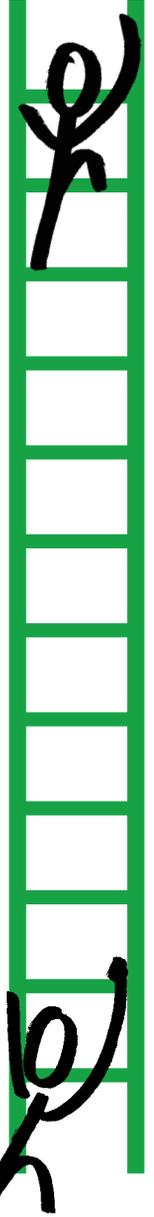




Investing in  
SOCIAL  
GROWTH



Can the Big Society be more than a slogan?

# About the Young Foundation

The Young Foundation brings together insight, innovation and entrepreneurship to meet social needs. We have a 55 year track record of success with ventures such as the Open University, Which?, the School for Social Entrepreneurs and Healthline (the precursor of NHS Direct). We work across the UK and internationally – carrying out research, influencing policy, creating new organisations and supporting others to do the same, often with imaginative uses of new technology. We now have over 60 staff, working on over 40 ventures at any one time, with staff in New York and Paris as well as London and Birmingham in the UK.

[www.youngfoundation.org](http://www.youngfoundation.org)

# Introduction

The Big Society is a loose and rather baggy concept. Its short-term purpose was to signal to the right that a Conservative government would be willing to shrink the state, and to the left that it would care about society. It's already proved somewhat baffling to the public and has been much criticised for vagueness, for intellectual vacuity and for being blind both to history, and to what civil society is already doing.

Yet few would dispute its fundamental premise: that in the years ahead government will be able to do less, and society in all its forms will have to do more. There's lots to be said for a society that can govern itself and take responsibility. And many of the advocates of the Big Society are genuinely, and rightly, committed to the idea that societies thrive as much from giving as they do from buying and selling.

In this publication, we suggest both how the idea of the Big Society could become more rigorous, and how it could be translated into a practical programme for government, both national and local. We also focus on a concept that is more precise, and potentially more radical, than the Big Society: the idea of social wealth and social growth.<sup>1</sup> Economic growth is a familiar concept, measurable in terms of GDP. Social growth complements economic growth – and refers to growth in the quantity and quality of social relationships, trust and support.

This kind of social wealth has turned out to be just as important for human happiness as economic wealth – indeed evidence shows that the quality of relationships matters more than income or consumption.<sup>2</sup> All of us know in our own lives that the wealth of our social relationships – whether there are friends and family there for us when things go wrong, as well as in the good times – matters as much as what we own or how much we earn.

Focusing on social wealth and social growth helps to anchor what otherwise risks being a rather abstract debate; it has the virtue of being measurable; and it sharpens attention on a range of issues which go well beyond encouraging more volunteering, some of which are about power, and some of which echo those faced in economic policy – how to promote effective social innovation, how to inspire social entrepreneurship, and how to reduce social waste. In what follows we describe some of the practical ways in which very different organisations, ranging from charities to local authorities, GPs to businesses, can contribute to growing social wealth during what's likely to be a period of economic austerity.

## Background

The Young Foundation and its predecessor organisations<sup>3</sup> have been directly involved in strengthening society and pushing up social growth for over fifty years: helping to create mass membership voluntary organisations like Which? and the University of the Third Age; growing new generations of community leaders through the schools for social entrepreneurs; and initiating the Open University which remains perhaps the most successful example of a new organisation that helped to transform thousands of people's sense of their own potential. In total, well over 60 new organisations were born out of the work of Michael Young and his colleagues, and several hundred indirectly. For him the great challenge of our times was to make the most of people's untapped potential, and he recognised the vital role that active government could play in that. But he was also keen to ensure that a big state didn't leave people small.

Today, nearly five years after the launch of the Young Foundation, we are involved in setting up over 50 ventures and initiatives that range from neighbourhood websites to community schools, new models of healthcare to training community campaigners, apprenticeships to new ways of managing public data. We are a unique combination of social entrepreneurship, venture investor, incubator and thinktank.

All of our projects share the goal of both meeting social needs and leaving behind a stronger capacity for society to act. All are designed to make the most of people's untapped potential.

## What we know about social growth – and the lack of it

Most of these initiatives are responses to unmet needs. Over the last decades the economy has grown fairly steadily, usually at a bit over 2% each year. But our research has shown that many have experienced very little social growth during this period: millions became more lonely and isolated and many communities became more disconnected. In various studies we've looked at isolated older people,<sup>4</sup> estates that were bypassed by regeneration,<sup>5</sup> and teenagers stumbling through messy transitions to adulthood without the necessary support from families and public agencies.<sup>6</sup> In 'Sinking and Swimming', a comprehensive survey of changing needs, we showed that seven million people believe themselves to be suffering from a "severe" lack of social support; a million or so have no-one to turn to and no-one who appreciates them. We also showed, drawing on focus groups with representative groups of people from across the UK, that the public now sees these kinds of need – our need for others, and for emotional support – as just as important as our material needs for housing, transport or money.

These patterns are not unique to the UK. In the US the proportion of people who have no-one to turn to on important issues rose from one in ten to one in four, between the 1980s and the 2000s, a time of strong economic growth.

But it would be wrong to conclude that society is falling apart. Although large minorities are feeling disconnected, most people are happy with their lives and generally thriving. A large majority believe that people get on well with each other in their neighbourhoods. And measures of social capital have generally risen, albeit modestly, over the last 15 years. The idea that civic endeavour has been squeezed out by an over-mighty state is hard to square with the facts: half the population volunteers; the numbers of charities and voluntary organisations has grown steadily; the UK has more social enterprises than any other country (62,000 according to the Social Enterprise Coalition). There are many examples of social damage, of blocked potential and unnecessary unhappiness. But millions are involved in the day to day creation of social wealth, taking responsibility and acting directly to meet needs.

## Government and society – a zero sum game?

All debate about the Big Society risks being obscured by simplistic views about whether government is inherently good or bad. During the 1980s there was a commonly held idea that if government reined in, society, along with the market, would automatically fill the space that it left. Government and society were seen as a zero sum game. Bigger government necessarily meant smaller society.

There is a grain of truth in this view. In the same way that bureaucracy can stifle entrepreneurship, it can have a stifling effect on the inventiveness of communities. Yet when government cut back sharply in places as varied as US inner cities, and countries like Russia, the promised revival of civil society didn't happen. Often the spaces left by government were filled by organised crime or gangs. Ordinary citizens became more afraid, not more trusting. And the evidence from around the world shows that, surprisingly perhaps, the countries where civil society is often strongest are also ones with active government, even in such diverse countries as Brazil, Denmark and Canada.

What matters is not whether government is big or small, but how it operates: whether it promotes liberty and the right to criticise; whether it encourages public services to engage with voluntary and community organisations; whether it is open or closed. It may seem paradoxical for a government to promote the big society. Yet there are in fact many practical ways in which government can help society to organise itself.

## A ten point programme for social growth

Many of the announcements made so far about the Big Society are welcome, even if the parallel cuts being made to funding for charities and voluntary organisations are not. The announcements include various kinds of support for volunteering and civic action, plans to introduce civic service at 16 and proposals to make life easier for local groups by, for example, helping them get insurance cover.

But, in light of the scale of ambition, all of these steps remain relatively modest, and may have little measurable impact on overall levels of trust, social connectedness and feelings of empowerment. Here we summarise ten steps that could help turn the general aspirations of the Big Society into larger and more tangible improvements in people's lives.

# 01 /

## Give new rights for society and individuals to act

We believe that the starting point is new rights, not government programmes. Societies become strong through the exercise of rights and powers, not by having things done to them.

The Young Foundation has advocated a series of new rights which we think would create stronger communities. One is the right for communities to take over unused land and buildings, now a key part of the coalition agreement (see box 1).<sup>7</sup> We have also argued for new rights for communities to set up strong institutions for neighbourhood governance and argued against local government being able to veto this. Over the past five years we have described in detail how communities could exercise rights to set up neighbourhood councils; what powers they should have (and which functions are not best managed at this level); how they should be able to raise money, both through precepts and through new devices like Community Pledgebanks (where residents commit, for example, £20 a year to improving local amenities so long as another 1000 or 5000 people commit as well). We have also described how these bodies should be wound up if enthusiasm wanes.<sup>8</sup>

Rights of this kind could in time transform the day to day experience of many communities. The same is true of some

other kinds of rights, including extending the principle of personal budgets to put control of public services in the hands of citizens. Community Land Trusts, which can give local people collective ownership over assets, including buildings and land, are another important device for giving control back to communities.

Looking to the long term an even more important right will be the right for citizens to exert greater control over information used by the state. We've been working with Mydex (see box 2) to develop an alternative both to 'Big Brother' style identity cards and to the ever greater accumulation of personal data in the hands of commercial companies. Mydex has the potential to open up public services by giving individual citizens much more say over the information that is held about them and how it is used.

Securing any of these rights is not simple. But all are starting points for any government that is serious about trusting people to be competent governors of their own lives.

**BOX 1****RIGHTS TO TAKE OVER UNDER-USED PUBLIC ASSETS**

Sharing the public estate with civil society is a way of getting more value from public assets and supporting community engagement at the same time. Examples include bringing more empty office blocks or unused green spaces into community use, or opening up schools, libraries and other public buildings which are locked up at night. Until now discussions about the transfer of public assets have been caught up in the red tape surrounding the permanent transfer of buildings to community groups and concerns about ownership arrangements. Community groups should have the right to reclaim wasted public assets when they are unused or underused. Where a group can prove greater public benefit, spaces should pass to the community by default (on a temporary basis). The Young Foundation is currently working with Essex Council to prototype this type of rapid but temporary asset transfer.

**BOX 2****MYDEX**

Data about most of us can be found in hundreds of databases. Some data is held by banks and retailers, other data by government agencies. Some of the data is wrong. Occasionally large data sets are lost. Few of us feel in control of who knows what about our personal data.

The alternative of using trusted personal data is exemplified by Mydex, founded by entrepreneurs and digital rights activists William Heath, Iain Henderson and Alan Mitchell. This community interest company, backed by the Young Foundation, equips people with a platform for managing, sharing and realising the value of personal data about their details and preferences. Mydex represents one of the most radical ideas for shifting power from big government and big business towards the community and the individual. Mydex works on smartphones and PCs. It provides a personal data store, third party authentication or verification of claims, and selective disclosure either for each transaction or over time, with the aim of helping people protect and realise the value of their personal data as they transact online. Live service starts in autumn 2010 in a community prototype with two local councils, a leading social network and online authentication services. The medium-term aim is to create a citizen-owned organisation that will protect and organise personal data and ensure it is used with integrity.

# 02 /

## Develop new tools to help people organise for themselves

A second step is to support new tools and platforms that can help people organise themselves in ways that improve their daily lives. The internet makes this much easier than in the past. A range of new platforms are becoming the keys to community activity, from the very local level to global platforms like Kiva, which channels finance to social projects around the world.<sup>9</sup>

The Young Foundation has supported the proliferation of timebanks such as Spice (see box 3), which creates time banking schemes within schools, housing associations and communities providing a way for people to exchange time.<sup>10</sup> We also support the spread of local websites which provide a place for news, organising community activities enable people to report local problems and are currently advising four local councils on tools such as blogs, social networks and mobile phones to support local action.<sup>11</sup> Previously, the Young Foundation and MySociety developed [fixmystreet.com](http://fixmystreet.com) to allow people across England to report environmental problems and damaged public facilities directly to the council and other authorities.<sup>12</sup> The development of strong neighbourhood websites, combining news, exchanges, discussion groups and marketplaces, and bringing together people of all ages, could be the single most practical step to change the feel of community life across the country.<sup>13</sup>

Platforms of this kind have the potential to transform many areas of daily life. The School of Everything is another organisation supported by the Young Foundation which delivers a way of connecting people who want to teach with people who want to learn (it hosts over 25,000 teachers). It delivers a radically more effective way to support adults wanting to learn through informal learning circles.<sup>14</sup> Meanwhile, in the field of health, we've been helping Tyze which uses social network technologies to organise a network of support for vulnerable older or disabled people. Friends, family, doctors and others can coordinate their visits and provide help when it is most needed, even for simple tasks such as cooking a meal or prescription reminders.<sup>15</sup>

Most of these platforms are relatively cheap. But they are not easy to fund: they do not provide financial returns to commercial investors; they do not fit into existing public funding categories; and philanthropic funding has tended to steer clear of new technologies. A small slice of new funding allocations for the Big Society should be devoted to platforms and networks that can help people to organise themselves – through grants, conditional loans and in some cases equity.

**BOX 3****SPICE – TIMEBANKING TO MOBILISE COMMUNITIES**

Timebanking helps communities share skills and knowledge, allowing people to ‘deposit’ time and help others and ‘withdraw’ it when they need something done themselves. Various types of time bank have been in existence for several decades. Spice, which came out of the Wales Institute for Community Currencies and is supported by the Young Foundation’s Launchpad, is a distinctive new model of timebank that embeds the bank within a school or housing association, helping to rediscover community spirit and local identity in parts of Wales hit hard by industrial decline. There are now more than 40 Spice projects across South Wales. For example, the Creation Development Trust hosts a ‘time centre’ at its base at Blaengarw Working Men’s Hall where time credits can be used for helping to organise social events, help out in the hall, work on environmental and arts projects, volunteer at summer play schemes and help organise the local carnival. In return credits can be spent on a range of local services from meals at the community café to the internet room above (which can only be paid for with credits). Discussions with a bus company planning to let people part-pay with time credits have been held and in the future social housing tenants may even be able to pay their rent with the local currency. In Blaengarw around one in three people in the former pit village are now signed up to timebanking.

In Bettws, another former mining village, the timebank based at Bettws Boys and Girls Club is credited with helping crime drop by 17 per cent in the space of a year. In partnership with the local school, police, youth offending team and community groups, it has got young people involved in activities such as anti-bullying projects and clean-up days. The time credits earned can then be spent on trips out and classes in everything from judo to carpentry. Spice is working to replicate its success in Wales by setting up timebanks in communities across England.

# 03/

## Develop new finance for social impact

Social growth needs new sources of finance. Some of that has to come from government. Some can come from philanthropy. More should come from business, which currently accounts for only 2 per cent of the funding available to civil society.<sup>16</sup>

What is needed, however, is not just more money but better designed money: finance that addresses the misaligned incentives in social policy or fosters a culture of prevention rather than cure. Financing models could ensure that local authorities or NGOs responsible for providing services to young people get a share of the benefits from reductions in prison numbers or benefits bills which they can account for. Likewise, civil society organisations could be funded to focus their activities on preventing negative outcomes, rather than intervening once people reach crisis, or for investing heavily in early years support which yield greater long-term social gains. We think that financing tools such as Social Impact Bonds can address these policy misalignments and incentivise a culture of prevention by bringing together the costs and benefits associated with activities focused on positive outcomes (see box 4).

Following a protracted debate about how best to use unclaimed assets in bank accounts (including a decade of

discussion on the potential for a Social Investment Bank), the government recently committed itself to creating a Big Society Bank. A key early inspiration was the National Community Development Initiative (NCDI), a coalition of banks and foundations that fostered remarkable numbers of community development corporations in poor communities across the US by providing finance and building capacity.

The shape of the Big Society Bank remains unclear. Critics fear that it could become both over-centralised and over-dominated by bankers without a feel for the realities of community development. There is a risk that, like other funds in the past, the bank will make only low risk and, consequently, low impact investments, often secured against property. This would echo the broader weakness of finance in the UK which has traditionally been criticised for its unwillingness to invest in new technology or entrepreneurs. A key lesson of the NCDI was the need to combine a range of different types of funding, including grants, loans and quasi-equity, alongside a strong emphasis on supporting capacity. If the Big Society Bank ends up dominated by bankers rather than society, a great opportunity will have been missed.

**BOX 4****SOCIAL IMPACT BONDS**

Two years ago the Young Foundation coined the term ‘Social Impact Bond’ (SIB) and developed a series of ideas for new financing tools that could be used to support better outcomes in criminal justice, health and education.<sup>17</sup> There are many variants of how this could work. For example, a local authority could borrow on existing markets for a package of investment in a social impact programme, such as supporting teenagers at risk of NEET status get into employment or training. The programme would be delivered by a new partnership of statutory and third sector organisations. The authority would then receive a series of future payments from national government if particular milestones were achieved. This could range from the numbers of participants who achieved educational qualifications relative to an agreed baseline of similar local authorities to a reduction in offending. Similar programmes could focus on improving lifestyles, measure through fewer hospital admissions. The repayments received by the delivery agencies would be a proportion of the lifetime savings to national government.

Others could take the form of a contract between national and local government. The first philanthropic SIB was signed in Peterborough shortly before the 2010 general election with the previous government by a new organisation, Social Finance.<sup>18</sup> Several local authorities are now developing different kinds of SIB.

# 04 /

## Support (the right) social enterprises to scale

Government ministers who witness the work of good voluntary organisations often ask why these can not simply be scaled up or rolled out nationally. Those involved are naturally proud of what they do and echo the point. But although they can often be more effective than mainstream services, experience has shown that projects that work well at small scale do not necessarily grow successfully. To grow they have to standardise and simplify what they do; sometimes they have to get rid of their founders and change their internal structures. Successful social ventures are, on the whole, rooted in a locality, personalities and relationships. Often it is their very smallness that makes them effective.<sup>19</sup>

Rather than seeking to grow any project that works, we favour intelligent scaling. This means being smart about selecting those things that can and should be grown, and those which should remain small. This requires a stronger field of social venture intermediaries which can help spread what works, helping innovators and social entrepreneurs to refine their business models, build the right teams, and improve their effectiveness. There is also a role for 'social enterprise mutuals' bringing together smaller social enterprises to bid for contracts, to share some back office functions and to work together to take over

elements of the public sector that can no longer be funded.<sup>20</sup>

David Cameron has talked about the need to spot, nurture and grow the best social enterprises. A small social venture field is beginning to take shape, and getting better at doing this. The Launchpad teams at the Young Foundation are probably the closest to what Cameron has described, investing in new social ventures sometimes developed in-house and sometimes by social entrepreneurs. Learning Launchpad<sup>21</sup> for example backs dozens of social ventures, such as Working Rite<sup>22</sup> (see box 5), Studio Schools<sup>23</sup> (the first of which will open in September 2010) and Fastlaners, supporting unemployed graduates. Its counterpart, Health Launchpad<sup>24</sup> has developed projects which tackle unmet health needs, such as Maslaha (a website which steers Muslims through everyday dilemmas, including those which prevent them from accessing proper health advice),<sup>25</sup> Neuroresponse (see box 6)<sup>26</sup> and the Healthy Incentives Company (pioneering new incentives to help people adopt healthy behaviours).

Other intermediaries are also developing a track record. They include UnLtd,<sup>27</sup> funded out of the lottery and backing individuals with promising ideas, and a number of social investment funds or

venture philanthropists mainly aimed at more established organisations, such as Impetus<sup>28</sup> and Venturesome.<sup>29</sup> A high proportion of these bodies focus on finance. Another small group of service design organisations are using design models to create new types of public service, such as Thinkpublic<sup>30</sup> and Participate.<sup>31</sup> All these intermediaries have a

role to play in growing a more effective civil society. A major priority for the Big Society Bank will be to support a range of different models, some acting as investors to grow existing organisations, some supporting start-ups and innovations, and some focusing on addressing specific problems such as supporting chaotic families or helping young people into work.

## BOX 5

### WORKING RITE

Working Rite is a social enterprise which is successfully scaling up, while maintaining its original ethos. It began as a mentoring project in Leith, Scotland, matching teenage boys with local tradesmen. In 2007, the first English Working Rite opened in Sheffield and, with support from the Young Foundation's Learning Launchpad, the project is now up and running across Scotland. Working Rite is successfully scaling up because it taps into a demonstrable demand - in this case a desperate need for apprenticeships which is not being adequately met by the large registered training providers currently targeting the one million young people in Britain not in education, training or employment (NEET).

Sandy Campbell, a former trade union member and activist, began developing the idea for a modern rite-of-passage for young people after studying rituals across the world. His model is based on the insight that for a young person who has spent 11 years or more failing to learn in classroom-based learning, more of the same is unlikely to transform their life chances. Moreover, token employer engagement, such as unpaid work experience doing low-level work, is insufficient to prepare young people adequately for the world of work. Working Rite focuses on linking teenagers to builders and other tradespeople in a strong one-to-one relationship. The Coalition has committed to creating 100,000 new places based on the Working Rite model.

**BOX 6**

**NEURORESPONSE**

A majority of the NHS's costs now go on long-term conditions, such as heart disease and diabetes, rather than on acute conditions. But most health services were designed to deal with acute conditions. Health services everywhere have struggled to adapt. A good example of a radically different approach, which simultaneously cuts costs and improves patient experiences is Neuroresponse, a new service for people suffering from Multiple Sclerosis. Neuroresponse was developed by a senior nurse – Bernadette Porter, drawing on her experiences and the views of people suffering from MS. It has received backing from the Young Foundation and the UCLH NHS Trust. Neuroresponse provides support through the phone, the internet and email, and through a video clinic. It greatly cuts down on the need for hospital and doctor visits, and provides much faster help in handling crises. Early pilots suggest it could achieve cost savings of as much as 50%. Neuroresponse is a social enterprise – and an example of the kind of radical innovation that is very hard to develop within either the public sector or the private sector. It's also a good example of a social enterprise that has the potential to be scaled up nationally and internationally, and adapted to other long-term conditions.

# 05/

## Open up public services to society

Public services should be seen as a part of society, not an alternative to it. GPs, primary schools and libraries can, and do, play a crucial part in community life. Likewise, residents play a significant role in the delivery of public services. For example, half a million people volunteer in the NHS and nearly as many are school governors in state schools. But most public servants still find it hard to collaborate with civil society. This will need to change as they struggle to make cuts of between 20% and 50% over the next few years and rely on people for the delivery of services even more.

In the last five years we have piloted a range of different ways for public services to become more open, and to amplify ideas coming from the community rather than forcing them to fit into the public sector's rules and structures. For example:

- Social Entrepreneurs in Residence (SEiRs) have been appointed in London and Birmingham, situated within the public sector but charged with finding and growing the most promising social ventures, as well as ideas from frontline staff.<sup>32</sup> This is an idea that is now ready to spread into many other parts of local government and the health service (see box 7).
- Social Innovation Camps bring together web designers and volunteers in

intensive weekend workshops to design more effective public services online, achieving results at a fraction of the cost of traditional public sector IT contracts.<sup>33</sup>

- Until recently, the London Collaborative brought together all of London's public sectors, alongside civil society and business, to create problem-solving teams to address practical issues such as unemployment, retrofitting of housing and behaviour change. The idea was to create a network of collaboration alongside the more formal bureaucratic and partnership structures. Variants of the model are now being developed in various cities around the world.

We have also developed proposals for community entrepreneurs or brokers to link up communities, public services and community dividends that give a share of savings from the public purse back to the communities that achieve them.<sup>34</sup> Part of their aim is to help public services mobilise community capacities better. This could be measured through research tools such as Social Network Analysis, that map the relationships between statutory and community actors in local areas in order to show whether partnerships between local service providers and residents are purely cosmetic or genuinely offer people a share in power.<sup>35</sup>

The key to achieving a more open public sector will be to develop a more transparent model of public service commissioning that's responsive to civil society. At present there are strong pressures to commission public services at ever greater scale, which inevitably benefits big commercial providers at the expense of smaller social enterprises. One relatively quick solution is to develop the

skills of those procuring services, to help them understand what social enterprises can offer, how to manage risk and how to hold providers to account. They also need to be supported in commissioning innovations which could be useful for the whole country.<sup>36</sup>

**BOX 7**

**SOCIAL ENTREPRENEUR IN RESIDENCE**

Social Entrepreneurs in Residence (SEiR) were developed by the Young Foundation to help public organisations make the most of the innovative capacity of local social entrepreneurs and their own frontline staff. They sit within public service commissioning bodies and scout for social entrepreneurs with ground breaking ideas that can meet the pressing needs of the public sector. They then provide a mix of coaching support and investment to develop new ideas into sustainable and scalable ventures.

Two SEiRs are currently operational. Eleanor Cappell is based in NHS Birmingham East and North. Within three months of her appointment she identified 45 ventures with the potential to become commissioned as a mainstream service, with a particular focus on issues that carry a high cost for the NHS. Examples include Saheli - working to improve the mental and physical health and qualifications of Asian women and girls - and Start Again - helping to improve the mental health of marginalised young people. Projects are supported because of their potential to meet health needs more cost-effectively than other alternatives. The second SEiR, Philip Tulba, is based in Kingston, working on issues ranging from dementia to public health.

## 06/

## Promote a sense of belonging and community empowerment

We feel socially wealthy only if we believe that our voice will be heard. When residents are alienated from where they live because of the behaviour of public agencies, the quality of the environment, or because they are intimidated by the behaviour of a minority in their community, then they are likely to feel poor even if their income is rising.

Empowerment matters both at the very personal level and for communities as a whole. Knowing that there is someone who can get help in difficult times or simply knowing your neighbours well enough so that they can give day-to-day support, such as taking in parcels or holding a spare set of house keys, helps people feel that they belong. We think that there are many simple, and relatively inexpensive, steps that help build these social connections - from organising community festivals to giving new parents contact emails of other new parents in their area (as practiced in Denmark). These kinds of links often matter most for the elderly and for young people. In Wiltshire, for example, we are working on an estate in Salisbury to rapidly redesign expensive statutory support service for chaotic families and turn them into leaner services funded by the public sector but matched by local

civil society support. The aim is to build a partnership between public services and local groups in ways which encourage residents to get to know their neighbours. One set of activities involves engaging elderly residents in community parenting activities. We believe activities like these can do more to help local people than expensive public sector provision, such as regular social services visits.

Our research has shown that people are very sensitive to the feedback they receive from their environment – they are very perceptive to the signals that they are welcome or appreciated. The Future Communities programme is testing a range of models in new housing developments, to ensure that the housing estates being built now don't become sinks in the future. We're exploring options for promoting belonging in Lozells (Birmingham), Barking Riverside (London) and in Malmö (Sweden). They range from better physical design to promote neighbourliness and safety and institutional innovations like the establishment of large-scale Community Land Trusts to ways of using universal access to the internet and mobile applications to foster better relations between neighbours.

To feel empowered and that you belong it's also important to have governance structures that allow you to exercise real voice and influence on the issues that matter most (see box 8). The units of British local government are unusually large by international standards, partly thanks to repeated reorganisations

which claimed that bigger scale would achieve efficiencies. There was never any serious evidence to support this claim, and international experience shows that very competent, and engaged, local governments (and indeed national governments) can exist at very different scales.

**BOX 8**

**GETTING PEOPLE TO GOVERN THEIR OWN NEIGHBOURHOODS**

Communities of place continue to matter to people. Most of the public services which people use regularly are delivered in the local community, regardless of whether they are organised centrally by public agencies. Most children go to school in or very near where they live. People will always prefer to interact with a local GP than a faceless hospital ward. And communities of place play a fundamental role in people's sense of belonging and in this way are critical to their wellbeing.

But even so, people are largely disconnected from local politics and decision-making. Barely a third feel that they can influence decisions in the area where they live. The reasons for this are complex. Through our research we have shown that decision-making feels too distant to be relevant to people's everyday lives. We have also demonstrated that there are only limited meaningful opportunities for people to influence decisions and shape local services (rather than be consulted on pre-determined options). Local governance structures are too complex and bureaucratic for many people to understand how and where they can make a difference.

The Young Foundation has proposed a number of measures which we think could further push power towards the people who make up our communities of place. First these include powers to act on very local issues, like tackling problems with public spaces, incivility and grime that are often seen by councils as "too small" to deal with. Second, there are powers to influence decisions about other local services like street cleaning, waste disposal, recycling and youth services, as well as more strategic services like health and education. This means rethinking consultation to enable residents to express needs and local issues before services are designed, rather than consulting after the fact. And finally there need to be powers to call to account and publicly challenge public agencies and decision-makers, such as the police and planners. This includes making it easy for residents to help in the performance management of contracts should they wish. We have tested and piloted these powers through community inquiries, community taskforces, and hyper-local community media such as citizen reporting and local websites.

## 07/

## Grow a new generation of local leaders

One of the main lessons of recent regeneration projects has been that many areas of the UK suffer from a serious deficit of leadership. The role played by the political parties, churches and trade unions in developing young leaders has atrophied. The space has sometimes been filled by extremist organisations. More often it has left behind just apathy and anger.

In 2007, we created Uprising, a programme which aims to respond to this serious deficit of effective and representative leaders in many parts of Britain (see box 9).<sup>37</sup> Uprising is now in its third year in London, preparing an extraordinary group of young people to become leaders, through a combination of training, mentoring and learning-by-doing through community campaigns. The model aims to synthesise the best of parallel approaches, from formal leadership programmes to community organising, and is now being scaled to other cities.

There are other excellent leadership programmes – such as Citizens UK,<sup>38</sup> Peacemakers in Oldham,<sup>39</sup> Clore,<sup>40</sup> Common Purpose and the School for Social Entrepreneurs<sup>41</sup> which for over a decade has pioneered a new way of growing dynamic community leaders.

We strongly believe in growing this field. Anyone who spends time with dynamic young leaders in communities comes away with their optimism restored. But often the most energetic young people lack some of the key skills and contacts to get things done. The Youth Leadership Fund, managed by The Young Foundation, has supported 37 organisations. It identifies, develops and expands youth-led projects which help the most disadvantaged 13 to 19 year olds access the training and support which can help them become active citizens. Over 1,200 young people have benefitted from a diverse range of projects, from an urban dance school which builds confidence and develops management skills (TruStreet Dance Academy) to a national environmental awareness programme developed and run by young people managed in collaboration with the Campaign for National Parks.

**BOX 9**

**UPRISING**

The Young Foundation's UpRising programme is focused in the East London boroughs of Barking and Dagenham, Newham and Tower Hamlets and will be launched in Birmingham this year. UpRising works with talented young people, aged 19-25, equipping them with the skills, knowledge and confidence to transform their communities for the better.

The programme is driven by learning through experience. In addition to the regular training sessions, the UpRisers see how the levers of power work behind the scenes in Parliament, government departments and the media. They test their new skills by running their own local campaigns. UpRisers receive one-to-one support and are each paired with a personal mentor - young public leaders who can offer support, advice and guidance throughout. Three years on, UpRisers have launched anti-BNP campaigns, become school governors, sit on grants committees and have successfully pushed for changes in legislation.

## 08/

## The economy needs to be part of the Big Society

One of the oddest features of the many speeches about the Big Society is how little they have mentioned the economy, despite coinciding with the deepest financial and economic crisis in living memory. Many have attributed some of the depth of the crisis to the detachment of finance and the economy from society: excessive risk-taking; financial models that were far removed from any real economic activity; and a loss of moral compass in large parts of the financial sector all played their part. Many of us, in the UK and around the world, will be paying a very high price for these mistakes for many years to come.

The dramatic failure of some parts of the economy has highlighted the relative strength and resilience of those parts of the economy which are more rooted in society. These include the mutualised parts of the financial sector (the privatised building societies did far worse than those that remained mutual). The cooperative sector is thriving as are social enterprises.

In recent decades civil society has increasingly focused on making the economy more socially aware and more socially integrated. This has happened partly thanks to pressure from lobby groups, partly thanks to new types of standard and branding (such as the Fair Trade movement) and partly thanks

to the growth of new types of business organisation, such as Community Interest Companies. Around the world, a wide range of new economic models are thriving, combining economic and social objectives.<sup>42</sup> All of these go far beyond the relatively modest activities often described as ‘corporate social responsibility’.

The government has many tools at its disposal to apply ‘Big Society’ thinking to the economy, particularly in finance given its stake in the banks. The recent Carnegie Inquiry on the Future of Civil Society (see box 10) included a range of detailed recommendations for banks, financial institutions and the role of civil society’s own assets (which amount to around £200bn).<sup>43</sup> However so far the government has remained largely silent on the economic dimension of the Big Society.

**BOX 10**

**MAKING GOOD SOCIETY**

The independent Commission of Inquiry into the Future of Civil Society (supported by the Carnegie Trust) brought together leading figures from across the voluntary sector, business, politics, the media and faith. Its report, published in the spring of 2010, advocated a major shift of power and responsibility to civil society. The inquiry focused in particular on how to:

- Grow a more civil economy
- Enable a rapid and just transition to a low carbon economy
- Democratised media ownership and content
- Grow participatory and deliberative democracy

In each field detailed recommendations were made. The inquiry drew on hundreds of events across the UK and Ireland, input from an international advisory group and original research.

## 09/

## Think and learn globally

Most of the big issues facing the UK are not unique. Other countries face very similar challenges: ageing, inequality, crime and climate change. But traditionally we have not been good at learning, particularly from countries that do not have English as their first language.

Just as economic growth depends on our appetite to adopt the best manufacturing methods or technologies wherever they are, social growth requires us to be hungry to learn from the best ideas across the world. In the same way that institutions exist to promote rapid learning in the economy and technology, we need something comparable in the social field.

Four years ago the Young Foundation and a group of partners from around the world set up the Social Innovation Exchange (SIX) to fill this gap. SIX now runs events all over the world with thousands of member organisations and individual social entrepreneurs and community activists. SIX has also engaged many governments around the world – including the President of Portugal, the President of the European Commission, senior ministers in China and Brazil and leading advisers in the White House, as well as global foundations such as Rockefeller and Gulbenkian, and companies like Philips and Cisco.<sup>44</sup> Much is being learned about how to make systems innovative, including creative

partnerships across the boundaries of the public, private and voluntary sectors. SIX now provides hundreds of case studies and practical tools to help people accelerate social change.<sup>45</sup>

The UK has a strong message to tell the rest of the world about how a vigorous civil society can invent, act and campaign. We also have a lot to learn, and not just, as in the past, from the English-speaking world. The Big Society needs wide horizons if it is to succeed.

# 10/

## Measure social growth and make the key indicators part of the national conversation

Governments naturally want to know what is working and what is not. That is why any programme for social growth needs tools to measure its success (as well as failures). Over the last few years the world's statisticians have been working hard to better measure social growth and social progress.<sup>46</sup> In France, the Stiglitz report commissioned by President Sarkozy proposed adapting GDP to better reflect the true value of economic and other activities.<sup>47</sup>

We see three main priorities for the UK. The first is the need to make sense of what is happening within localities – to map their needs but also their strengths and capacities. The Young Foundation has developed a comprehensive measurement method in collaboration with central government, the Office for National Statistics and local authorities called WARM – the Wellbeing and Resilience Measurement. This is now being piloted in a number of areas, including Birmingham and Salisbury, building on our work to understand changing needs (see box 11).<sup>48</sup>

The second priority is to be able to assess innovative projects and social enterprises. For the health services we have developed the i5 tool which measures social impact. This is being used to assess funding for innovative projects in health and social

care, analysing the full range of impacts from health gains to employment, as well as assessing cash savings. We think it has much wider application across public services and could help to usher in a more sophisticated relationship between public services and civil society.<sup>49</sup>

The third priority is to change the nature of the national debate. In the light of criticisms about diffuseness, measurement will be a key part of making any Big Society programme more precise. We believe that government should develop 3-4 indicators of social wealth and monitor these more regularly and on a larger scale, as they do with key economic indicators. The key ones could include:

- Measures of social connectedness (in 'Sinking and Swimming' we set out many measures such as how many friends and family people can turn to for support and encouragement).
- Measures of social capital (there are various competing alternatives such as how much we trust others or how many people in a neighbourhood help each other)
- Measures of influence (whether people feel that they can influence decisions in their communities or whether they participate in politics)

- Measures of collective efficacy (whether people are willing or feel able to help each other out when things go wrong)
- Measures of wellbeing (primarily, asking people how satisfied they are with their lives).

Increasingly these measures should become part of national debate, reported on the TV news in the same way as economic indicators.

The government has set out its plans for deficit reduction but not for harm reduction – it lacks reliable tools for judging which cuts will do least long-term damage to society. Nearly two years ago David Cameron suggested that the Treasury should apply a social value test to public spending: we believe that this is more urgent than ever, and that variants of the tools described in this section provide part of the answer.

## BOX 11

### WELLBEING AND RESILIENCE MEASUREMENT (WARM)

WARM is a new tool to help communities understand their underlying needs and capacities. It brings together a wide range of indicators to measure wellbeing (how people feel about themselves and their communities) and resilience (the capacity of people and communities to bounce back after shock or in the face of adversity). WARM captures both a community's assets, including levels of social capital, good schools and public services, or high educational achievement; as well as vulnerabilities, including levels of depression and unemployment. Unlike conventional 'deficit' models which assess what is needed in a community and focus solely on what is wrong (factors like crime or homelessness), WARM also captures what is going well. The focus is on subjective as well as objective data. WARM combines measurements of social capital – assessing the strength of local relationships – with how people feel: whether they belong in an area, psychological wellbeing. It also captures the availability of services and quality of infrastructure.

The WARM framework does not require additional data collection. Instead, it enables communities and agencies to use existing data to build a fresh understanding of local neighbourhoods. The approach is not traditional performance measurement. Rather than offering a way of comparing performance and needs between local authorities or neighbourhoods, our framework lets communities explore the detail of what goes on in their area, looking at the experiences of different groups. WARM can isolate which communities within an area are faring well and which are struggling. It can also pinpoint the 'hotspots' of wellbeing and resilience, as well as the areas where people are most under strain.

At a time of scarce resources, WARM helps agencies understand where investment is most needed, and guides them through the difficult decisions of where to disinvest. The conclusions of the WARM analysis are likely to point agencies towards a greater emphasis on services that help people build social networks and reduce isolation, alongside more traditional support for families and children, and to help people find and keep work.

## Conclusion: the big risks

A political programme that focuses on civic action brings with it many risks. Some are obvious: the public may well see it as cynical, a cover for cuts. The people who are already active in communities may resent government appearing to claim their work as its own. It could appear too party political. And it could end up as little more than a label for a smattering of useful volunteering initiatives that would probably have happened anyway.

There are also subtler risks. One is excessive haste – most useful things at the level of communities take time. Government shouldn't push forward a torrent of initiatives, all short-term without follow through. Nor should government use overly blunt instruments, talking about community engagement while at the same time acting in heavy-handed and centrist ways. People will look at what government does, not what it says. Too much complexity saps the energies of the very people and organisations with the most to offer.

But the most immediate risk at a time of severe fiscal constraint is that government will cut the promising future not the ineffective past. These are the moments when the easy thing for governments to do is to cut what comes from the grassroots – and concentrate resources on incumbents and powerful vested interests. This is already happening within departments and agencies – those facing cuts of 15-25% are planning cuts of 30-50% in

their funding for civil society. Innovation to develop better models for the future is being squeezed right back.

Yet in business the most successful organisations maintain investment in research and development even during the hardest times. Without tangible commitments to innovation as part of debt reduction, the risk is that fiscal consolidation will lead to service stagnation and a more disempowered public.

We've advocated in the past that a minimum of 1 per cent of public budgets should be invested in innovations that could deliver significantly higher impact and productivity – and we believe that this matters even more during a period of austerity.<sup>50</sup>

If we are lucky, economic growth will pick up over the next few years. But at a time of severe cuts in public spending the risk of a decline in social wealth is real. As services shrink, people may turn inwards, to fatalism and resentment. There's a risk of divisions becoming more acute, particularly in poorer areas. A serious, hard-headed programme to support social growth will be needed even more than in the boom years.

The Big Society may have begun as a slogan rather than a philosophy or governing programme. But it has the potential to evolve into something more serious – the test will be whether over the next 6-12 months government begins to complement its already announced initiatives with action on the various fronts described above. If it does the cynicism and scepticism may be dispelled.



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5. Cordes C, Hothi M and Woodcraft S (2010) The end of regeneration? Improving what matters on small housing estates London: the Young Foundation.
6. Cordes C, Savage V and Norman W (2009) Meet the Parents: stories of teenage pregnancy and parenthood in Lewisham London: the Young Foundation.
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9. [www.kiva.org](http://www.kiva.org)
10. [www.justaddspice.org](http://www.justaddspice.org)
11. Hothi M (2010) Listen, Participate, Transform: a social media framework for local government London: the Young Foundation.
12. [www.fixmystreet.com](http://www.fixmystreet.com) 'It's buggered mate' site in Australia is a successful replica of the model, see: <http://its-buggered-mate.apps.lpmdules.com>
13. See [Http://local2point0.wordpress.com](http://local2point0.wordpress.com) for the Local 2.0 blog.
14. [www.schoolofeverything.com](http://www.schoolofeverything.com)
15. [www.tyze.com](http://www.tyze.com)
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18. [www.socialfinance.org.uk](http://www.socialfinance.org.uk)
19. Mulgan G, and Kohli J (2010) Scaling new heights Washington: Centre for American Progress and the Young Foundation. This is one of two reports on supporting innovation, aimed at US audiences, which was launched by CAP President John Podesta and Rockefeller President Judith Rodin in July 2010. It includes a series of recommendations on how the US federal government could better support the scaling of high impact social innovations.
20. The idea of a Social Enterprise Mutual was proposed by the Young Foundation in 2008 in work undertaken for the Office of the Third Sector. The Social Investment Business took the idea up for bidding for welfare-to-work contracts.
21. [www.learninglaunchpad.org](http://www.learninglaunchpad.org)
22. [www.workingrite.co.uk](http://www.workingrite.co.uk)
23. [www.studioschoolstrust.org](http://www.studioschoolstrust.org)
24. Learning Launchpad received its main funding from the Edge Foundation; Health Launchpad received its main support from NESTA. In both cases individual projects have raised the bulk of their finance from a wide range of other sources.
25. [www.maslaha.org](http://www.maslaha.org)
26. See [www.youngfoundation.org/our-work/ventures-and-investment/health-launchpad/portfolio/portfolio](http://www.youngfoundation.org/our-work/ventures-and-investment/health-launchpad/portfolio/portfolio)
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28. [www.impetus.org.uk](http://www.impetus.org.uk)
29. [www.cafonline.org](http://www.cafonline.org)
30. [www.thinkpublic.com](http://www.thinkpublic.com)
31. [www.participle.net](http://www.participle.net)
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40. [www.cloresocialleadership.org.uk](http://www.cloresocialleadership.org.uk)
41. [www.sse.org.uk](http://www.sse.org.uk)
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49. Reeder N and Hewes S (2010) Valuing service innovation in health London: Young Foundation. Available at: <http://www.youngfoundation.org/our-work/advising-public-service-innovation/health-metrics/health-metrics>. A recent article by Geoff Mulgan in the current issue Stanford Social Innovation Review sets out in more detail how social impact should and shouldn't be measured.
50. Mulgan G, and Kohli J (2010) Scaling new heights Washington: Centre for American Progress and the Young Foundation.



Few would dispute that in the years ahead government will be able to do less, and society will have to do more. The Big Society has been promoted by government as a framework for thinking about how this might happen. As an idea it has been much criticised both for vagueness and for diverting attention from spending cuts.

This report sets out how it could be made more tangible and useful. The ten point plan draws on dozens of practical examples that the Young Foundation and others have developed in fields ranging from community organising to jobs, social enterprise to data management. The report warns of the gap between the ambition of the Big Society and the modest proposals currently associated with it, and of the risk that cuts will fall most heavily on innovative social enterprises and small grassroots organisations rather than big public or private ones. It shows how government can develop better tools for judging the social value of public programmes and spending, to reduce the harm associated with deficit reduction. Finally, it recommends a sharper focus on social wealth and social growth to make it easier to judge, and measure, whether the policies associated with the Big Society are having any real impact.

