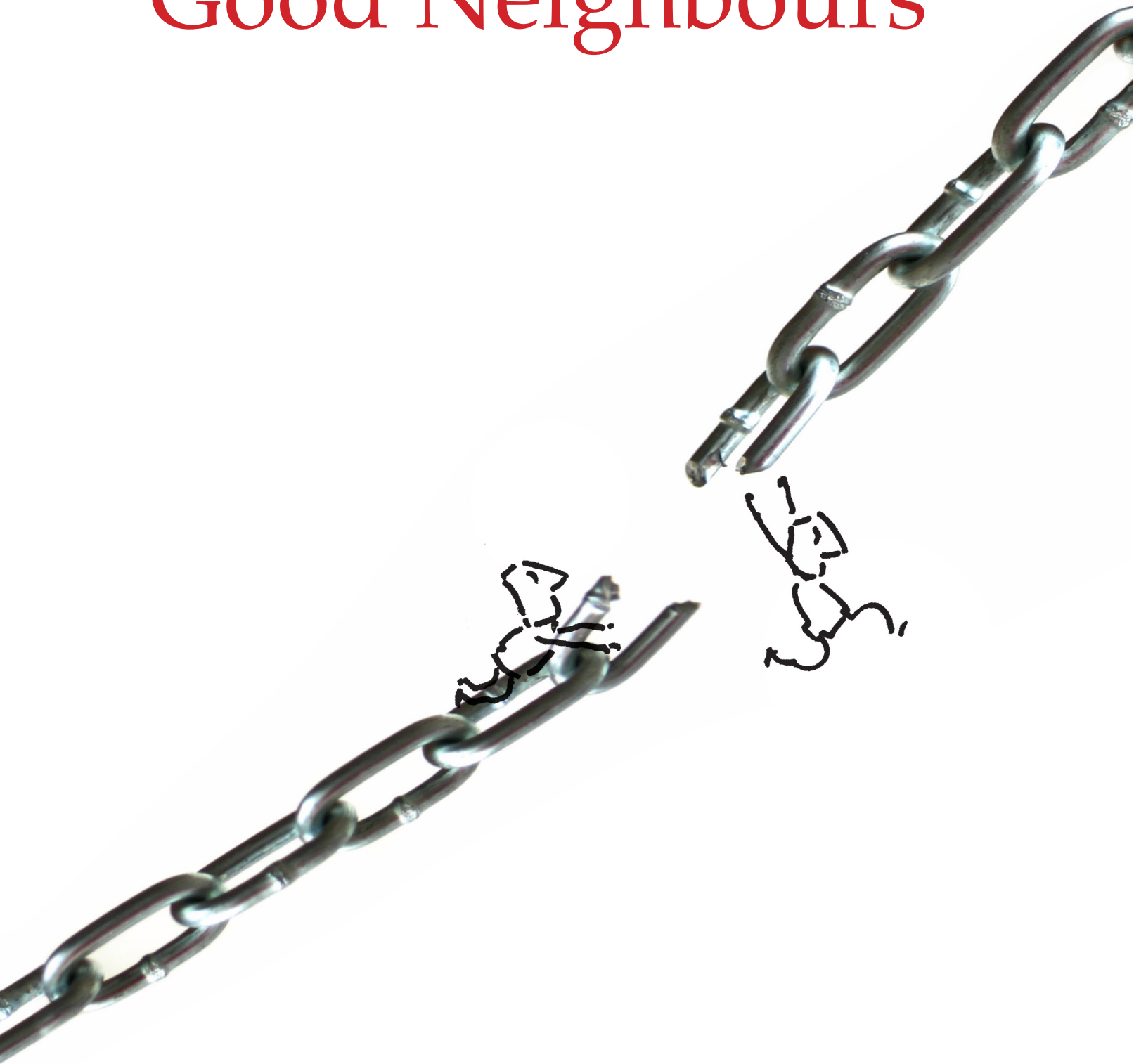

Unshackling Good Neighbours



Report of the Task Force established to consider how to cut red tape for small charities, voluntary organisations and social enterprises.

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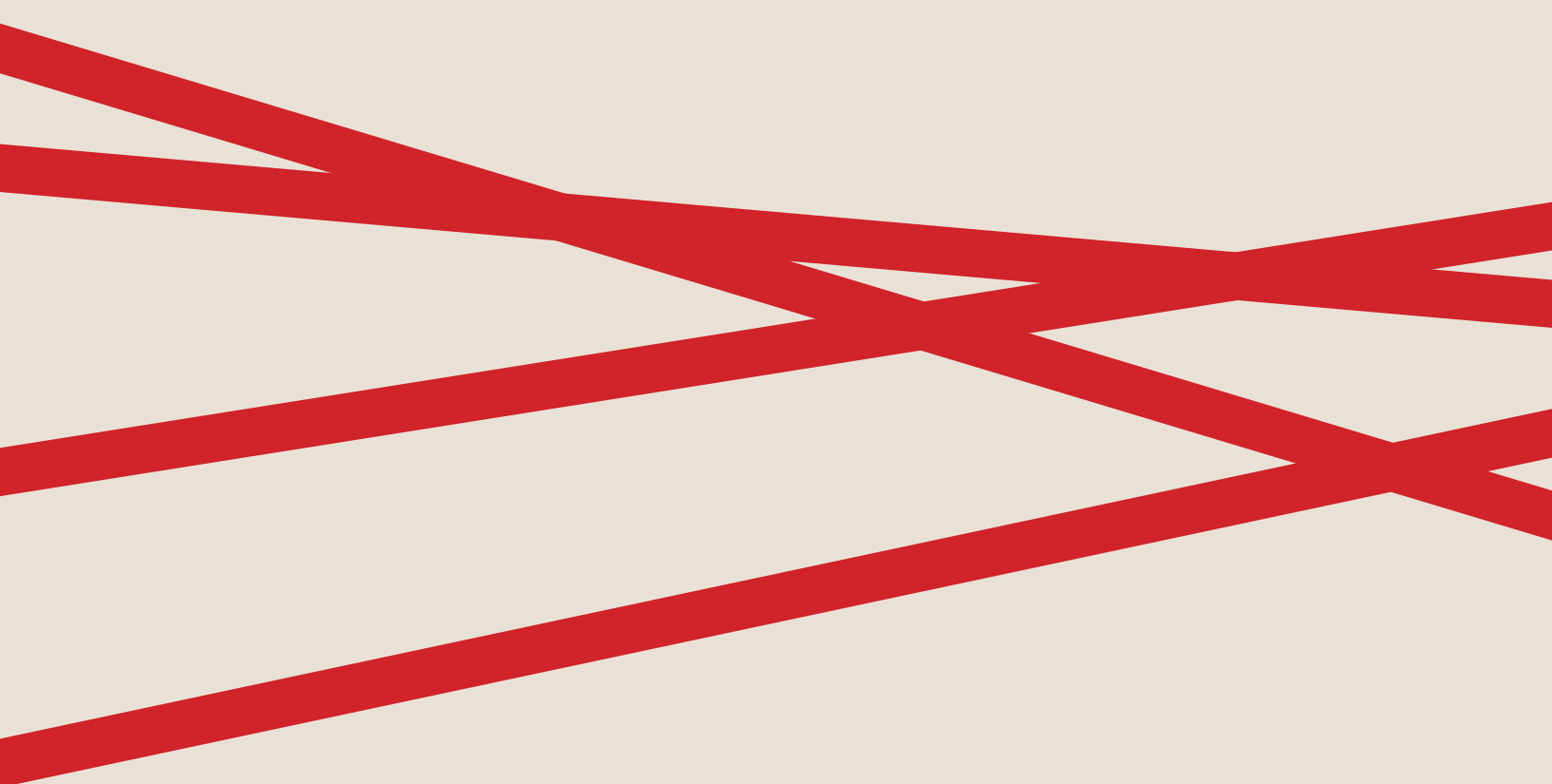
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I was asked by Nick Hurd, the Minister for Civil Society, and Mark Prisk, the Minister of State for Business and Enterprise, to bring together a group to identify what stops us all giving more time and money to civil society organisations (CSO's) (the collective noun we use in this report which includes small charities, social enterprises and voluntary and community organisations) and what prevents those CSO'S from growing if they want to. Increasing public engagement is clearly an important strand in a successful development of the 'Big Society'.

The Task Force has been overwhelmed by the interest shown by hundreds of individuals and organisations who responded to our call for evidence. We list them in Appendix E and if we have omitted anybody, we apologise. We want to thank them



all for the information and the ideas they gave us. The country is indeed fortunate to have such an army of committed volunteers and civil society organisations. We hope the recommendations of our Report will help them in the great work they do.

I am also extremely grateful to those who were good enough to join the Task Force and who devoted both their time and their experience and deliberation – Lynne Berry, Andrew Hind, Graham Melmoth, David Thompson and David Tyler. And last, but not least, my thanks to the secretariat who have supported us so well – Ed Anderton, Corinne Gray, David Hale and Steve Wallace.

We offer these recommendations to the Government, the sector and the public for debate and, hopefully, action.



Robin Hodgson

Lord Hodgson of Astley Abbotts

Introduction

Promises to reduce bureaucracy and red tape clearly strike a resonant chord with the public. Since the Task Force was announced in September, we have received submissions and comments from over 600 organisations and individuals. We are deeply indebted to them all, not least because an essential element of any successful rolling back are grass roots examples, showing in detail the perverse and often counter intuitive results of regulation. We have used as many of these as we can in the text of this Report to illustrate our recommendations.

Our work has been taking place against the background of a changing scene. While the Task Force has been studying the impact of red tape on civil society, a number of other initiatives have been running in parallel. These include the introduction of a three year moratorium on new domestic regulations for small organisations, reviews of Health and Safety, Criminal Records checks and contingent fee litigation as well as the launch of the Red Tape Challenge. There is also the Coalition Government's Principles of Regulation (Appendix F). Clearly, reducing the burdens on small businesses and civil society organisations is a key aim of a number of parts of government and we encourage CSO's to take the time to influence this where possible, for example by responding to the Red Tape Challenge.¹

That having been said, as our predecessors in the working parties that produced "Charities and Voluntary Organisations Task Force Proposals for Reform" in 1994 and "Better Regulation for Civil Society" in 2005 found, rolling back red tape and lifting the burdens is not as easy as it sounds. There are, of course, regulations which are unnecessary, have become unnecessary, are duplicative or have had unintended consequences. We have identified a number of

these in this Report and have made recommendations about them.

But far more significant in the battle against red tape is the prevailing attitude towards "risk", the downgrading of the value placed on "common sense" and on the enabling nature of English and Welsh Common Law. These factors together with a reluctance to extend any significant level of "trust" – not just amongst central and local government but no less importantly amongst the general public.

The Task Force has received a range of evidence identifying all too often that guidance is couched in negative terms, reinforcing the view that a lawyer, with a writ at the ready, waits around every corner. No sector is more affected by this mind set than small civil society organisations.

Snow Code

The Government's Snow Code² is an excellent guide about how members of the public can and should clear snow from pavements, in their neighbourhood. However, it opens with the following equivocal statement (our underline) that could create doubt in people's minds about whether or not they are running the risk of being sued:

There's no law stopping you from clearing snow and ice on the pavement outside your home or from public spaces. It's unlikely you'll be sued or held legally responsible for any injuries on the path if you have cleared it carefully. Follow the snow code when clearing snow and ice safely.

We suggest that the opening statement is changed to be more positive and the warning that the job needs to be done properly placed in the main body of the text.

² www.direct.gov.uk/en/NII1/Newsroom/DG_191868i



Shifting this prevailing negative mind set is a huge challenge and one that cannot be achieved by legislation alone. Our first contribution is to list in Appendix A some examples of actions anybody can take on their own initiative, to help their community.

Regulatory Environment

Of course there are “low hanging” fruit of specific regulations which need amendment or repeal. But for CSO’s, issues of enforcement are equally significant. For example, the Task Force received a good deal of evidence about uneven regulation of charitable collections, as the following shows.

Local Council Procedure

Local councils vary widely in their procedures. Doncaster Council, for example, assesses applications within 14 days. Wolverhampton informs applicants of the outcome within 12 weeks. Most councils require applications to be made a month in advance; but North Lincolnshire requires all applications to be submitted by 30 November for collections the following year. Basingstoke has a simple one page form requiring the name of the charity and proposed dates for collections. North Lincolnshire requires the names and addresses of the charity’s secretary, treasurer, auditors and bankers. Wolverhampton requires collectors to undergo a police check. Surrey Heath wants to know whether the collector is going to be accompanied by an animal. (Alan Bookbinder, The Sainsbury Foundation)

Such unevenness of enforcement leads very quickly to a disproportionate emphasis on regulations. A further complication appears to be that the enforcers are not always fully conversant or sufficiently well trained in the regulations they are supposed to be enforcing.

Birmingham Council

Birmingham City Council’s website³ makes it very clear when a child needs a performing licence from the local authority where they live to take part in some form of public performance. The website says a licence is not needed:

- When no payment is being made to the child or another person other than defraying expenses
- When there is no absence from school; and in the 6 months preceding the performance, the child has not taken part in other performances on more than 3 days; or the performance is given under the arrangements made by a school or made by a ‘Body of Persons’ approved by the Secretary of State or the local authority in whose area the performance takes place.

The National Children’s Orchestra performs in both Birmingham Town Hall and Symphony Hall. In August 2010 the children performing in its Under 13 Orchestra (which was the finale to a nine day residential course) met the above requirements. Despite this, and after lengthy discussions with Birmingham City Council, the Orchestra was still required to meet the Child Performance licensing requirement to enable it to perform.

This caused confusion among the local authorities from whom licences had to be obtained, some of which were not clear about the requirement; others were clear that a licence was not required and puzzled why Birmingham was asking for one. Further the licences themselves were extremely lengthy, requiring different sections to be completed by parents/guardians, teachers and health practitioners. The licences also included questions about racial origin etc, which did not seem relevant. (National Children’s Orchestra of Great Britain).

³ www.birmingham.gov.uk/child-entertainment



Introduction

continued

The Task Force has also been concerned at the evidence received indicating various ways in which the red tape “band-wagon” has developed. First, behind the regulations (however relevant) and behind the direct enforcers of regulations (however well intentioned) lies a tangled web of supporting players. A quick visit to the internet will reveal pages offering a chance to train to become an inspector of this or that (often for surprisingly low fees). So there are training establishments, trainees as well as trained personnel - all depending on the continuation of regulation for their weekly wages. So it is hardly surprising that few, if any, wish to question the value of what they are doing. In fact, they are much more likely to draw attention to the possibility of grave danger to the public of any reduction in their efforts.

Health and Safety in a Shropshire School

A school in Shropshire has been advised by a health and safety consultant that it needed to have a ceiling mounted projector, used for computer presentations, to be subject to a portable appliance test (PAT test) every year. In fact, Health and Safety Executive guidance on maintaining portable electrical equipment⁴ indicates that there should be a formal visual check every two to four years by someone trained to carry out such checks (not necessarily an electrician) and, if at all required, PAT tests are only needed every five years.

⁴ www.hse.gov.uk/pubns/indg236.pdf

A second aspect of this red tape “band-wagon” is the tendency for regulators to, as it was put to us, “take in each other’s washing” (ie to ask questions about regulations which are not directly their concern). For example, appropriate CRB checks are a legal requirement. Should the Charity Commission (responsible for enforcing Charity Law) be asking about CRB checks or OFSTED (responsible for educational standards) be asking questions about PAT checks? Should the responsibility not lie with the organisations to decide what is required to comply with the law? The present situation, in which small CSO’s are asked over and over about regulatory compliance, tends to undermine their confidence in their own judgment and to feel that “they must do something”.

Thirdly, the red tape “band-wagon” is caused by a blurring of the lines between “regulation” and “guidance”. Guidance is often produced in response to specific requests (a natural and entirely positive response!) but it can then assume the form of a legal requirement and so add to the regulatory burden. One of our respondents said that reading the Charity Commission’s Guidance on the duties of a trustee, left him feeling “terrified”. In reality, the obligations of a trustee are undoubtedly serious but nevertheless are quite capable of being discharged by a person of honesty and commonsense.

The Charity Commission

The Charity Commission accepted a recommendation from the “Better Regulation for Civil Society” Report that it should make clear in its guidance when it is referring to legal requirements and when something is basic good practice. A good example of how the Commission approaches the publication of complicated guidance to ensure that it is fit for purpose is its consultation on its new investment guidance for charities. The consultation draft ran to 75 pages, but the Commission also consulted on a summary document with basic information, signposting where more detail can be found. The responses to the consultation have resulted in the Commission making improvements to the text and also considering how to make the guidance shorter.

The Task Force welcomes the way the Charity Commission has implemented the recommendations of the last working group and propose that other public bodies, that do not clearly differentiate between legal requirements and good practice, should follow the Commission's example.

Finally, there are the myths. Anecdotes passed on via the factory floor, the pub or the golf club get picked up by local and national media. As regulators have told us, despite repeated efforts to "kill" these stories, they appear to have a life of their own.

The Task Force and the NFU

The Task Force Chair was approached after a meeting by a lady who said that she understood that the National Farmers Union (NFU) had advised farmers against using tractors to clear last winters snow on lanes around their farms.

In fact, in December 2010, the NFU advised its members on its website that it welcomed HM Revenue and Customs agreement that farmers could use red diesel to fuel their tractors when using them to clear and grit roads in extreme weather conditions. The NFU also said it would like to see local councils providing farmers with grit and other equipment, so they could really make a difference.

Issues for the Public

As noted above, rolling back red tape is not just a matter for national or local government.

Too often we have come across cases where CSO's welcome the role of the regulator as providing "cover" in case of problems. Reducing the bureaucratic burden will in part depend on charity trustees and members of CSO's having the confidence to trust their judgment and their common sense. For example, CRB checks are a lot more transferable than many people and organisations believe. Later in the Report we make some suggestions as to how the law could help in this.

Grass Roots

Many grass roots organisations are highly reliant on the goodwill of volunteers to support and deliver services. These organisations are acutely aware of the need to effectively safeguard their users but the cost of CRB checking volunteers is often prohibitive. Many volunteers are active in multiple settings, for example, the volunteer parent governor is also happy to help with the local scout troop, the school teacher by day is the volunteer soccer coach by night but even if they have had a recent CRB check, it needs to be done again by each organisation with whom the volunteer engages. This is costly and the red tape of completing another check puts people off volunteering. (National Youth Agency)

There appears to be a variable understanding amongst the public of what constitutes an acceptable level of "risk". One cannot, and should not, accept any death or injury with equanimity but increasing the regulatory burden to reduce risk in areas which are already low risk, but which public opinion and the media nevertheless perceives as "risky", may cost a great deal and achieve little, if anything.

Introduction

continued

There is also confusion about “transferred risk”. So while children may be saved from some risks by not going on school trips (though their educational experience may be reduced), risks still exist at home. The difference is that the public is inclined to accept the inevitability of these tragic events at home – an inevitability which they do not accept with regard to events on school trips.

Transferred Risk

An example of this “transferred risk” is the Hatfield rail crash in 2000 which caused four deaths. As a result, Railtrack imposed speed restrictions on many parts of the rail network, causing massive disruption. Consequently many people turned to road usage – a much more dangerous form of transport. It has been calculated that five additional people died on the road in the first month the Railtrack speed restrictions were in place (see “Who’s Risk is it Anyway⁵”). Moreover, the fact that in that year Reported Road Casualties Great Britain recorded that 3,409 people died in road accidents, compared to 39 on the railway in the years 1999 and 2000⁶, did not attract anything like the publicity of the rail crash because the figures were not unusual and therefore more accepted.

⁵ http://webarchive.nationalarchives.gov.uk/20100402230200/http://archive.cabinetoffice.gov.uk/brc/upload/assets/www.brc.gov.uk/risk_res_reg.pdf

⁶ www.transport-watch.co.uk/transport-fact-sheet-2.htm

Finally there is the role of the media in publicising accidents, lawsuits etc. Of course the media has an essential role to play in exposing incompetence and inefficiency. But reporting, which is not set in context, can give the impression of an overwhelming “danger” in becoming involved. Reports of bizarre legal cases, often written to show their futility, can have the perverse effect of still further discouraging volunteers whose psychological reaction is “I never thought I could be sued for that...!!”.

These are the key recommendations of the Task Force, which are explained in more detail in the sections that follow:

- Consider reforms to the law to clarify the extent of charity trustee and volunteer liability to encourage more involvement and participation.
- Eliminate regulatory duplication and repeated requests for the same information in slightly different formats, for example by Companies House, the Charity Commission and commissioners.
- Establish a Working Party to include representatives of the insurance industry and the CSO’s to address the insurance needs of the sector.
- Encourage fund raising for CSO’s by creating a new category of “social investor” and clarifying the position of trust law with regard to charities.
- Provide clear standard guidance as regards the licensing of fund raising events to local authorities and the sector. The Government should simplify the whole regime.
- Display posters prominently in all Job Centres encouraging volunteering and emphasising that it does not affect benefits.

What stops people giving time?

It was estimated that in 2010 as many as 41% of the population formally volunteered once a year, but the number volunteering once a month is only 26%⁷. What is behind this difference? The Task Force has concluded that the reasons people do not volunteer more regularly are the result of a subtle mix of economic and societal influences, in which regulatory structures play a part. In this section we have attempted to identify the main themes and offer ways they can be addressed.

⁷UK Civil Society Almanac 2010 at www.ncvo-vol.org.uk/almanac2010



What stops people giving time?

continued

Risk of Litigation

Rightly or wrongly the fear of becoming involved in litigation is a major preoccupation. We emphasise the use of the word “fear” – ask an individual about practical examples involving people they know and there are few responses. More often it is about “friends of friends” or “read in the newspapers”.

Lawyers with whom we have discussed this have focused very much on this point of myth rather than reality. Further, they point out that the law is there to protect “reasonable people”. In our view this latter argument fails to address this perception of risk – the time it takes, the potential cost exposure and the associated psychological pressure.

Those affected could be either individuals carrying out a voluntary act or individuals engaging in formal volunteering eg in a charity. Some progress has been made in providing reassurance. For example, as noted earlier albeit in negative terms, the Ministry of Justice worked with the Department for Transport to produce guidance on clearing snow⁸ and the Health and Safety Executive has produced guidance on health and safety and civil law⁹. However, these specific responses are unlikely to provide volunteers, including charity trustees, with the general reassurance they seek. The Ministry of Justice has said it does not intend to undertake any further work directly on this. Instead, it will work with relevant government departments to provide advice to the public when appropriate¹⁰.

⁸ www.direct.gov.uk/en/N11/Newsroom/DG_191868

⁹ www.hse.gov.uk/voluntary/when-it-applies.htm

¹⁰ www.dwp.gov.uk/docs/cscs-progress-21mar11.pdf

This seems to fall short of the recommendation in Common Sense, Common Safety¹¹ to “clarify (through legislation if necessary) that people will not be held liable for any consequences due to well-intentioned voluntary acts on their part”.

So what can be done? The Task Force is attracted by the possibilities of developing a “reasonableness test” for volunteers. This could be achieved in different ways:

- The Attorney General should immediately refer the issue of volunteer, including charity trustee, liability, to the Charity Tribunal with a request to examine whether a reasonableness test for voluntary activity could be established. While any determination would affect charities only and would not bind courts generally, it could serve as a marker and, more importantly, send a signal to the wider public about the direction of travel on this important issue.
- Subsequently the Law Commission should be asked to examine these issues to see whether there are statutory changes that could usefully be made.

If neither of these approaches proves fruitful, the Government should consider how this issue can be best addressed.

The Task Force accepts that these recommendations may not be popular with some sections of the law who may regard them as being entirely superfluous. We argue that society needs to find ways to reassure the would be Good Neighbour and this is a way of achieving that.

¹¹ www.number10.gov.uk/wp-content/uploads/402906_CommonSense_acc.pdf

Opportunities for unemployed people

The CSO sector offers an attractive re-entry point to the world of work. For the unemployed, particularly the long term unemployed, the disciplines of a 9-5 existence in a commercial enterprise allied to a fragile sense of self esteem can seem daunting. In such situations voluntary groups are well placed to help.

Despite progress that has been made by Job Centres, the Task Force has come across too many cases where staff in Job Centres are unaware of the regulations on voluntary work and have suggested that if an unemployed person has taken voluntary work, even if for a few hours with no pay, he or she would suffer a deduction of benefit. The regulations make it clear that voluntary work is not of itself a ground for disqualification¹².

¹² www.direct.gov.uk/en/HomeAndCommunity/GettingInvolvedinyourcommunity/Volunteering/DG_064299

Volunteering

People can volunteer while receiving most state benefits. For those claiming Jobseekers Allowance and looking for work, volunteering can be a particularly valuable way of gaining new skills and experience.

The main challenges appear to be:

- Despite the obvious benefits, some Jobcentre Plus staff continue to actively discourage volunteering or do not promote volunteering as a valuable option.
- In the worst cases, Jobcentre Plus staff sometimes cut benefits in the mistaken belief that volunteering while receiving benefits constitutes some form of benefits fraud.
- The overall effect of this approach, mistakenly being applied by some staff, is to discourage people on low incomes (including the unemployed and young people) from volunteering.

Volunteering England has been working with Jobcentre Plus for a number of years to tackle this issue. In the Spring we signed a national agreement and are putting in place an action plan to outline how the two organisations can better work together, to improve the support and advice provided to benefit claimants seeking to volunteer. (Volunteering England).



The Task Force appreciates the difficulty of ensuring that all the thousands of staff employed in Job Centres (often experiencing a fairly rapid degree of staff turnover) are familiar with all aspects of complex rules. In order to address the problems posed by rapid staff turnover, the Task Force is attracted by the proposal that posters explaining the position of volunteers should be prominently displayed in all Job Centres. In addition, we recommend that the guidance on this point be emphasised and repeated to staff at regular intervals in the future.

There should also be improved liaison at local level between CSO's and Job Centres so that a degree of pre screening should take place to ensure that only suitable individuals are put in contact with CSO's. The practice of Job Centres making a wholesale reference of individuals, including those who have no real interest in undertaking voluntary work, places a considerable burden of fruitless interviewing and referencing on the individual CSO's.

Avenues Group

Avenues Group advertised through a Job Centre for home care workers. The Job Centre provided 60 candidates. However there was little evidence of the candidates being matched to the available jobs. Of the 60 candidates, only 40 turned up for interview. Of the 40 candidates 30 were offered employment on a variety of hours. However the 30 were reduced partially by failing pre-employment checks, CRB checks and occupational health checks, and the effect the work would have on their benefits (ie leaving them financially worse off when expenses such as travel costs and child care were taken into account). In the end, only 8 of the 60 candidates were employed by Avenues Group.

Insurance

Provision of the necessary insurance, at reasonable cost, would represent another major step in reassuring individuals about their personal exposure. Insurance companies appear ready to write more business in the CSO area. The CSO claims record appears satisfactory. Why then has this issue given rise to so many complaints?

In part it appears to arise from an inequality of size – on the one hand small CSO's seeking insurance for not very well documented risks, often at very short notice; on the other the response being given by very large companies operating in a complex competitive market.

No less influential has been the actions of "risk consultants". Their role is described in detail in Lord Young's health and safety review¹³. As Lord Young points out, there is no agreed training standard or professional qualification for these types of consultant. Nevertheless the completion of a lengthy, complex assessment, too often by a consultant, is a pre-condition set by insurance companies. Further consultants, understandably, have no interest in understating the risks – rather the reverse by erring on the side of caution. We support Lord Young's proposal to reorganise the role and training of these consultants and welcome the steps already taken to establish the Occupational Safety and Health Consultants Register.

This is a multi faceted problem so the Task Force concluded that the best way forward was to focus on solving a single insurance issue, to see if that might provide a key to a more general approach.

We selected an issue which had been repeatedly raised with us, that of the insurance requirements for volunteer drivers. Those, for example, who undertake invaluable work taking the elderly or infirm to hospitals, day centres etc.

¹³ www.number10.gov.uk/wp-content/uploads/402906_CommonSense_acc.pdf

What stops people giving time?

continued

Volunteer Drivers

At present volunteer drivers should tell their insurance company about their volunteer driving, because not every insurance company accepts this as being “social driving”. In 2010 WRVS paid 10,088 volunteers mileage expenses for using their cars. During that year those drivers had very different experiences when insuring their cars. Of the seven insurance companies, about which WRVS received information, only one accepted verbally that volunteer driving should not attract an increased premium. Others required at least written correspondence before agreeing this, and one increased the premium and would not reduce it.

The Task Force welcomes the willingness of the Association of British Insurers (ABI) to engage with volunteering organisations, the Task Force secretariat and insurance companies with the aim of creating a revised definition of social driving to include volunteer driving, that the companies can use in their motor insurance policies. This will save work and provide clarity for both the drivers and the companies. ABI will also be publishing on its website which companies are using the new definition.

The Task Force was encouraged by the progress made on this single issue in a relatively short space of time. Accordingly, we recommend that a working group be set up incorporating representatives of both the insurance industry and CSOs to address other insurance issues, as they arise. An early candidate for a discussion is the overly widespread request by the insurance industry for lengthy, complex risk assessments, referred to above.

The Task Force notes the action being taken on this by the Department for Communities and Local Government (DCLG). DCLG is starting discussions with the insurance sector about an industry code of practice on health and safety for businesses and the voluntary sector. The code would deal with concerns that businesses, operating in low hazard environments, are required by insurers to employ consultants to carry out full health and safety risk assessments; and in environments where assessments were necessary, help ensures that only qualified consultants are used.

Other Reports

While the Task Force has been at work, there have been three other reports that touch on our area of interest. We find ourselves in broad agreement with all three. It would be wearisome to repeat their detailed conclusions but we comment briefly as follows.

Criminal Records Review

We strongly support the proposal for a CRB passport. The present system of repeated individual checks is both expensive and time consuming. It also delays the time at which a volunteer can begin to work.

But we also urge CSOs to avoid using a CRB check as the default option. CRB checks are only required for people having “frequent and intensive”¹⁴ contact with children and vulnerable adults. For example, many school governors do not have such “frequent and intensive” contact. Trust and judgement have an important part to play. From the evidence the Task Force has received, the challenges arise from both overzealous interpretation of the rules and risk aversion at every stage, which can easily put off volunteers, as the following examples show.

¹⁴ At <http://www.crb.homeoffice.gov.uk/faqs/definitions.aspx>

CRB Checks

About 8 years ago, I decided to get involved in a local Manchester Drama group, whose members range from 7 to 80 years old. A number of us assumed responsibility for teaching the children and preparing them for the annual pantomime and other productions. Naturally, we were CRB checked – a process I had no issue with and wholeheartedly support.

However – having been CRB approved, we were invited to a session with the local child protection officer. I came away from that meeting with a number of very serious questions as to whether I should get involved with this sort of group. The talk left me feeling I would potentially be placing myself in situations of real risk.

The child protection officer focussed the session on ensuring no adult put themselves in a vulnerable position eg if a child requests to go to the toilet – in no circumstance should an adult accompany them. If a child (with particular reference to girls) falls and cuts her knee, whilst wearing tights – under no circumstance should any adult remove the girl’s tights and help stem the bleed. No adult, whatever sex, should ever be alone with either one or more children.

Needless to say, I came away from the session questioning the sense in many of the messages conveyed. As a caring responsible adult (who as an adoptive mum now has the highest level of CRB clearance), I did not feel at all comfortable with the prospect of not being able to help an injured child etc. (Roz Cuschieri)

Volunteering

As a student at Oxford University I was looking for opportunities to develop my extra-curricular activities. The Oxford Museums Project was seeking volunteers to help at the Museum of Oxford; a museum that had been threatened with closure due to council budget cuts. I decided this would be a valuable and mutually beneficial experience and expressed an interest. I received an enthusiastic reply, thanking me for my interest and providing details. The tasks included assisting museum staff with their jobs: preparing and delivering workshops, setting up and clearing away and working with children. I was also told that I would need to have a Criminal Record Bureau check. In the end, I decided not to volunteer, largely because I disagreed with this policy.

Proposals for Reform of Civil Litigation Funding

Many of the issues addressed in Lord Justice Jackson's Report were raised in the evidence we received and we support his broad approach. The Task Force recognises the need for proper access to justice but felt that the present system had led to an "inequality of arms" between defendant and plaintiff, with consequences for people's willingness to volunteer.

In particular the role of Claims Management Companies, who receive fees from solicitors for referring cases to them, appeared almost entirely malign with a tendency to appeal to naked greed where no or minimal injury or damage had been suffered. The extent of the potential problem can be seen by viewing the 'Personal Injury Specialist' sections of any Yellow Pages. In the Manchester version, for example, there is a list of 67 practicing firms¹⁵.

¹⁵ www.yell.com/ucs/

Claims Management Companies

Two examples the Task Force is aware of are:

- A doctor in Woking suffered very minor damage to his car and no injury to himself when a driver backed into it in a supermarket car park. The issue was resolved on the spot by the other driver admitting liability and offering to pay for the repair. A firm of 'Personal Injury Specialists' found out the doctor's telephone number and telephoned him asking if he had suffered whiplash. When the doctor said 'no', the caller then asked if the doctor had been in shock. Again the answer was in the negative. The final ploy was simply to ask the doctor if he would like to make £3-4,000.
- A mother has two sons who are frequent attendees at the Accident and Emergency Department of their local hospital due to accidents occurring when using their BMX bikes. Again 'Personal Injury Specialists' have somehow got hold of their details and have not only offered their services to the sons but to the mother as well, in case she can think of something to make a claim about.

Common Sense, Common Safety Review

Lord Young's Review contained several recommendations of value to CSO's. Specifically, as noted above, the requirement for complex risk assessments, particularly where carried out by untrained consultants, represents a real deterrent to volunteer activity at every level. We welcome the work that has already been done by the Health and Safety Executive to simplify risk assessments for voluntary groups and help them carry out assessments for themselves.

We agree that there should be consultation with the insurance industry to ensure worthwhile activities are not unnecessarily curtailed on health and safety grounds – our Working Group (see above section on insurance) is designed to achieve this.

The Task Force also supports the proposal to require officials who ban events on health and safety grounds to put their reasons in writing. People should also be offered the opportunity to challenge local officials' decisions and refer unfair rulings to the Ombudsman through a fast track process, ensuring that decisions can be reviewed within two weeks.

We understand that action on the above has been included in the section "Reinvigorating Local Accountability, Democracy and Participation" of the Department for Communities and Local Government's published Business Plan and that any necessary legislation (which would also deal with the wider role of the Ombudsman) should be scheduled for 2012. Further we understand that the Local Government Ombudsman has agreed to look at, without delay, an administrative mechanism for fast-tracking complaints about excessive use of health and safety enforcement powers. The Task Force supports both these approaches.

What stops people giving time?

continued

Areas for Further Study

Amongst the evidence we have received, two further issues stand out. They lie outside the terms of our Report but seem worthy of further study.

Volunteering and Career Development

Many small CSO's lack managerial capabilities – their leaders are rightly and understandably impact/output orientated. Commercial companies and professional partnerships could assist by helping to provide some of these missing managerial resources. While this would undoubtedly help the individual CSO, it would not just be one-way traffic. Many middle managers would benefit in their commercial careers by some exposure to the challenges of CSO's – volunteers are by no means easy to manage! – as well as by coming face to face with the realities of some of the problems and challenges in the community in which they live and work.

The Task Force suggests that further study in this area could be beneficial and hopes that the day might come when work in CSO's might be seen as an essential part of the career development of our future commercial leaders.

Rehabilitation of Offenders

The value of using CSO's to help the unemployed back into work has already been discussed. These arguments apply with equal or greater force to the employment of ex-offenders. Criminologists generally agree that purposeful work is one of the best antidotes to re-offending.

But CSO's can, unsurprisingly, be deterred from employing those with a criminal record, even when the conviction is for a relatively trivial crime.

While it goes without saying that those convicted of serious crimes must continue to be identified, the Task Force was impressed by arguments that the present position, as regard disclosure of low level offences, is unnecessarily onerous. We came across cases where, what can fairly be described as, "youthful exuberance" had damaged employment and volunteering prospects for several years.

Summary of recommendations for this section

- The Attorney General should make a reference to the Charity Tribunal asking it to consider establishing a test of reasonableness for volunteers.
- The Law Commission should be asked to consider whether current law provides adequate protection to volunteers.
- If neither of these prove fruitful, the Government should consider how the issue of volunteer liability should be addressed.
- Posters should be prominently displayed in all Job Centres and there should be regular emphasis on guidance on the rules concerning unemployed individuals undertaking voluntary work and links between individual Job Centres and their local CSO's should be improved.
- A Working Party should be established by the insurance industry and CSO's to provide a forum to address the insurance needs of the sector.
- The broad proposals contained in the Reviews of Criminal Records, Health and Safety and Contingent Fee Litigation should be followed through.

What stops people giving money?

56% of the population gave £10.6 bn to charity in 2009/10 (the last year for which records are available). Charitable giving peaked at an annual total of £11.3bn in 2007/8 so it has clearly been affected by the economic recession. Given the current economic conditions, which are expected to persist for the next few years, it seems probable that fund raising will remain a particular challenge during the period.

Accordingly the Task Force has focused its attention on making recommendations that will simplify, as far as possible, the process of giving.



What stops people giving money?

continued

1 Licensing

Many smaller CSO's such as parochial church councils, parent teacher associations and Scout groups undertake fund raising on a local or semi local basis. There is a confusing welter of legislation covering fundraising activities. The Task Force received evidence that for a fund raising event at which music was to be played, a sporting event shown on television and alcohol served, over 10 separate licenses could be required. For the full list of licenses required for various events, see Appendix B. It is clear that this is much resented by the public.

Church Raffle

My parish church is having a church raffle – you may imagine the gifts do not include a week in the Caribbean, but rather, for instance, a £25 voucher for the local butcher. They have to have a licence to carry out this activity and frankly I have never heard anything so ridiculous in my life. I am sure there should be some de minimis way in which one could protect people from dodgy raffles, whilst allowing charities to carry on activities unhampered by unnecessary bureaucracy. (Andrew Robathan MP)

Moreover much of the guidance on local authority websites is uneven, difficult to find and in some cases nonexistent.

By contrast, some local authorities have made great efforts to provide clear and unambiguous advice. Brighton Resource Centre provides excellent basic guidance about when CSO's are likely to need licences and signposts where CSO's in Brighton can find more detailed information¹⁶.

¹⁶ www.resourcecentre.org.uk/information/events/info_html/licensing.asp

Accordingly the Task Force recommends that:

- The current rules for licensing and regulating charitable collections are ineffective, confusing and burdensome and do little to deter bogus collections. The Charities Act 2006 attempted to rectify this, but the relevant provisions do not appear to have created a workable regime. Consequently we support proposals that the effectiveness of this licensing regime should be considered as part of the Five Year Review of the Charities Act 2006.
- Immediately, the Department for Culture, Media and Sport should disseminate a good example of best practice guidance for licensing regulation for distribution to local authorities. It also should be made available to CSO's via Government and Charity Commission websites as well as through the umbrella bodies (NCVO, ACEVO, NAVCA, Community Matters etc) and the government should simplify the system, for example the definitions of and different regulations covering a) incidental non-commercial lotteries; b) private lotteries; c) society lotteries and d) large society lotteries.
- The role of the Fund Raising Standards Board (the self regulatory body established by the sector) should be examined as part of the Five Year Review of the Charities Act 2006. If self regulation of fund raising is felt to have been effective we recommend that their remit be extended to provide flexibility, simplicity and proportionality of approach.

2 Tax effective giving

Relatively modest individual donations are the life blood of thousands of smaller CSO's. Governments have encouraged this, for example, through Gift Aid. This has been a success. In 2009/10 tax reliefs for charities and donors cost over £3bn a year of which Gift Aid is the largest single relief, now worth nearly £1bn to charities each year. And gross donations made under Gift Aid amounted to almost £4.6bn, an increase of 6.5% over the previous year. However, the Task Force received a good deal of evidence that the process of Gift Aid was cumbersome and bureaucratic in its administration. Therefore, the Task Force welcomed the Budget announcements to address this and other measures to encourage greater giving. In particular:

- increasing the Gift Aid benefit limit from £500 to £2,500 from April 2011 for donations over £10,000, better to allow charities to recognise the generosity of their donors;
- streamlining the Gift Aid system by introducing online filing in 2012-13 with 'intelligent forms' as a first step, from 1 April 2011, for charities to apply and claim tax reliefs;
- introducing a new 'Gift Aid Small Donations Scheme' in April 2013 to enable Gift Aid to be claimed on small donations up to £5,000 without the need for paperwork.

The Task Force also welcomed other measures, such as exploring how to increase the take up of Payroll Giving, legislating to enable HMRC to make repayments of tax to certain charities without requiring a tax return, reducing the rate of inheritance tax when 10% or more of an estate is left to charity and consulting on how to encourage the donation of pre-eminent works of art and other historical objects to the nation.

3 Mixed Purpose Investment

The Charity Commission has recently conducted a consultation on its guidance on Charity and Investment Matters. The draft guidance is considered to be constructive with respect to mixed purpose investments (ie cases where charities invest for a social as well as a financial return). However, the Task Force has been advised that the Charity Commission is constrained by case law on charity investment powers. Such case law is largely rooted in private trusts law where there is an obligation to maintain capital to protect the interests of future beneficiaries (eg pension funds). Moreover, the case law dates from an era which precedes the rise of the social enterprise movement and the development of social investment opportunities.

We believe that there is a need for a new statutory power to permit charities to engage in mixed purpose investments. Such a power would give confidence to trustees by removing the risk of a breach of trust claim and would serve to clarify the tax and accounting treatment of charity mixed purpose investment. It would provide a clear power for charities with permanent endowment funds to invest in mixed purpose investments (eg social impact bonds). It would, of course, be a power not a duty. The Task Force understands that there is a Trusts Capital and Income Bill currently in preparation, which might provide a statutory avenue to make this change and we recommend that this be followed up.

4 Creating the “Social Investor”

During its work, the Task Force was made aware of the unevenness of the present structure by which different forms of CSO’s were regulated. We recommend further study of this issue later in this report.

However, a consequential impact is a very different regime governing fund raising – based entirely on the corporate form adopted. We learned that a number of CSO’s were “forcing” themselves (whether suitable or not) to adopt the Industrial and Provident Society form because it offered a more relaxed fund raising regime. The Task Force concluded that such an approach was likely to have unfortunate consequences at some point in the future.

In parallel with this the Task Force was surprised to learn that while individuals are free to give money to CSO’s, whose objectives they support, they are effectively prevented by the regulatory regime from investing in such projects. It seemed to the Task Force that it made no sense that individuals could give money to community and social finance schemes but could not invest in those same schemes which, while involving some risk, might nevertheless return their investment to them.

This is a major issue which involves domestic and European law. But the Task Force learned of various exemptions which already allow investments to be offered to “experienced investors”, without the full rigour of regulation which are required for offers to the general public.

The Task Force concluded that large scale fund raising for CSO’s might be facilitated by the creation in law of a “social investor” – a person for whom the social return on the investment was as important as the financial one.

The Task Force became aware of a proposal to achieve the level playing field for fund raising by extending the legal form exemptions in the Financial Promotions Order and at the same time establishing in a new “social investor” concept. We support these proposals and the consequent creation of a social investor concept with an appropriate proportionate regulatory underpinning.

Summary of Recommendations for this section

- Clearer guidance for licensing of fund raising events should be provided immediately.
- Simplification of the charitable licensing regime should be addressed as part of the Five Year Review of the Charities Act 2006. An increased role for the Fund Raising Standards Board in this process should be considered.
- Changes to encourage payroll giving by smaller companies should be implemented.
- Trust Law, as regards charities with permanent endowment seeking to make mixed purpose investments, should be reviewed.
- A category of “social investor” following the existing regulatory framework for “experienced investor”, should be developed.

What stops CSO's growing?

continued

The Task Force considered whether there were any specific regulatory or bureaucratic burdens inhibiting the development of small CSO's.

First we noted that many CSO's did not wish to grow. We discuss the implications of this in the section on "commissioning" below, but, in summary, some groups value their independence above everything and believe that growth not only risks this but also compromises their impact and effectiveness.

During the time of our work, the Government announced a three year moratorium on new domestic regulation for micro-businesses. The Task Force welcomes that announcement but makes the following additional proposals.



1 Eliminating Regulatory Duplication

Small CSO's resent form filling. While they accept that some is necessary, the Task Force was told repeatedly about the same information being asked for over and over but each time in a slightly different format.

Prime amongst these are annual returns. Companies House and the Charity Commission require different Annual Returns. We cannot accept that it is impossible to devise one form to cover the purposes of both bodies. There are well over 30,000 charitable companies so this one change would represent a considerable saving of time.

But we believe this should only be the first step. We note below that, in our view, Pre Qualification Questionnaires (PQQ's) have little value for commissioners dealing with small CSO's, yet their completion can represent a considerable bureaucratic burden for small groups. Therefore, if commissioners are to insist on some form of pre qualification information, they should use the Annual Return and accounts for this purpose. We therefore recommend that central and local government, together with Companies House and the Charity Commission, should consider how best to achieve this. We also recommend there should be a facility for charitable companies only to have to file accounts once with both regulators.

2 The Management of Small CSO's

Small CSO's are spurred by the imagination, drive and dedication of small groups of people, or indeed sometimes a single individual. These people donate countless hours to their chosen task in a way that is wholly admirable. But there is a downside – particularly if they are seeking to grow. The very characteristics that make these groups effective can make them dismissive of management and administration. This was raised as an issue in Skills-Third Sector's consultation with the sector in 2010 and resulted in governance and leadership and skills for business being identified in the National Skills Framework¹⁷ as two of the four skills areas that are critical to the future performance of CSO's.

Indeed, a major concern of the Task Force has been that if private sector fund raising were to develop fast, there may be insufficient CSO's with the management capability to deploy these funds effectively. It would be disastrous for the sector if major scandal were to follow.

The Task Force believes there are specific ways by which additional management resources could be made available.

Trustee Liability

In an earlier section we discussed the prevailing fear of being sued, which deters volunteers. The same applies to trustees who have the additional exposure of unlimited liability where their charity is not already underpinned by a charitable company limited by guarantee.

The Task Force therefore recommends that, in order to encourage local business people and professionals to become involved with local charities, consideration should be given to amending the law to offer trustees of unincorporated charities the limited liability available to a director of a company.

We recognise that there is an issue as regards the protection of creditors, in that unincorporated charities have no means to disclose charges. But we recommend that the possibility is explored of whether some trade off in this area can be achieved.

3 Trustee Rotation

Very often the main problem of voluntary groups is persuading anybody to stand as a trustee or officer. But the Task Force was made aware of CSO's where trustees appeared to have become unwilling to accept new blood. The Task Force recommends that, where possible, best practice should suggest reasonably regular rotation of trustees (perhaps following the lines of limited company directors). The Task Force notes that the Charity Commission and Voluntary and Community Sector Codes of Governance¹⁸ already recommend this.

Winding Up

Charities are not immune to the impact of changing social conditions and patterns of life. The Task Force came across examples where the original purpose for which the charity had been established had faded away yet, because of the rules governing permanent endowment, disposal of assets was believed to be both expensive and cumbersome.

The Task Force believes that it is in the interest of the sector, the country and the taxpayer that it should be made easier for charities, especially those with permanent endowment, to wind themselves up and recycle their assets to more relevant charitable purposes.

We recommend that this topic should form part of the Five Year Review of the Charities Act 2006.

¹⁷ www.skills-thirdsector.org.uk/research_policy/skills_strategy_consultation/

¹⁸ http://www.charitycommission.gov.uk/Charity_requirements_guidance/Charity_governance/Good_governance/default.aspx and http://www.charitycommission.gov.uk/Charity_requirements_guidance/Charity_governance/Good_governance/good_gov_code.aspx

What stops CSO's growing?

continued

4 The Role of Local Government

It is an accepted fact that the country is going through a period of financial readjustment – a readjustment that will continue for several years to come. CSO's cannot expect to be exempt from the consequences.

Local government has a particularly close relationship with small CSO's. The reaction of individual local authorities to the economic situation, could have a disproportionate effect on small CSO's in their areas. As one CSO put it "it's like being in bed with an elephant which is threatening to roll over".

The Task Force has come across examples at both ends of the spectrum as the following demonstrate.

Budget Cuts

Calderdale Metropolitan Borough Council has responded to budget cuts in a proactive and Compact compliant way by marketing its consultation, impact report and draft budget.

By encouraging wide scrutiny of the draft budget and accompanying documents, the Council has allowed itself to be more accountable with its partners in the voluntary and community sector. As a result, if the proposed cuts for 2012/2013 are carried, they are likely to be better informed and more widely understood. The trust built with voluntary and community sector partners could lead to stronger relationships and closer working in the future, which in turn could result in better, more efficient services. (CompactVoice).

Charteris

"We regret that we had to shut Charteris, but it's for your own safety. It's just too dangerous to allow anyone but Brent to run it. Fortunately our red tape will strangle any community group that tries to keep Charteris open." (Spoof council letter fixed to the Charteris Centre in Brent according to an article in the Financial Times on 13 April 2011. A local residents group is considering running the centre but express the view that they believe the local authority has been uncooperative.)

No doubt some "horror stories" will turn out to be myths. However, we recommend continued vigilance by central government and the general public as to the proportionality of the sharing of reductions in expenditure between local authority permanent staff and voluntary bodies. In this connection the Task Force supports DCLG with the proposals made in the recently published consultation paper on Best Value Statutory Guidance¹⁹. The proposals include for local authorities to seek to avoid disproportionate reductions in funding to voluntary and community organisations and giving at least three months' notice to such organisations, if they plan to reduce or end funding or other support. CSO's are urged to respond to the consultation paper.

5 Withdrawal of Cheques

The banking community has said that a final decision on the withdrawal of cheques will be made in 2016 for implementation in 2018. That may be the proposal but the reality is that the system is already acting as if the withdrawal of cheques is an accomplished fact (eg the withdrawal of the cheque guarantee system this summer).

For small CSO's in particular, this proposal poses considerable challenges. Cheques are a major means of payment – not least because they provide an important control mechanism through the use of joint signatures. Moreover, not all CSO's have electronic access.

¹⁹ www.communities.gov.uk/documents/localgovernment/pdf/1885419.pdf

Letter to the Daily Telegraph

SIR – As a treasurer of three registered charities, I share the concern of those who fear for the abolition of cheques (report, December 17). The Charities Act 2006 resulted in all charities having to have at least two signatures to effect withdrawals. Paying by cheque is, therefore, the ideal way of remaining within the law.

It is not currently possible to pay by debit or credit card where two signatures are required. Electronic banking can allow for two signatures, but not where the signatories are not together at one time. One charity I am involved in has counter-signatories in Kent and Sussex. I live in Cheshire.

While I am all in favour of commercial transactions being automated, there seems to be a lack of appreciation of how the other half lives. (Letter to the Daily Telegraph published on 18 December 2009)

The Task Force recommends that any withdrawal of cheques must be accompanied by the introduction of an alternative simple, flexible, trusted means of transferring value from one party to another.

6 Commissioning

No topic has set the Task Force more challenges than unravelling the complex relationships that exist between small CSO's and commissioners and considering how these might be strengthened and improved.

Issues of Scale

In part, this is the result of the huge scale of modern commissioning, worth £12.8bn to voluntary organisations in 2007/8 (ONS statistics), which is carried out by a variety of departments of central government (DH, MOJ, DWP etc), each of which has very different responsibilities, often working to very different timescales and measuring performance in very different ways.

A further complication is that commissioning is undertaken not only by central government and local health bodies, but also directly by local government. For small CSO's the attitude and approach adopted by their particular commissioners, as noted in the previous section, will be of critical importance.

There are estimated now to be several thousand commissioners of services – a figure which is anticipated will rise still further as the Public Sector reforms are rolled out.

Many of these commissioners operate on a scale beyond the reach of all but a handful of very large civil society organisations. Normally therefore, if they wish to provide commissioned services, groups of small CSO's need to consider operating as subcontractors, or even as sub subcontractors, under a prime contractor, which itself may well be a commercial company.

In parallel with this commissioning process, many small CSO's continue to be financed by grants. These offer a shorter and simpler "route to market" but do not provide the longer term commitments which enable small CSO's to develop their organisations with confidence.

Links with the Commercial Sector

The likely strains in any relationship between a commercial company and small CSO's are obvious. Commercial companies are, quite properly, motivated by the need to earn a return on their investment and as such are conscious of their contractual obligations. By contrast small CSO's may be as concerned about the impact of their work as with their contractual position. Many argue that this gives an added value to the activities of small CSO's. The Task Force accepts this view and believes that some agreed methodologies for assessing this social return could usefully be devised.

Creating Civil Society Consortia

How could small CSO's position themselves better to be able to meet the scale of the demands of commissioners? One way forward would be for groups of small CSO's to collaborate to form a consortia. This would require the loss of some independence and the pooling of sovereignty (both assets that are often richly prized by small CSO's), together with the acceptance of managerial assistance of a greater degree of complexity and sophistication than each civil society organisation may be individually used to or able to access. In adopting such an approach there are technical issues to be overcome, such as the need to charge VAT on services provided by one civil society organisation to another, even if they are members of the same consortium, and the TUPE provisions where the actual employer may change.

The Task Force has learned of several attempts to create these consortia. It was encouraged by the model described by 3SC – a new type of consortium, which is an attempt to give a group of small CSO's a seat at the commissioners "top table". It is one of a number of initiatives and all are at a relatively early stage. Another is the Big Society Cooperative in Kent that allows charity, public and private sector groups to bid for government contracts.

The Task Force believes that these and other similar models appear worthy of support and development.

We therefore recommend that:

1. The leading sector umbrella bodies (NCVO, ACEVO, SEC, Community Matters ...etc) should act as catalysts in the creation of other small CSO consortia and develop support, training and advice services for those that wish to explore this path.

2. Commissioners should be asked to pay particular attention to the development of these groups and the "add on" benefits they can give to local society.
3. The Government should consider changes to the VAT Regulations which will facilitate inter organisation and service sharing for CSO's.
4. Government policy should acknowledge the difficulty of small CSO's providing pensions to match those currently available in central and local government, unless sufficient funds are transferred to cover future liabilities.

Nevertheless the Task Force recognises that this approach will not commend itself to many small CSO's which jealously guard their independence, believe small is beautiful, have no wish to grow significantly and instead prefer to focus on a specific service delivered to a specific geographical area or community of interest. In consequence they will have to act as what can best be described as a "local provider".

The Local Provider

The Task Force has considered the specific steps that could be taken to provide a more level playing field on which small local providers can compete. We welcome the Community Right to Challenge in the Localism Bill, which will enable voluntary and community bodies to express an interest in running a local authority service, where they believe they can run it differently or better.

What stops CSO's growing?

continued

In addition, the Task Force recommends that:

- Commissioners should be encouraged to work more closely with small CSO's so as to fully understand their motivation and the potential value they can add. This means involving CSO's from the earliest stages of commissioning; the identification of needs and also the availability of local resources; a review of the part that small local providers could play (especially in light of the Government's commitments to encourage small enterprises and charities) and using the local, grounded knowledge of CSO's to develop a community capacity map – rather than assuming solutions need to be brought in from the outside. This should not just mean summoning the small CSO to a conference but a real effort to get “inside the skin” of the small CSO, perhaps by some temporary staff secondment or at least “seeing is believing” type visits. That would mean that commissioners would be more understanding of the needs of local organisations. For example, local commissioners should be encouraged to give early warning of procurement tenders to allow time for bidding consortia to form and to prepare. Secondments from local commissioners to the local voluntary sector could be complemented by secondments from CSO's to local authorities, so that members and trustees can understand the reasons for requesting some sets of information.

Bristol City Council

Bristol City Council's Compact with the voluntary, community and social enterprise (CSO) sector commits the Council to a 'mixed economy' which includes commissioning, competitive grant processes and direct grant-funding."

The commitment includes:

- Implementation of the Council's commissioning guidance including a comprehensive training programme for elected members, service and commissioning managers, informed by a training needs analysis and includes peer support, based on specialist commissioning expertise. The differing cultural approaches of public and CSO's are included in the programme.
- Involvement of the CSO's in all stages of the commissioning cycle. This means that the CSO's will be engaged at the start of and throughout the commissioning process. In addition, potential service providers will be supported at the later stages of the commissioning cycle so that they are able to understand the process, timescales and regulations, and engage to win contracts.

Third Sector

'I would welcome a secondment from the third sector into my organisation to drive forward more innovative work.' (Commissioning organisation response to a National Programme for Third Sector Commissioning 2008 survey)

'There should be secondments from the public sector to the third sector for firsthand experience.' (Civil society organisation response to National Programme for Third Sector Commissioning 2008 survey)



- Commissioners should consider the added social, economic and environmental value of prospective providers and should allow a range of methodologies to demonstrate this. Enforcing specific, often complex, models for measuring added value is likely to over-burden smaller organisations and be counter-productive. Commissioners should consider the impact of the aggregation of services to form large contracts.
- Commissioners should be encouraged to use grant-aid as a payment mechanism for services delivered by small organisations which is free from the legal risks and complexity of contract law. Service specifications or Service Level Agreements (SLA's) can be used as a means of clarifying the outcomes required.
- Central and local government as well as commissioners, should be prepared to accept that there will be a rate of failure amongst CSO's, especially the smaller ones – these groups may well be taking on the “edgier”, tougher problems posed by our society. It will be the “vanilla flavour” issues that will particularly attract the commercial groups. Inevitably the more challenging the issue the greater the risk of failure. Such failures should not be seen as reducing the need to involve CSO's.

Oliver Letwin

“We know we need to change that culture and to enable our officials to take those risks and not be penalised for them. It will require a major shift in the culture of Whitehall but it is one we are determined to achieve. We are going to need a change in the way we operate government itself...”

...If we can achieve this even to some degree, the extent to which we can unlock the potential of civil society is enormous.” (Oliver Letwin speaking at the 2008 NCVO Annual Conference)

The 2008 National Programme

The 2008 National Programme for Third Sector Commissioning survey found that 87% of commissioners agreed that civil society understands hard-to-reach clients. One central government department said ‘The third sector brings experience to the table ... a key benefit is the ability to reach the ‘final 5%’ – the most difficult, hard-to-reach cases’.

- Commissioners should be encouraged not to use open competitive tendering as the default option for all services, especially where no real market exists.
- The Task Force has seen the Merlin commissioning approach, initially devised by DWP and now being rolled out more widely. There is much in this approach that will help support its further development and use in local as well as national commissioning. But at present, it is too dependent on statements of hope and expectation. The Task Force therefore believes that, whilst it is still largely untested, it could be revised to have greater impact in relation to, inter alia, the following specific points:
 - i. Pre Qualification Questionnaires (PQQ's) for smaller CSO's should normally be dispensed with. The commissioner/prime contractor should draw any information required from the accounts, Companies' House/Charity Commission returns etc.

Pre Qualification Questionnaires

The work involved in PQQs (Pre Qualification Questionnaires), framework agreements and the like has increased substantially recently for some reason. They are often in far too much depth and with unnecessary questions and required detail. A recent continuing care framework agreement had almost 150 questions to answer and this was just to get on the list. I would also quote the EXOR accreditation system as an example of excessive and unnecessary detail and expensive, as we have to pay for it. In another example we completed a complex framework agreement questionnaire just to be one of 46 providers on the list, in our view a complete waste of time and effort when it was clear only the cheapest would get any work. (Heritage Care)

- ii. If further information is required, it should be on a minimalist basis. Nothing is more destructive to the morale of small CSO's than hours spent filling in forms only to be refused the chance to tender.

Monitoring and evaluation

Monitoring and evaluation is a constant burden on smaller organisations as different government funders require different things. Due to limited capacity organisations experience difficulty in reporting information as it is often time consuming and organisations are already pressed in providing frontline services. To counteract this problem we recommend that funders jointly develop what is to be monitored with the organisations and other funders. We encourage the government to promote the Compact requirements relating to monitoring and reporting and ensure that all funders fulfil these commitments. (Women's Resource Centre)

What stops CSO's growing?

continued

- iii. The tender documents should be proportionate to the value of the contract to be awarded. It has been suggested that the assessed cost of tendering should be no more than 2% of the value of the contract up to £500,000 and 1% thereafter.

Worcestershire Hospice

A local hospice in Worcestershire needed to agree a new service contract with its local primary care trust to replace its existing 25 page contract. The Department of Health has produced a new model contract, developed with sector organisations, that runs to 130 pages, accompanied by 111 pages of guidance. However, it is intended to be used in simple modules so PCTs should use only the modules that apply to a particular agreement. In this instance the PCT simply handed the whole document to the charity on a "take it or leave it" basis. This misinterpretation of its intention has led to the Department of Health agreeing to review the contract and guidance.

- iv. Commissioners should consider carefully the number of tenders they seek - particularly for small contracts (those valued at below £50,000). While they have a duty to ensure value for public money, there can only be one winner. If a commissioner decides that in order to avoid controversy he will accept a large number of tenders, he is inevitably inflicting a degree of economic inefficiency and organisational friction on all the losers.

Voluntary Organisations

Voluntary organisations are told we need to move from grant funding to contracting, but too often tenders are written with onerous conditions, both in applying and in reporting, for quite small contracts. (I have a 68-page tender we had to complete, together with supporting documents, to provide out-of-school-hours activities for disabled children in one London borough for £10,000.) (Response to Minister for Civil Society).

- v. Commissioners should accept that small CSO's must be able to make a surplus. No organisation can run permanently on a basis of breakeven tendering, particularly if it is seeking to grow – so "not for profit" is a misleading title. What this should mean is "not for profit distribution" (ie the small CSO can accumulate reserves but these cannot be distributed). Therefore, a set of benchmarks should be developed giving reasonable mark-ups for prime contractors, relative to the degree of risk and effort involved, in order to discourage subcontracting at punitive rates.

Solihull Sustain & Colebridge Trust

Solihull Sustain & Colebridge Trust secured a grant to deliver a £200,000 project. Having secured some corporate social responsibility from a local hotel in providing a small meeting room free of charge and a larger room at a heavily discounted price, the Trust is predicting an under spend of approximately £600. This efficiency saving will have to be returned to the funder, instead of being retained in reserves and allowing the organisations to build its sustainability. (Case study provided by NCVO)

- vi. Monitoring processes (SLA's etc) must be fixed for the period of the contract. Small CSO's primary focus is on impacts/outcomes rather than process so, changing the basis for measurement mid contract, adds an unnecessary strain.

Response to Minister for Civil Society

It should be more of a responsibility of the commissioner to evaluate by exception and/or conducting their own user evaluation. The current reporting environment would appear to be related to the commissioners own need to 'tick boxes' from their targets set by government. The need for reporting on contract outcomes is clearly needed, but the issue is in the level of detail demanded, including sensitive, difficult to gather, equality monitoring. (Response to Minister for Civil Society)

- vii. The costs of monitoring the commissioning service need to be proportionate to the value of the contract. As a guideline, monitoring should cost no more than 4% of the contract up to £500,000 and 2% thereafter.

Disability Essex

In 2010 Disability Essex took on a Learning and Skills Council/Skills Funding Agency Community Grant – administered by Tribal Group – for pre-training of disabled adults. This was worth about £12,000 to cover full project costs to train about 200 disabled adults in basic IT skills.

A prototype course run in 2006, of a similar value, trained 250 individuals, with a monitoring cost of less than £500, amounting to one side of A4 paper per student.

The first quarterly claim for this course, in which 89 students were trained, required 1.4kg of paperwork to be mailed, plus documentation sent via email.

For the 89 students, Tribal required that all course paperwork be submitted in hard copy to release the relevant payment. This amounted to 4,500 A4 sheets of paper for 8 hours each of training – in practice, the tutor spent about two hours per student in producing this evidence (rather than teaching IT skills).

As a result of the situation, Disability Essex ended their involvement in the project.

Reporting requirements for statutory contracts

The reporting requirements for statutory contracts are extremely burdensome and time consuming; not only for the administration side of the charity, but for the front line staff who have to keep meticulous records to satisfy these requirements. This impedes on the time and resource available to deliver front line services, which is supposed to be the purpose of the service(s) in the first place. We understand the need to protect public investment (being one of the most tightly regulated sectors of the economy – and obtaining value for money) but there needs to be a much greater emphasis on allowing the contracted organisation to deliver services to the end user within the terms of the contract (and for the commissioner to require the contracted organisation to confirm that they have so delivered). (Response to Minister for Civil Society)

- viii. Clarification that part of the role of prime contractors, they should be prepared to absorb higher degrees of the risk, complexity and administrative burden associated with contracts in order to attract smaller CSO's to their supply chain. This may mean using different procedures with their sub-contractors in areas such as the payment model, security checking, monitoring and reporting procedures and plain English documents.
- ix. Prime contractors should be required formally to consider the impact of their contracts on the neighbourhoods in which they are delivered. Particular consideration should be given to the impact on community venues, existing informal provision, local social capital, local volunteers, access and travel requirements of users, integration of provision and the role of communities in evaluating services with a view to strengthening these where possible.

All government contracts should aim to leave neighbourhoods socially stronger than they found them.

6 Kneejerk Regulatory Pressures

The pressure on ministers (of all political parties) to take action in the aftermath of an accident are immense. To suggest that a period of reflection and examination of the facts might be the best way forward is to risk appearing coldly unsympathetic to those affected by a tragedy. But over time the cumulative regulatory effect of responding to individual cases can be considerable.

The Task Force considered whether there was any way that ministers could be assisted in these very difficult circumstances. We believe that it would be worth considering the establishment of a mechanism within the Better Regulation Executive to address this problem. We have called it STORE – Standing for Speedy Treatment of Regulatory Events.

A minister facing short term pressure to introduce new regulations would be able to refer the case to STORE. A STORE panel would then be set up, made up, in part, of experts in the particular field but with a majority of ordinary members of the public, some of whom might be from the region in which those affected by the tragedy lived. The Task Force noted a decline in public confidence in determinations reached solely by “experts”.

The STORE Committee's purpose would be to produce, over a few weeks, a report which would indicate whether the event revealed a systemic defect, which could require a regulatory response, or the unhappy consequences of a random event.

What stops CSO's growing?

continued

7 Planning

While it has not been perceived as a major burden, the Task Force has received a number of representations from small CSO's that local authority planning officers are being overly bureaucratic in their interpretation of planning regulations.

Planning Portal Problems

A south London community centre that installed a metal sculpture by a local artist in its garden, was informed by a local planning officer, who happened to see it, that because it was higher than the centre's boundary fence it required planning permission. This cost the organisation, which is a hub of its local community, both time and money and also created work for the local authority. The centre's error was understandable because the 'planning portal' of the relevant London borough's website gives no indication that such permission is needed for sculptures on private property.

The Task Force recommends that planning officers should be pragmatic in cases such as this, where CSO's are involved, and no significant breach of planning regulations has occurred.

Areas for further study

1 Future Regulatory Structure

In recent years a large number of voluntary groups have been set up to carry out "public benefit" type activities. This has created a layer of complexity. In the small CSO "space" there are now.

- Charitable trusts
- Companies limited by shares
- Companies limited by guarantee
- Community interest companies
- Unincorporated associations
- Industrial and provident societies

Shortly to be joined by

- Charitable incorporated organisations.

Each of these faces slightly different regulatory requirements including restrictions on their ability to raise and distribute funds and capital.

As noted, the strength of the CSO sector has been its diversity and its flexibility, which has given rise to such a rich pattern of public involvement. But it has been put to the Task Force that the complexities are beginning to outweigh the advantages and that, in consequence, consideration should be given to redrawing the regulatory framework to regulate by function, not by the accident of corporate form.

This proposal lies well beyond the remit of the Task Force. Nevertheless we regard it as an issue on which public debate should be encouraged.

2 VAT

Evidence received by the Task Force showed how the complexity and "hard edges" of VAT regulations has had a considerable impact on small CSO's.

This was not just the result of the requirement to charge VAT on services provided by one small CSO to another. Many CSO's have buildings which require updating but VAT is chargeable on renovation to existing buildings but not on new build.

Ringer Village Hall

Ringmer Village Hall's extension was more expensive because it was liable for VAT. As the Town and Country Survey was told, if the extension had been built a foot away from the existing hall, it would have been a new building and there would have been no VAT liability.

Finally, where a consortium of smaller CSO's has successfully bid for work, the lead CSO will have to charge VAT on payments to its fellow consortium members.

3 TUPE

The preservation of employment rights, especially pension rights, is an issue which raises a high degree of political controversy. Nowhere is this controversy fiercer than when central or local government employees are involved.

It is not part of the Task Force's remit to comment on the politics of this issue. However, we were told that the on cost to a CSO of taking on an employee of central or local government on existing terms would amount to about 30-40% of salary. It seems unlikely that many CSO's will be able to justify developing in this way.

TUPE

In 2010 we took a relatively small service from a local authority and attached to that contract was a small cohort of 20 employees, who transferred to us under TUPE. Along with this came their membership of the LGPS (Local Government Pension Scheme) which we accepted under an admission agreement, albeit with high employer pension contributions than we would normally pay under our standard GPP scheme. We were required to provide a bond against insolvency to the scheme administrators for £80k, which costs us an annual premium of £5k to purchase.

For reasons that I won't go into in detail, suffice it to say that they were not of our making, the contract became unsustainable for us to continue to deliver and therefore we gave notice on the contract and intended to withdraw from providing the service. Our expectation was that the employees would transfer to a new provider or back to the local authority from whence they had come originally.

As part of this process we contacted the scheme administrator for the LGPS Admitted Body arrangement to advise them and they eventually confirmed that providing everyone transferred back to the LA (local authority) there would be no liability for underfunding for us to pay.

However within days, it became apparent that the LA concerned had changed their commissioning intentions. The employees are likely to be redundant and this has a significant financial impact for us as, not only do we now have to cover their redundancy payments, but we also need to cover the redundancy related pension benefits and also face the prospect of a £131k bill for the underfunded future liabilities within the scheme for the members that are now redundant. Needless to say we now have to consider whether the costs incurred in closing down membership of this admission agreement outweigh the costs of continuing to run a service for the LA that is underfunded and not financially sustainable in any other circumstances. (Avenues Group)

Recommendations for this section

- Regulatory duplication, particularly between Companies House and the Charity Commission, should be eliminated.
- Consideration should be given to amending the law to give limited liability to the trustees of unincorporated charities.
- The review of the Charities Act should consider ways to make it easier for charities with permanent endowment whose original purposes have become obsolete to recycle their assets to other charitable purposes.
- An effective replacement for cheques needs to be found before they are withdrawn.
- Civil society umbrella organisations should assist smaller CSO's to form consortia to bid for public work.
- Pre Qualification Questionnaires (PQQ's) should normally be dispensed with.
- Commissioners should recognise the special contribution of smaller CSO's. A standard proportionate method for bidding for contracts and for their subsequent monitoring should be devised.
- A means of determining whether accidents are the result of systemic failure or chance should be established.

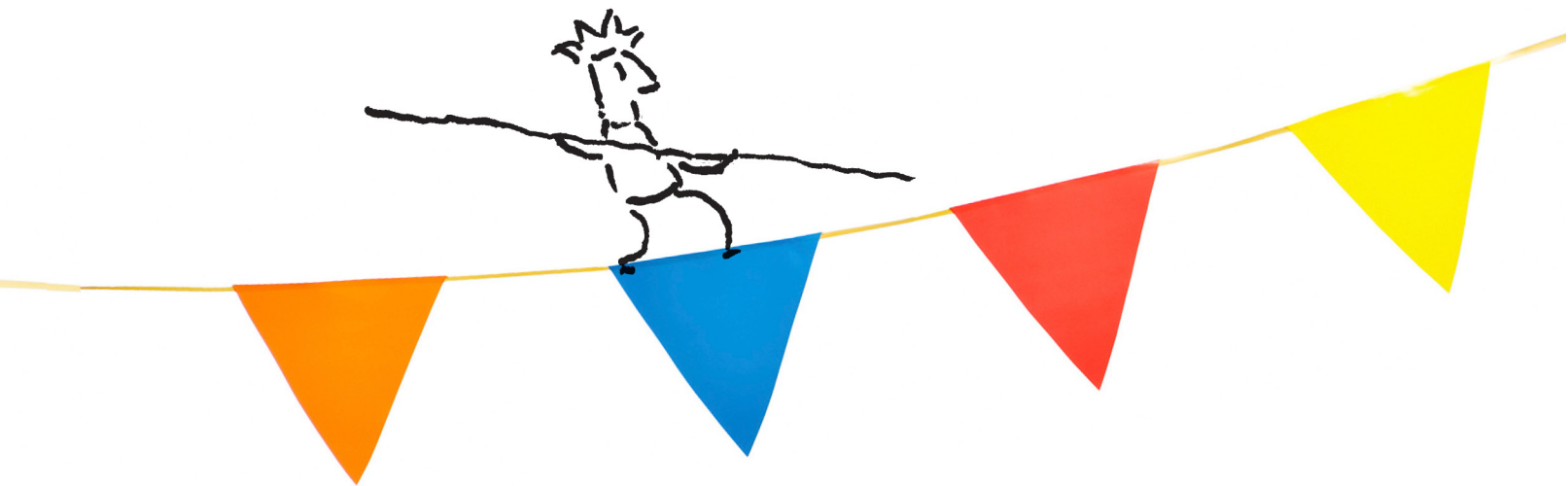
Appendix A

Things you can do in your community



There seems to be a focus on reasons why something cannot be done. To balance this, we present a list of things you can do, using your common sense, to help improve your community. In doing so, we hope to help shatter a few myths.

- 1 Put a plaster on a child's cut²⁰
- 2 Develop a community organisation or social enterprise using easily available guidance without needing a health and safety adviser²¹
- 3 Operate a safe working environment without requiring annual PAT tests²²
- 4 Put up hanging baskets²³
- 5 Hold a pancake race²⁴
- 6 Develop exciting and challenging playgrounds²⁵
- 7 Use bunting or flags at events²⁶
- 8 Support a voluntary organisation that works with children and vulnerable adults without a CRB check unless you have "frequent and intensive" contact with them²⁷
- 9 Clear snow from the footpath²⁸



- 10 Offer to become a trustee of a local charity
- 11 Hold local fundraising events for good causes
- 12 Support your community and gain skills if you are on benefits²⁹
- 13 Help with teaching reading at school
- 14 Help at school sports day
- 15 Play conkers without wearing goggles³⁰
- 16 Wear goggles in swimming lessons³¹
- 17 Take photographs of your children at a school play³²
- 18 Use your business skills to support a local organisation
- 19 Organise a village fete³³
- 20 Offer meeting space in your offices to a local community group

²⁰www.hse.gov.uk/myth/jun08.htm

²¹www.hse.gov.uk/myth/oct10.htm www.businesslink.gov.uk

²²www.hse.gov.uk/myth/july.htm

²³www.hse.gov.uk/myth/apr08.htm

²⁴www.hse.gov.uk/myth/feb09.htm

²⁵www.hse.gov.uk/myth/mar09.htm

²⁶www.hse.gov.uk/myth/aug10.htm

²⁷www.crb.homeoffice.gov.uk/using_the_website/general_information.aspx#whyapply

²⁸www.direct.gov.uk/en/N11/Newsroom/DG_191868

²⁹www.direct.gov.uk/en/HomeAndCommunity/Gettinginvolvedinyourcommunity/Volunteering/DG_064299

³⁰www.hse.gov.uk/myth/september.htm

³¹www.swimming.org/assets/uploads/library/Use_of_swimming_goggles.pdf

³²www.ico.gov.uk

³³www.hse.gov.uk/myth/jul09.htm

Appendix B

Licences, permissions and registrations

This is a list of known licences, permissions and registrations required by community groups and/or community premises. There will also be a need to register for provision of some specialist services.

Supply of Alcohol

- Licensing Act (community premises may be licensable by local licensing authority and in some circumstances may require an appeal to Magistrates Court) – Premises Licences, Club Premises Certificates and Temporary Events Notices apply

Performance and Events (inc dancing, plays or indoor sporting events)

- Licensing Act (may be licensable by local licensing authority)
- Permission from Council for events on public land
- Temporary Traffic Regulation Order (from Council for closing {parts of} streets or for parades) – may require petition from neighbours

Playing Music

- Licensing Act (may be licensable by local licensing authority)
- Performing Rights Society (PRS) licence if using copyrighted music
- Phonographic Performance Licence (PPL) if playing recorded music



Showing Film or Video

- Licensing Act (public screening may be licensable by local licensing authority)
- Motion Picture umbrella licence (from MPLC)
- Public Video Screening Licence (from Filmbank)
- Video Performance Licence for music videos (VPL)
- PRS Licence
- PPL Licence
- Television Licence (if shown on a television)
- Wedding Video Recording Licence (from wvrl.co.uk)
- Filming Licence (from TFL if filming tubes, busses or station areas)

Other Copyright

- Copyright licence (from CLA) for copying printed material, designs, websites etc

Raffles/Lotteries

- Licensing Act (may be licensable if, for example, tickets sold in advance or if prizes include alcohol)
- Registration with local council if 'small society lottery'
- Registration with Gambling Commission if 'large society lottery'

Playing Bingo and Other Gaming

- Licensing Act (may be licensable by local licensing authority)
- Bingo operating licence for high stakes bingo or some other circumstances (highly complex rules)
- Personal Management Licence (for some individuals in some circumstances)
- Gaming machine permit

Food

- Licensable if hot food/drink being provided between 11pm and 5am
- Food hygiene registration with local authority for any site where food is prepared
- Street trading consent from local authority may be required
- Seller may have to register as a food business with local authority

Street Collection

- Street collection permit from local authority if fundraising in public areas – will involve police checks

Other premises related

- Registration with Ofsted to run crèches or child-care services
- Licence to hold civil weddings and civil partnerships – also requires Certificate of Approval scheme and Immigration Regulations requirements
- Lease or licence for occupation

Transport

- Driving and vehicle licences

Appendix C

Terms of reference for the Civil Society Red Tape Task Force

Background

The Government is committed to reduce the amount of regulation, monitoring and reporting that is imposed on charities, social enterprises and voluntary organisations. To help achieve this, the Government has established a joint Cabinet Office and Department for Business, Innovation and Skills Civil Society Red Tape Task Force.

Aim of the Task Force

The Task Force is to answer the question: "How can we reduce the bureaucratic burden on small organisations, particularly in the charitable, voluntary and social enterprise sectors?"

The Task Force will consider the full range of burdens that fall on small civil society organisations and make recommendations about how it should be reduced, including changes to legislation that are needed.

The particular areas it will cover will include:

- Health and safety;
- Employment law;
- Contractual arrangements when civil society organisations provide public services;
- Responsibilities of trustees and volunteers;
- Data protection;
- Coordination between Government departments and regulators;
- Other issues of concern to the charitable and voluntary sector.

It will also consider:

- the Gift Aid Forum report to HM Treasury Ministers and the ResPublica report on Gift Aid.
- and feed into the work led by the Home Office on the criminal records and vetting and barring regime.

Task Force structure and support

The Task Force shall comprise a chair and not more than five other members who will jointly have knowledge and experience of the civil society, small business and social enterprise sectors.

The Task Force will be able to interview key members of the civil society and small business sectors and its research and other preparation work will be supported by officials from OCS and BIS.

The Task Force will be supported by officials from OCS and BIS who will be supervised by a project steering group that will comprise:

- Helen Stephenson, the Deputy Director with overall responsibility for cutting red tape in OCS and Zoë Dayan, the Director of the Domestic Affairs and Public Service Team in the Better Regulation Executive, BIS;
- other designated officials in OCS and BIS that will provide research and secretariat support.

The project will be sponsored by the Director General of the Office for Civil Society and the Chief Executive of the Better Regulation Executive, who will meet at least bi-monthly.

Task Force mode of operation

The Task Force will meet monthly or more frequently if it considers that this is necessary. Initially it will concentrate on scoping the regulatory burden on civil society organisations and will identify the areas where it will concentrate its work in September 2010. Its future work programme will be decided when its scoping work is complete.

August 2010

Appendix D

The Task Force members

The Task Force's membership is:

- Lord Hodgson, who is currently President of NCVO and as Shadow Minister in the House of Lords, led for the Conservative Party on the proceedings of the Charities Act 2006
- Lynne Berry, Chief Executive, WRVS
- Andrew Hind, former Chief Executive of the Charity Commission and Editor of Charity Finance magazine
- Sir Graham Melmoth, former Chair of NCVO and former Chief Executive of the Co-operative Group
- David Thompson, Chair of Marstons PLC and
- David Tyler, Chief Executive, Community Matters.

It is supported by a secretariat comprising officials from the Better Regulation Executive in the Department for Business, Innovation and Skills, the Office for Civil Society in the Cabinet Office and Department for Communities and Local Government.

Appendix E

List of stakeholder contributors

The Task Force has gathered evidence in a number of ways:

- The “Town and Country” survey of village halls and community centres run jointly by Action for Communities in Rural England (ACRE), the Cabinet Office, Community Matters and the Department for Business, Innovation and Skills.
- An article by Nick Hurd, the Minister for Civil Society, on the Directory of Social Change website asking for contributions.
- A letter from Nick Hurd to all MPs asking for examples of red tape from their constituents.
- A letter from Nick Hurd to the Strategic Partners of the Office for Civil Society in the Cabinet Office asking for contributions.
- Witnesses who have met with the Task Force, or its individual members or secretariat
- Task Force members and secretariat meetings with relevant groups for discussion.

3SC

Action for Children

ACRE

Addaction

Adur Voluntary Action

Advocare – Caring for Carers

Age Concern Bucks

Age Concern North Dorset

Age UK Norfolk

Ahoy Centre The

Alice Barker Trust

Association for Real Change

Association of British Insurers

Association of Charitable Foundations

Avenues Group

Baca

Paul Baggaley

Balham Community Centre

Barnabas House

Barton Rail Line User Group

Bates, Wells and Braithwaite, Solicitors

Beacon Centre for the Blind

Sue Belcher

Beth Johnson Foundation

Better Regulation Executive

Jane Bewell

Big Lottery Fund

John Biggs

Bletchingley Village Hall

Catherine Boothman

Bovey Tracey Youth Café

Bradford Council for Voluntary Service

Branscombe Village Hall

Breakthrough

Bredon Community Play and Recreation

Brighter Futures for older people

British Red Cross

Britwell Youth Project

Bucknell Women's Institute

Building Bridges in Burnley

Jane Burrell

Buzzacott Grantmaking Services

Cabinet Office

Campaign for Adventure

CAN Mezzanine

Pam Cattle

Capel Curig Community Centre

Capita Symonds

Carnegie UK

Cavernoma Alliance

Celynen Collieries Institute and Memorial Hall Newbridge

Centre for Europe

Charities Aid Foundation

Charity Trustee Networks

Christian Stewardship, Church of England

Clervaux Trust

Cloverleaf advocacy

Colchester and Tendring Women's Refuge

Combating Obesity Limited

Community Buildings Group

Community Development Foundation

Community Matters

Community Sector Law Monitoring Group

Community Service Volunteers

Conwy Town Council

Robin Coombes

Derek Cotton

Country Channel TV

Craig-y-Don Sports and Community Centre

Cumbria Youth Alliance

Roz Cuschieri

Dacorum Community Trust

Daildruglink

Penny Dane

Peter Day

Defra Advisory Body

Diversity InCare Limited

Dorchester Strollers

Downland Volunteer Group

Elsecar Heritage Railway

Enfield Parents and Children

Enfys Foundation

Evergreen Care Trust

Fair Shares

Farm Crisis Network

Firs Education Limited

Jane Freeman

Friends of Mental Health (West Kent and Medway)

Friendship Zone

Fundraising Standards Board

Appendix E

continued

Furniture Now!

Eric Galvin

Anil Ghelani ACIEH

Phil Goulding

Jane Grant

Greenham Common Trust

Greenhouse

Hafod Youth Action Group

Georgiana Haig

Harrogate Community Transport

Harrogate Hospital and Community Friends

Hastings and Rother YMCA

Hastings Furniture Service

Hazel Grove Musical Festival

Headway East London

Health and Safety Executive

Peter Hebard

Louise Heinemann

Helen and Douglas House

Her Centre

Heritage Care

Hertfordshire Hearing Advisory Service

Alexandra Hess

Holborn Community Association

Jack Holt

Home Home-Start Crawley, Horsham and Mid-Sussex

Home-Start North East Worcestershire

Home-Start UK

Indestructible Paint Limited

INDIGO Foundation (Norfolk) Limited

Inner Wheel

Institute of Chartered Accountants of Scotland

Institute of Fundraising

Julia's House Dorset Childrens Hospice

Kaiser Trust

Kilburn Neighbours

Kintbury Village Hall

Knowsley Chamber of Commerce

Lancashire Association of Clubs for Young People

Betty Last

Leighton Buzzard Railway

Letchworth Garden City Heritage Foundation

Life Project CIC The

Lions Clubs International

Living Room, Stevenage

Llandudno and District Credit Union Limited

Llandudno St John Division

Llandudno Youth Music Theatre

Macmillan Cancer Support

Mansfield Play Forum

Marie Curie Cancer Care

Marine Support & Training Service

Mellor Archaeological Trust

Mentoring and Befriending Foundation

Merseyside Play Action Council

Migrants Resource Centre

Jay Mitton

My Life My Choice

National Council For Voluntary Youth Services

National Housing Federation

National Society for Epilepsy

National Youth Agency

National Youth Orchestra

NAVCA

NCVO

New Literacy

Newton Price Centre

James Nixon

Ben Nobbs

Melanie Nock

North of England Activities and Training

Northern Legacy community Interest Company

Ofsted

Open Door Exmouth

Optical Confederation

Jo Owen

Oxford Youth

Oxfordshire Nature Conservation Forum

Colin M Parker

Stuart Parkin

Plunkett Foundation

Princess Royal Trust Carers Centre, Bristol and South Gloucestershire

Prism Arts

Francesca Quint

Rally Strategic

The Rathbone Centre

The Rt Hon John Redwood MP

Revive MS Support

Ringmer Village Hall

Andrew Robathan

Rossendale Citizens Advice Bureau

Royal Association for Deaf People

Royal National Institute for the Blind

Sainsbury Foundations

Salters Hill Charity Limited

School for Social Entrepreneurs

Scottish Seabird Centre

Oliver Sells QC

Serco

Shebbear Shooters and Shebbear Bowling Club

Shropshire Wildlife Trust

Sittingbourne Corps, Salvation Army

Sittingbourne Corps, Salvation Army

Slough Refugee Support

Doug Smith

Peter Smith

Social Enterprise Coalition

South Mircham Community Association

South Tynedale Railway Preservation Society

Southend Association of Voluntary Services

Speen, Shaw and Donnington Neighbourhood Action Group

Phoebe Spence

Sport and Recreation Alliance

Spx Leisure Limited

St Cecilia Orchestra

St Paul's Crossover Centre

St Richard's Hospice, Worcester

St Thomas' Church Parochial Church Council, Stockport

Appendix E

continued

Stafford Works

Stechford Youth Network

Stewardship

Sue Ryder Care

Survivors' Poetry

Sussex BME Partnership

Sutton Council for Voluntary Service

Tameside Third Sector Coalition

Teso Development Trust

Third Sector European Network Limited

George Thomas

Timebank

Tiphereth Limited

Torbay Street Pastors

Tribunals Service

TRIP CTA

UnLtd

Upper Niderdale Scout Group

Vacation Chamber Orchestras

Doctor Geoffrey Vevers

VINE for PAT Charity

Voice 4 Change

Voluntary Action Islington

Voluntary Sector North West

Volunteering England

Daniel Vulliamy

Sarah Ward

West Ashton Village Hall

West Berks Indoor Bowls Club

West Berkshire Hackney and Private Hire Association

West Bromwich African Caribbean Resource Centre

West Lancs Peer Support Group

Weymouth Community Volunteers

Wigan and Leigh Council for Voluntary Service

Wilderwoods Forest School

Willow Tree Management

Fred Wilson

Brian Winder

Wirral Information Resource for Equality and Disability

Wolds Learning Network

Women's Resource Centre

Working with Men

WPF Therapy

Zurich Municipal Insurance

Appendix F

The coalition government's principles of regulation

General Principles

1. The Government will regulate to achieve its policy objectives only:
 - a) having demonstrated that satisfactory outcomes cannot be achieved by alternative, self regulatory, or non-regulatory approaches; and
 - b) where analysis of the costs and benefits demonstrates that the regulatory approach is superior by a clear margin to alternative, self-regulatory or non-regulatory approaches; and
 - c) where the regulation and the enforcement framework can be implemented in a fashion which is demonstrably proportionate; accountable; consistent; transparent and targeted.

Operating Principles

1. There will be a general presumption that regulation should not impose costs and obligations on business, social enterprises, individuals and community groups unless a robust and compelling case has been made.
2. The Government will adopt a 'One In One Out' approach
3. Before bringing forward any proposal to introduce a new regulation, Departments will need to satisfy BRE / sub-committee secretariat that it passes one of two tests:
 - a) That no suitable alternative, non-regulatory or self-regulatory means of achieving the same outcome exists;
 - b) That the measure either reduces the burden of regulation or is deregulatory.
4. When reviewing regulatory proposals the sub-committee will ask the following:
 - a) Is it necessary for the Government to act?
 - b) Does the proposed approach harness the insights of behavioural economics in order to achieve outcomes in minimally burdensome ways?
 - c) Even if there is a clear case for regulation, is this a sufficiently high priority bearing in mind other new burdens being imposed by the Government's other regulatory priorities?
 - d) Is the proposed regulation a necessary and proportionate response to the policy issue, does it comply with the other principles of good regulation and are the proposed enforcement arrangements credible and affordable?
 - e) Have the costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups been robustly identified and reflected in the choice of options? (The opinions of the external scrutiny body will be considered.)
 - f) Where SMEs are to be included within the scope of the regulations, has a compelling case been made for their inclusion?
 - g) Where the proposed regulation implements EU obligations, is the proposed regulation the least burdensome way in which to implement them?
 - h) Have the necessary burden reductions required by One-in, One-out been identified and are they robust? (The opinions of the external scrutiny body will be considered).

