Voluntary and Community Sector Assembly

Annual Assembly 2016
2015/16

- Key projects:
  - EU Funding and Social Inclusion
  - Social Value and Impact
  - Volunteering
  - Research and Review
  - Representation
  - Partnership—The Change and Compact Group
2015/16

• The VCS Assembly Board
• Our Vision and Values
• Making a difference
Why do I do this?

Wealth Management

Investment for life!
I do believe in the Ark

An Act of Random
Kindness
This is why I will never be Rich!

Stars

Aries March 21 - April 20

Some people will only work for cash. But you don’t have to make money from a job for it to have value. Work you do for love is every bit as precious. Volunteering for a worthy cause allows you to make a positive difference. Keep an eye out for a close friend who could certainly do with some helpful advice.
Unsettlement and transition: the voluntary and community sector in austere times

Rob Macmillan
Third Sector Research Centre
University of Birmingham

Shropshire VCSA
Annual Assembly 2016

Shrewsbury, 20th May 2016
Economic and political context

- **Recession, austerity and cuts** - the framing of a fiscal crisis, and the consolidation state
- **Recasting the role of the state** – a high-risk project of simultaneous cuts and significant restructuring
- **The (re)birth of the ‘Big Society’?** - decoupling of the voluntary sector and the state
- **‘Open’ public services** - a renewed role for the voluntary sector? in partnership with the private sector?
- **A new government in a hurry** - welfare reform and the life chances agenda, right-to-buy, and the national living wage; ongoing cuts
- **Political cross-dressing** – a conservative ‘centre/common ground’
- **New territorial politics** – localism and (Northern) ‘powerhouses’
‘Unsettlement’

Implications for the VCS

• ‘Shaking-out’ – dual impact of austerity; contraction and closure? enough ‘room’ for everyone?
• ‘Shaking-up’ - organisations encouraged to be more ‘enterprising’, demonstrate value, pursue greater consolidation...
• ‘Sticking to the knitting’: discomforting mood music on campaigning, advocacy and the ‘Lobbying Act’ 2014; anti-advocacy clause

An ‘unsettlement’

• Where resources, relationships, approaches and understandings are called into question...
• ...into this turbulent space, new field-shaping ideas and projects are proposed, circulated, promoted and contested (e.g. ‘early action’)

KEEP CALM AND Batten Down the Hatches!
An aside about Kids Company – a settling of accounts

What is it a case of:
• poor central government grant giving?
• political betrayal?
• failed public brinkmanship?
• policy failure - in children’s social work and child protection?
• financial mismanagement?
• a fragile and under-capitalised third sector?
• a reckless business model and chaotic service provision?

‘Translation’: A settling story of **poor governance and financial oversight**
Voluntary sector total income and expenditure, 2000/01 to 2013/14 (£bn, 2013/14 prices)

Voluntary sector income sources, 2000/01 to 2013/14 (£bn, 2013/14 prices)

Voluntary sector income type, 2000/01 to 2013/14 (£bn, 2013/14 prices)

Change in income by size of organisation, 2012/13 to 2013/14 (£m)

Source: https://data.ncvo.org.uk/
Financial Sustainability Review (July 2015)

- Funding stagnation over last five years
- Redistribution of spending from smaller to larger organisations
- Government contract income in decline since 2009/10 and grants at an all time low
- Capacity crunch
- Forecast annual income shortfall of £4.6bn by 2018/19 to maintain its 2012/13 spending power
## Studying the VCS over time

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<th>Study</th>
<th>Findings in a nutshell</th>
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<td>Third Sector Trends (2009-12, n=50)</td>
<td>Mixed picture – a ‘variety of circumstances and experiences’; uncertainty and an ‘abyss mentality’</td>
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<td>Scottish Third Sector Longitudinal Study (2009-13, n=20)</td>
<td>Change and uncertainty in the policy and funding environment; absorbing cuts, but not as bad as expected</td>
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<td>‘Real Times’ (2010-14, n=15)</td>
<td>‘Unsettlement’ and adjustment strategies – • restructuring/redundancy; • reconfiguration/merger; • repositioning/rebranding</td>
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<td>Recession Watch (2012-13, n=60)</td>
<td>Bewildering set of challenges; ‘paring back for survival’ and rationing; complexity (public services) and distress (poverty and hardship amongst users)</td>
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Restructuring and redundancy
“People come in and really look you in the eye and tell you how desperately they want their job and they enjoy their job and you just feel dreadful because, you know, it’s not about whether you want your job or not...It’s about how much money we’ve got and as much as you like your job, we’re not going to have a job for everybody at the end of this and it’s shit, what can I tell you?” (Advice services)

Reconfiguration and merger
“So there’s quite a lot of potential basket cases out there if I’m honest, and it wouldn’t be sensible for either charity to...the coming together of two baskets is not a good idea” (Family support)

Repositioning and rebranding
“You’ve got to be aware of what other people are doing. We certainly try and stay close to key competitors and their tactics to understand what the world is going to look like and we try and adjust our plans accordingly....what are the political directions, how do we position ourselves to work in that way....” (Social housing)
Uncertain futures – ‘Birch’ (advice services)

“It’s been difficult to plan for....and that’s the big thing even at the moment, that actually it is still difficult to see what’s in front of you.. The plans have to be ‘we’re as flexible as we need to be to do what we need to do’, you know...

But it doesn’t necessarily feel comfortable really, that you’re having to be so quick on your feet that actually you don’t want to lay things down because that might slow you down, so let’s keep it open and fluid”

• Timescales of transition – fast and slow
• Weathering the storm, cuts and reprieve through ‘transition’
• Buying time – ‘laying down funds’

• Seeking common cause and systemic change – ‘it’s the system stupid’
Our Bigger Story
Multimedia evaluation project

http://ourbiggerstory.com/
‘Transition’

- Transition Fund...
- Transforming Local Infrastructure...
- Advice Services Transition Fund...

Local Sustainability Fund
- Cabinet Office, via Big Lottery Fund, £20m, England
- promoting sustainable ways of working - funding and support to review and transform TSO operating models.
- in development 2013-2014, launched June 2015
- **1001** initial applicants
  - **397** invited to submit full application
  - **265** awarded grants March 2016 (£20K-£100K)
‘Transition’ as a project

Organisations need to be **resilient, entrepreneurial and agile**. Many will need to adapt and develop their business models in order to continue to deliver and grow their services, developing new skills and capability along the way (Cabinet Office, 2014, p.6).

The working aim for the fund is to identify VCSE sector organisations delivering vital services to vulnerable people in our communities, but struggling to adapt to their changing environment, and **to put them on the right pathway** to securing the long term future of their services (ibid, p.8).

- Diagnostic tools
- Health checks
- Business support
- Sustainability journeys

http://vcsestrengthchecker.org.uk/
Two familiar stories of the VCS

1. A narrative of necessity and adaptation: ‘Adapt or die’
   ... Voluntary and community organisations need to adapt, and need help to adapt, to a changing and/or more austere environment, to become more:
   • Efficient and ‘business like’
   • Professional
   • Impact-focused
   • Entrepreneurial

2. A narrative of jeopardy and loss: ‘To hell in a handcart’
   ... Voluntary and community organisations are at enhanced risk, variously, of:
   • Becoming too bureaucratic
   • Losing focus - mission drift
   • Losing distinctiveness and independence
   • Marketisation
A cautiously optimistic position...

• By and large people still quite like voluntary and community action... but they want it to be different!

• Leadership as narrative in these unsettled times
  – the stories we tell (and the tales we are told) of what the sector is, how it works and should work, and what it is for and what it contributes.

• The voluntary and community sector as
  – an **intermediate zone**...honest brokers working with and between other sectors
  – a mechanism of **creative discovery**...(‘the risk of good ideas’)

• Working with **inter-dependency** ... amidst all the chaos

• What are your priorities?
Guest Speaker

Dan Corry
New Philanthropy Capital
Developments in the sector and some implications for the vcse

Shropshire VCS Assembly, May 2016, Dan Corry
My background
TRANSFORMING THE UK CHARITY SECTOR

NPC works at the nexus between charities and funders

Charity

Increasing the impact of charities
eg, impact-focused theories of change

Funder

Increasing the impact of funders
eg, effective commissioning

NPC works at the nexus between charities and funders

Sector

Strengthening the partnership
Eg, collaboration towards shared goals

Consultancy
Think tank
A changing context

Reconfiguration of the relationship between civil society and the state
Austerity

• Major cuts
• Still going on
• ‘Slack’ at local level gone
• Voluntary income patchy in making up deficit (?)

Issues for sector?

• Sustainability
• State withdrawal
• Innovation versus keeping going;
• Mergers and collaboration
• Social capital issues
• Spin outs plus asset and service transfers
Changes in many areas that affect charities

Welfare

Housing

Health
Changes in public sector funding

• Fewer grants
• More contracts
• Bigger contracts
• Payment by Results etc.
Key commissioning facts

• In 2013/14 the sector received £15bn from government bodies, of which 81% was earned through contracts or fees.

• The income from government fell to £14.6bn in 2011/12 and £14.5bn in 2012/13. The 2013/14 level was up but still £600m below the peak of 2009/10.

• The majority of income from government comes from local government at £7.4bn. Central government and the NHS £6.8bn

• In 2003/04 grants were over half of all income from government. In 2013/14 they made up 19% of income from government (£2.8 billion).

• Larger charities are more likely to receive government income, and likely to receive more income from government. (except the very biggest)

• Even for medium charities (£100k-1m), government income is 14% of total income.

Source: analysis of NCVO Almanac data
The importance of contracting to the voluntary sector

Income from government contracts and grants, 2000/01 to 2013/14 (£bn, 2013/14 prices)

- Government contracts
- Government grants
Who is most reliant on government funding?

Income from government as a share of total income, by sub-sector, 2013/14 (% of total income)

- Social services: 34.9%
- Culture and recreation: 9.1%
- Housing: 4.7%
- Employment and training: 4.5%
- Education: 3.6%
- Research: 2.5%
- Umbrella bodies: 1.4%
- Religion: 1.2%
- Parent Teacher Associations: 0.2%
Some other funding facts

- The total income of voluntary organisations in 2013/14 was £43.8bn
- From 2007/08 peak level of £43.2bn, income fell by £1.6bn in 2008/09 and then remained fairly stable until 2013/14, apart from a slightly higher level in 2010/11 (£42.4bn).
- Income from individuals remains the sector’s main income source, providing £19.4bn in 2013/14 (44% of total income) via donations and purchases.
- In 2013/14 charities earned £24.1bn, a huge increase from the £12.2 billion earned in 2000/01.
- Around 60,000 organisations (37%) are running without any reserves. In particular, almost half (49%) of the smallest micro-organisations had no reserves at all.

Source: analysis of NCVO Almanac data
Localism

- Nations
- Moves to city regions
- Decentralisation of many public services too

Issues for sector

- Links to local bodies more important
- Difference across geographies
- Cold spots issues
- Work in ‘moving’ areas or those left behind?
Attitudinal change

• Attitudes to poor
• To welfare
• To migrants

Issues for sector

• Swim with or against tide?
• Attitudes to campaigning charities?
• How quiet and how noisy to be?
• Europe?
• Volunteering
• Fundraising
• Young people
• Ethnicity

Issues for sector

• Are charities thinking this through?
• Can you end ‘old fashioned’ approaches?
• Ask questions about this?
Volunteering trends – pretty steady overall

Proportion of people volunteering formally, 2001 to 2014/15 (% of respondents)

- At least once a month
- At least once in last year

NCVO UK Civil Society Almanac | Built with Highcharts
But younger volunteers may be growing (so others doing less?)
And technology and data availability changing

- E.g. on advice services
- Mentoring

Issues for sector

- Do you fundraise for tech and digital?
- Can it provide better services and more efficiencies?
- Do you understand enough?
- Limits to on-line
Sector itself more complex

• Increasingly diverse – hollowing out of the middle
• Business charities
• Local community sector
• Social enterprise and mutuals
• ‘Profits for purpose’

Issues for sector

• A strength or weakness?
Always come back to the fundamentals
Tougher times has implications (1)

- Impact really matters (and proving it)
  - Not always easy – attribution; data; counter-cultural etc.
  - Potential for cash savings and better lives (but not all work or are cashable)

Issues for sector?

- How much do funders care?
- What is proportionate? Is a Theory Of Change enough?
- Are we acting on what we learn (it’s not just a fundraising tool!)
- Do we need to focus on system change more?
Tougher times has implications (2)

- Other sources of finance being looked at by charities
- Social investment will be part of the mix
- Social Impact Bonds in the ‘ether’

Issues for sector?

- How much do charities need to know about all this?
- Should they be altering what they do to be more attractive to “Alt Fi”? 
Current political landscape for charities and social enterprises.

- Charities and social economy were out of limelight compared to 2010 (Big Society faded etc.).

But....

- Olive Cooke affair
- New fundraising regime
- Lobbying Act and ‘anti-advocacy’ clause
- Governance issues in wake of Kids Company
- [+ NLW, apprentice levy etc.]
What happens if we don’t adapt?
THANK YOU

New Philanthropy Capital – Transforming the charity sector

London, May 2016
VCSA Review 2015/16
Chris Child, VCSA Board Vice Chair
Introduction

• Background and Context
• Who we consulted and when
Findings / Proposals (1)

- The vision and values of the VCSA are fit for purpose for the future – but need more proactive marketing/communicating in future.

- The main purpose of the VCSA is to provide a voice for the sector – to both represent the sector and to support collaborative working.
Findings / Proposals (2)

- Representation is a key function – but needs to be more rigorously adhered to – made easier to achieve?
- VCSA Board membership needs reviewing and revising to ensure diversity is retained and reflects the breadth of the VCSE sector across the County but that it can also act on behalf of the sector to ensure it is strongly placed to work with all sectors and stakeholders in future
Findings / Proposals (3)

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Findings / Proposals (4)

- Remaining support staff capacity provided by Shropshire Council should focus on delivering the VCSA news, maintaining the contact database and member information and facilitating the Board and Change Group.
- In addition a critical role for the support staff is to be a single point of enquiry regarding VCSA representation and working and that this function needs further support from wider stakeholders.
Findings and Proposals (5)

- Forums of Interest (FOI) to be asked to undertake an internal review. Could there be joint Service Delivery Groups and Thematic Interest Groups which respond to current need? A more efficient approach is certainly needed, one which retains VCSA values but is also responsive to wider stakeholder and sector agenda’s.

- Priorities
  - a review of infrastructure support led by Shropshire Infrastructure Partnership
  - explore and seek to secure income generation, funding streams and private/education sector support particularly to support VCS groups meeting the needs of most vulnerable groups
Group Work (A)

• Responses to findings – anything you particularly like / don’t like?
• Any other questions / comments – post it notes (or ask during discussion)

Record your discussion on the activity sheets provided. Your table facilitator will be able to help you. You have 12 minutes for this discussion.
Group Work (B)

What are the challenges for your organisations?

Think about the 2015/16 and the coming year. What do organisations need to overcome challenges?

Record key points from your discussion on the activity sheet provided. Your facilitator will be able to help you. You have 12 minutes for this discussion.
Group Work (C)

Think about the presentations and discussions that have taken place today. Reflect on the findings from the VCSA review and your discussion around challenges.

Identify **three** realistic key priorities or actions which you would like the VCSA Board to consider over the coming year.

You have 12 minutes to discuss this with your group.
Thank you for joining us.

Please don’t forget to complete your feedback forms and leave on your tables for collection.