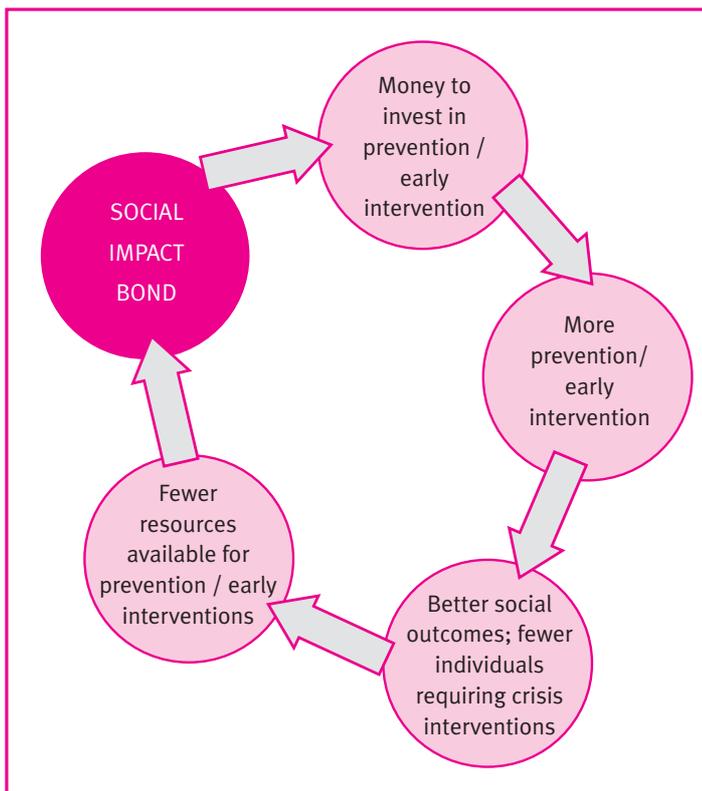
Social Impact Bonds enable investment in areas where government budgets are tied up in acute spend and over the long term could unlock an unprecedented flow of social finance. Investment fund managers believe there would be considerable consumer interest in investing in Social Impact Bonds once a track record has been established and sufficient scale of investment opportunity exists. Ultimately, Social Impact Bonds could become a new social asset class, comparable to microfinance, enabling an unprecedented flow of investment into addressing social issues in the UK and elsewhere.

This is a summary of a longer article on Social Impact Bonds that can be found at:
www.socialfinance.org.uk/downloads/SIB_report_web.pdf

Social Impact Bond Mechanism

A Social Impact Bond is based on a contract with government in which government commits to pay a fixed sum per positive social outcome (e.g. per reduced conviction). The contract contains clear definitions of:

- **The success metric** – for example, the one year reoffending rate for the target population;
- **The target population** – for example, offenders aged over 18 leaving prison after a sentence of less than 12 months and returning to a specified geographic area;



Paradigm Shift: Social Impact Bonds catalyse positive cycles of government spending, improving social outcomes and reducing costs

8 The UK Civil Society Almanac 2009. (NCVO, 2009).

9 Public Expenditure Statistical Analysis 2000. (Office of National Statistics, 2009).

- **The value of success** – the amount returned to investors for a given improvement in the social outcome; generally a proportion of the related savings to government.

Once the contract is in place, investment is raised from non-government investors. The capital raised is used to fund a basket of preventative interventions from existing, independent service providers. If the preventative programmes are successful investors are paid an amount based on the achievement of a particular outcome.

Potential Applications of the Social Impact Bond

Reducing acute hospital spend through the increased provision of community-based care: In the UK around 3% of over 65s are responsible for 35% of unplanned hospital admissions; 75% of this group live in private homes.¹⁰ A Social Impact Bond could fund interventions to reduce this admissions rate saving £6,500 per admission¹¹ and improve health and quality of life for the elderly.

Reducing the number of young people entering Pupil Referral Units: Each year over 10,000 children are excluded from schools in the UK. A Social Impact Bond could fund interventions focused on reducing the number of exclusions, saving £64k¹² per child and leading to better long term outcomes for children.

Reducing the need for residential placements for children in care: England has around 60,000 looked-after children of which 14% are in residential care.¹³ Foster parents can struggle under the pressures of care which leads to family breakdowns. A Social Impact Bond could fund interventions focused on supporting foster carers reducing the number of children taken into full-time residential care, which costs five times as much as foster care.

¹⁰ www.natpact.nhs.uk/cms/186.php

¹¹ Assuming an average cost of £500 per night and an average stay of 13 nights. Cost per night taken from Sunday Times: My cancer cure, a month in a hotel 20/11/05. Average stay taken from Age Concern: www.ageconcern.org.uk/AgeConcern/health-and-social-care.asp

¹² New Philanthropy Capital (June 2007). Misspent Youth, The costs of truancy and exclusion.

¹³ House of Commons report. Looked-after Children Vol 1. Published 9/3/09.

Alternative funding models

Access to and efficient use of finance has been a pressing and persistent challenge for all parties engaged in social action. The context of recession, bringing new pressures on both public and private finances, along with a growing need for resources and support as people suffer from the social consequences of the downturn, has made the issue of accessing and utilising finance in the most efficient way an ever more important concern.

In the Council's "Stronger Economy, Stronger Communities" work, CoSA identified that whilst the recession meant funding from conventional sources may become more difficult, the wider changes in the economy also brings new opportunities and an appetite for new ideas. The development of the Social Impact Bond had demonstrated how innovative ways of thinking about and unlocking finance could bring new opportunities for both enabling social action and bringing savings. There are further examples, such as the Danish Right to Recognition model referenced in the CoSA report "*Side by Side*", which were not simple fundraising ideas, but rather new business models for financing social action. CoSA convened a meeting with UBS investment bank and some of the leading thinkers in this field to consider what might be done to develop these models and how best we might contribute to the development of others.

There are strands to this discussion which are as much about the removal of obstacles, the tweaking or modification of existing systems, as they are about new ideas. For example successful social enterprises report a surge of interest from potential investors intrigued in this period of uncertainty by the potential of businesses which are not driven solely by profit, but at the same time there is little knowledge or understanding of the sector amongst high street banks. Might one of the big banks develop a social enterprise expertise in specific branches?

The value of early intervention, and thus the significance of early investment, has been a repeating theme in our conversations about new funding models. The Social Impact Bond is based on the principle that the frontloading of expenditure programmes with, for instance, young offenders produces better results and is cheaper in the long-term. As we have discovered with the work on the Bond there are difficult questions to resolve, particularly around measurement, but we think that the idea of "early investment savings" is especially worthy of further investigation.

CoSA developed an Alternative Funding directory to capture information and examples of these models, to facilitate a collaborative effort on their development with input from stakeholders in the field. The directory is available as an open resource in the form of a "Ning", an online social networking facility which allows for collaboration, discussion and development of the models and the fielding of new inputs and ideas. The network is available at: www.communityfinance.ning.com

We will progress this work by establishing a core group of 'promoters' to generate a group of key questions, issues and debates that would benefit from a broad discussion through this network. The debate would aim to involve practitioners, social finance experts, private sector individuals and civil servants. We hope promoting an active debate will encourage people to stay involved and engaged with this crucial issue as we get closer to an election and ever nearer to radical cuts in public services

The involvement of the Department for Communities and Local Government (DCLG) in this network led to the further exploration of these themes in the Department's work programme. In a speech in April, Hazel Blears MP, then Minister for Communities and Local Government spoke about the need for sustainable funding for community action. DCLG worked with CoSA to convene two consultation events in July to drill down into some potential models for enabling

communities to access finance. The consultation aimed to: develop a list of the models that should be prioritised; articulate next steps needed by both government and partners for each model to take them forward; discuss how to make investing in alternative funding models attractive to investors; and identify how to improve efficient use of assets for voluntary organisations through alternative funding models.

The workshops involved over a hundred stakeholders from the third sector, government, the private sector and financial services industry bodies. Following productive workshop and panel sessions, DCLG have pursued further analysis of the models, and will announce plans to take forward several models to the next phase of development towards the end of 2009.

The workshops also led to new connections and developments in other areas of social finance. Following discussion at the event on access to finance and innovations in banking policy, a separate working group was convened to look at the innovations in banking policies to promote greater investment in financially excluded communities. This working group has gone on to form the Responsible Finance Coalition, which has adopted four pillars to their work programme:

- Finance sector transparency and disclosure; Investing in communities;
- Responsible credit;
- Supporting communities.

The alternative funding online network is available at: www.communityfinance.ning.com

The National Talent Bank

In November 2009, CoSA held the first Chain Reaction event shortly after the fall of Lehman Brothers and the start of a period of economic uncertainty heralded by the financial crisis. At that event, the Prime Minister spoke of the challenges faced both by the nation and by all sectors as a result of these events. But he also spoke about the opportunity these challenging times present for people to respond in positive and innovative ways, in order to come together and emerge stronger as a result.

Following the onset of the financial crisis, CoSA considered the role of social action in recession, and what might be done to ensure that we emerge from the period not only with a stronger economy, but also happier, healthier, stronger communities. This led to a set of recommendations in the CoSA briefing “Stronger Communities; Stronger Economy”, in which CoSA set out ways in which the financial crisis could act as a catalyst for social action. One of the ideas in this paper was a National Talent Bank. This is now being implemented.

The recession has seen many companies implementing responsible downsizing, or flexible working strategies, such as employees working reduced hours or four day weeks, or taking sabbaticals of several weeks or months. A CBI study showed that 17% of UK employers have implemented short time working programmes, with a further 13% intending to or considering the option (CBI Employment Trends Survey: June 2009). These strategies were designed to reduce the number of redundancies, but they also created a pool of talents, skills and experience, as workers’ time went underutilised. At the same time there was a growing demand for the services and support of third sector and voluntary organisations, as people began to suffer the effects of recession.

CoSA suggested that a new National Talent Bank should be created to lead a wholesale

brokerage campaign between organisations that are reducing their employees’ working hours and frontline public services, such as schools and social action organisations who are best placed to deploy this newly-available talent into effective use in the community.

In so doing, we expect to achieve three fold benefits:

- **To the individual:** Volunteering opportunities are personally fulfilling and enjoyable, and help individuals to develop new skills and interests
- **To the employer:** Employers benefit from increased employee engagement and the new skills and experiences employees gain from volunteering
- **To the community:** Volunteering opportunities will address a community need and provide a tangible benefit to individuals and communities

In May 2009, CoSA, TimeBank and Business in the Community (BitC) began the development of the idea into a reality. The proposal for a National Talent Bank had taken root within government, and we committed to a date in July to launch the concept at an event with the Prime Minister. The development phase was therefore extremely tight and time-critical, but necessarily so, as the opportunity which the NTB would address exists now.

The development phase was supported by funding from the DCSF Talent and Enterprise Task Force. A pro-bono team from Accenture also supported the development of the business model.

The National Talent Bank is a time limited mechanism for managing the current opportunity. It has a mandate for one year in the first instance. The model for the National Talent Bank was that it should not be a new bureaucracy – there are many excellent organisations that provide effective volunteer brokerage to individuals. Instead it will provide a light touch mechanism directly to employers to help them manage the new situation of having large numbers of employees with spare

capacity. The NTB also leverages the capabilities of existing volunteer brokerage organisations, Business in the Community and TimeBank, who have taken on the project in partnership.

The National Talent Bank will work with third sector partners to offer volunteer opportunities underpinned by three key themes; Support for young people; Advice on financial and debt management; and Action on Climate Change. Volunteering opportunities are designed to:

- Engage the talents and passions of the volunteers
- Build skills and confidence in the work force
- Work with an existing network who have the will and capacity to expand
- Measurably address an issue or transform a community
- Meet the “10 year challenge” – what will be the enduring impact on the individual, employer and the community?

Following the July launch of the National Talent Bank with the Prime Minister, Business in the Community and TimeBank have taken ownership of the project and its implementation. A pilot phase is underway now, with a wider roll out to follow by the year’s end.

See also: Introducing the National Talent Bank: a briefing from the Council on Social Action including a paper by Professor Alex Linley, CAPP and the Strengths Project (CoSA paper No.7).

Chain Reaction

In July 2007, the Prime Minister, Gordon Brown, announced “*we will support the development of an annual global forum on social leadership which will meet each year to inspire debate, forge links between activists and stimulate the pursuit of social change*”. In January 2008, Community Links set out to establish this forum – now known as Chain Reaction. Chain Reaction is a process and an ongoing network of individuals and organisations, but its impact is most evident when brought to life at events.

At the core of Chain Reaction is a simple idea: that we all have the power of our own actions, but that none of us on our own can create social change, not governments, not business, not communities. However, together we have the power to change the world – literally creating a chain reaction.

Connect

Chain Reaction was founded on the belief that social leadership exists everywhere, is explicitly cross sector, is enthusiastically collaborative, and is driven by a set of shared values. The first Chain Reaction brought together over 1,000 people from 17 countries for a two day event in November 2008 where people were enabled to “connect, collaborate and commit to action for social change”. Crucially the event had a focus on young people; over a quarter of people attending were under 21, representing emerging social leaders. Participants were offered a process that supported them to **connect** to the people they wanted to meet, **collaborate** to develop their ideas and **commit** to taking action together.

At the second Chain Reaction event in November 2009 the same mix of government ministers, social activists, and businesses will reconvene, this time in the UK’s financial centre – Canary Wharf – to explore how the changed circumstances of recession offer opportunities to build stronger communities alongside stronger economies. Chain Reaction 2009 will focus on several key themes relevant to the wider CoSA agenda. The themes are: new ideas for financing social change; new ideas for delivering public services; new ideas for engaging communities; and new ideas for organising ourselves.

In 2008 we reacted to a crisis. Now is our chance to move on, making new ideas for social change a reality. These ideas must involve government, business, charity and ordinary people, working together collaboratively for a better future.

Collaborate

The process of creating the global forum prefigured its aims of cross-sector engagement. In establishing the first Chain Reaction event CoSA worked with: Community Links, the Department for Communities and Local Government, the Department for International Development, Prospectus, IBM UK, Triodos Bank, SDP Charitable Trust, Accenture, iPhelion, Serenity IT, Best Before Media, Parity, The Partners, Thompson Reuters, Virgin Atlantic, Office of the Third Sector, DEFRA, 14a Conversations, Make your Mark (BERR), Global Fellowship (DCSF), the Beacon Fellowship, BBC, Business in the Community, Heart of the City, bassac, NCVO, Network 2020, Allen & Overy, Constellation, Global Entrepreneurship Week and Google. The partnership approach continues into the second event with many partners committed to participate again; further partnerships including Canary Wharf Group and UnLtd have been developed to extend the reach and influence of Chain Reaction.

Commit

At the conclusion of Chain Reaction over 100 people completed a Commit card signing up to further action. Conversations begun in the presentations and workshop sessions continue on the Chain Reaction online network. Over 5,000 people are now part of the online community. We have set up a process to track the development of the ideas, asking people to let us know how they are doing and what support they would find useful – which we may then be able to source from within the Chain Reaction community. The capacity of www.chain-reaction.org to enable people to collaborate on these and on new ideas continues to evolve.

At the first event Chain Reaction activities included many inspirational speakers – for example, Dr Victoria Hale, founder of OneWorld

Health, the world's first non-profit pharmaceutical company who said – *“One can view the world in two ways: from the perspective of the problem, or from the perspective of the opportunity... We generate unique opportunities and invent creative solutions. We are ambitious, we are exacting, we are passionate, and we will change the face of the world, one (issue) at a time”*.

An innovative and interactive programme included inspirational keynote speakers, high level debates, practitioner conversations and practical workshops. Several sessions were planned and delivered by young people such as a session on international perspectives on social change led by a group of young people from South Africa and Bradford, part of the VSO Global Xchange programme, who encouraged participants to think about how practical action can be taken by individuals, organisations and governments to address global issues.

Sharing the stories

Online communication was a distinctive feature of the live event. A dedicated team of volunteers shared what was happening in the tent with the world outside, using new media tools including twitter, YouTube, Flickr, blogging, digital filming and a brand new 'Video Boo'. This meant that those unable to be there in person were also able to connect with the sessions and provide input.

Chain Reaction provided a platform for the first sequence of CoSA's published papers to be launched. For example *“Side by Side”* the report setting out the Council on Social Action's work on one-to-one was the focus of a well-attended session including business leaders, charity CEOs frontline practitioners and project beneficiaries all participating as equals in exploring the transformative impact of a one-to-one approach.

Self Organised

Alongside the programmed sessions participants were encouraged and supported to self-organise meetings in the open space. These included meetings on 'Youth intercultural dialogue – involving EU youth in breaking down

barriers'; 'Potential Partnerships to help young entrepreneurs in Developing Countries'; Social Marketing; Campaigning for Change; Global Financial Scenarios and the impact on social action of a low growth world; and Little leaders get help from big leaders (mentoring).

The element of self-organisation – one of the unique features of Chain Reaction – continues to be a key factor after the event. At the end of March, a series of face to face discussion groups were convened through the Chain Reaction online network. Volunteer hosts were supported to self-organise groups which considered how the recession could be an opportunity to create a better society. In London, Liverpool, Stoke, Sheffield and Birmingham, community activists, residents, regeneration experts and charity leaders got together to share their ideas. Discussions were reported online using social media tools, and exchanges between differently located meetings were made possible in real time using online tools.

Self organised meeting spaces will again be a central element of Chain Reaction 2009 and, in a new partnership, the Canary Wharf venue will host the first anniversary event of the *“Not For Profit Tweetup”* as an evening session of Chain Reaction. This is a network of communications professionals working on charity and voluntary sector projects who meet to share learning and expertise on developing tools of online social media. The self-organised collaborative nature of the project is a close fit with the approach and values of Chain Reaction and widens the network.

Key elements of Chain Reaction: What is unique?

The table overleaf summarises elements of the Chain Reaction event that participants felt were special. We recognise that none of these elements are, in themselves, exclusive to Chain Reaction. But we think that the combination of these elements is unique.

It's high level – four government ministers, including the PM, six CEOs, two Dragons etc

and

It's grassroots – young people, frontline practitioners, and service users – people who understand the challenges best

It's cross-sector – genuine partnership between government, business and third sector

and

It's multidisciplinary – bankers, artists, social entrepreneurs, campaigners and activists, bloggers and techies with new tools to try out

It brings people together – “few projects have succeeded as well as this one at getting different people into the same space” Chris Grant, 14a Conversations

and

Everyone is equal – and everyone has a chance to contribute

It uses new technologies – a range of tools on the website, including social networking, and at the event to connect those at the event with the world outside

and

It's about old fashioned networking – networking was at the heart of a carefully designed process that enabled participants to genuinely connect with each other

Broad approach – a varied programme of inspiring presentations, practitioner conversations and practical workshops about the how of social change

and

Special interest – Chain Reaction was about the “what” of social change, enabling participants to collaborate on the issues they most wanted to address together

It's about individual actions and local issues – teams of young speakers from We Are What We Do encouraged participants to reflect on their individual actions

and

It's internationally relevant – Chain Reaction shared experience, knowledge and inspiration from delegates from 17 different countries

An active community with potential for crowdsourcing – Chain Reaction has a fast growing network: over 1,000 people attended the event, there are over 5,000 in the network and over 11,000 hits a month on the website

and

Potential to share / scale up – through CoSA, Chain Reaction can share and progress ideas directly with policy makers. Excellent connections with businesses offer the potential to scale ideas

Co-created, common ownership – a series of development workshops with wide engagement led to the development of Chain Reaction. Participants helped shape the programme on the website. Many partners helped to deliver it

and

Central support to grow community and help ideas progress – a small team at Community Links provides support to the Chain Reaction community and delivers the activities

Chain Reaction has now developed a clear identity both as an annual event, and also an ongoing network with a distinctive approach. In between events the community has been nurtured and Chain Reaction as a project has had an active involvement with other networks and events to build wider collaborations. Connections include the NESTA hosted “Reboot Britain”, the emerging hyper local community website network “Talk

About Local”, the RSA, the British Youth Council and others. Chain Reaction 2009 provides another opportunity to reconvene the wider network and develop further ideas and collaborative projects.

As BBC Director General Mark Thompson said at Chain Reaction 2008: “We are at our best when we are working together”.

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Means and ends: a concluding commentary on the work of the Council on Social Action

Council on Social Action Papers

The Council on Social Action has produced a series of papers setting out the CoSA programme.

CoSA Paper No. 1 Willing Citizens

CoSA Paper No. 2 Side by side: a report setting out the Council on Social Action's work on one-to-one

CoSA Paper No. 3 Side by side and the implications for public services

CoSA Paper No. 4 Collaborative Commitments

CoSA Paper No. 5 Council on Social Action: Commentary on Year One

CoSA Paper No.6 Heart of the City: Building stronger communities through business collaboration

CoSA Paper No.7 Introducing the National Talent Bank

CoSA Paper No. 8 Social Impact Bond

CoSA Paper No. 9 People of Influence: A progress report on the Council on Social Action's work on one-to-one

CoSA Paper No. 10 Time Well-Spent: The importance of the one-to-one relationship between advice workers and their clients.

CoSA Paper No.11 Council on Social Action: Commentary on Year Two

All the CoSA papers are available for download from the CoSA website:
www.cabinetoffice.gov.uk/social_action.aspx



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