

‘I’m a do-er but I need support to stop me asking why I am bothering, I’d like to know a champion inside the council who I could go to for some help, someone who I know would fight our corner’

Jo, 65

Number 11
Revving Up the Voluntary Sector

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Today's voluntary organisations are at best innovative, iconoclastic and inspiring, at worst parochial, plodding and unrepresentative. What changes should be made to help them meet the challenges of the 21st century?

At the start of this century charities in the UK could have looked back with some pride on the previous 100 years – a century in which they had carried out pioneering roles as:

- the precursors of state services – schools, hospitals
- service providers of last resort – childcare, soup kitchens
- advocates for change – in public policy, by establishing minimum thresholds
- advocates on behalf of deprived and marginalised groups – the working poor, immigrants
- the founders of many pathfinder services - i.e. services too 'dangerous' for the state or the churches to embrace: family planning, civil rights, and so on.

A similar scan of the present century would produce a rather more muddled and complex picture. Among today's non-profit-making organisations, there are thousands of individual players, all searching for distinctive roles and voices and all seeking their own definable space amid the switchback rides of this century's public policy – minimum protection, two world wars, strong state, welfarism, weak state, safety-net, producer-led economy, consumer-led economy, contracting public services, the decline of active citizenship, globalisation, regionalisation. The list goes on.

Looking ahead to the start of the new century, where does what is now described as the voluntary sector stand? What is its definable space? What should be its unique contributions to the next Millennium?

I believe the case needs to be re-made for the voluntary

sector's contribution in the 21st century. And, to this end, I have identified six overlapping areas of change. Before embarking on this star-gazing, though, I would like to offer my own assessment of the current state of play vis-à-vis non-profit-making activity with the following brief and, I accept, provocative typology.

The voluntary sector on the threshold of the new Millennium is:

AT BEST	AT WORST
unbureaucratic	inward-looking
innovative	searching for a halcyon era
iconoclastic	parochial
voice for the voiceless	unrepresentative
front-runner for tomorrow's services	outmoded services
inspiring	plodding
high public esteem, trust	overlooked, unnoticed
charismatic leaders	very charismatic leaders

So much for the voluntary sector itself. What about the public policy environment, from which voluntary organisations are increasingly going to have to take their lead? The buzz-words of public policy on the cusp of the Millennium are: pragmatic; non-ideological; inclusive; accountable; transparent; joined-up; defining outcomes; auditing effectiveness; heterogeneous; no single models; regional; European and global.

Both listings are offered with tremulousness but with, I believe, a degree of fin-de-siècle realism. Taken together, they make the process of star-gazing, on which I shall now embark, somewhat less uncertain.



There are, as I say, six areas where I believe non-profit-making players can confidently mark out some niche terrain in the early years of the new century.

1. Out-of-sector Activity

Non-profit-making players need to avoid becoming trapped within the increasingly narrow confines of the voluntary sector – a categorisation which potentially covers billion-pound housing associations, the burgeoning ethical business sector within the social economy and the Royal National Institute for the Blind, as well as single-employee refugee organisations and all-volunteer neighbourhood watch schemes.

With the boundaries between public and private, national and transnational becoming less and less clear, the niche imperative for voluntary players lies in:

- a) developing out-of-sector partnerships within the ‘voluntary sector’: e.g. homeless agencies organising for street sleepers to attend courses in theatrical stage management; refugee organisations offering translation services to housing associations.
- b) developing cutting-edge models that can be applied and modified elsewhere in the UK and worldwide (the *Big Issue*, hospices), or in different sectors altogether (e.g. old peoples’ homes inviting in voluntary sector practitioners to provide age reminiscence courses for their residents).
- c) the forming of sustainable alliances between major companies and individual organisations (e.g. Tate & Lyle and Community Links), with the relationships extending way beyond money.

2. Demythologising the Voluntary Sector

The entrenched set of images that the public associates with the ‘voluntary sector’ will be difficult to dislodge. The Government itself locates the ‘voluntary sector’ within a department of the

Home Office, which is primarily responsible for prisons, police, immigration and criminal justice. The recent temporary sojourn of responsibility for the sector within the Department for Culture was apocryphally explained, by an anonymous mandarin, as ‘something people do in their spare time’. In the future we must undertake a radical rethink of how UK institutions and opinion-formers define, describe and see the voluntary sector. There will be huge opportunities for the sector to redefine itself, without, hopefully, unnecessarily sacrificing its core defining features. Rapid changes in language and cultural expectations will be called for.

3. Future Generations of Community Leaders

Non-profit-making organisations have always provided a conveyor-belt for future community leaders – locally, regionally and nationally. And, as the public has increasingly lost trust in the institutions which have navigated most of the present century, non-profit-making players will have important cards to play to enhance their own influence and profile. That said, they will need to steer a careful path between becoming indistinguishable from tarnished mainstream institutions (some giant housing associations come to mind here) and clinging to out-moded, isolating approaches. If this route is well-navigated, substantial and long-term community leadership opportunities will emerge, with the voluntary sector uniquely positioned to benefit.

4. Social Inclusion

The voluntary sector may bow its head at the shrine of equality, rights and diversity but its performance has been decidedly patchy – particularly with regard to its employment responsibilities. How many black voluntary sector chief executives can you name? In my judgment, voluntary sector performance in this key area lags considerably behind many local and health



authorities, some government departments and an increasing number of private sector employers. If the voluntary sector is to continue to burnish many of its core images – caring, fair, supportive to the underdog – it must take active steps to more accurately reflect the communities and interests it claims to serve.

5. Niche Positioning

Within the context of a permanently changing, unpredictable environment, non-profit-making players will need to concentrate as never before on niche positioning. This will require careful and continuous review and finely judged and regular assessments of the balance between an organisation's core founding principles on the one hand, and the changing patterns of public policy and the means by which these policies are going to be delivered, on the other.

a) Pathways out of social exclusion

Over the last 10 years European policy discourse has seen familiar terms, such as 'poverty', 'disadvantage' and 'deprivation', give way to that of 'social exclusion'. The broad aim of creating a socially *inclusive* society is increasingly influenced by a recognition of the growing institutional and generation gaps in income, life chances, education, health and discrimination. At its best the voluntary sector is uniquely placed to advocate on behalf of socially excluded people and communities; to act as a trusted intermediary and as a linking agency between government and (potentially) corporate players and the most excluded groups in UK society; and to become the most appropriate deliverer of services to these groups.

b) Representation

Citizenship, lobbying, democratic representation, voting... all of these key civic issues are under enormous strain as we enter the new Millennium. The continuous revolution in new technology will

inevitably open up further areas of direct contact, engagement and influence. And the voluntary sector is well positioned to directly represent views and ideas within the developing civic landscape – regional government, citizens’ juries, city mayors, etc.

c) Risk

I have already referred to those many public services which are today regarded as mainstream or universal in such areas as public health, education and childcare, which were originally pioneered within the voluntary sector. Inevitably, at the outset, such ideas and services were considered risky, even off-message, insane and dangerous. The voluntary sector needs to concentrate on developing its niche position as a laboratory for new thinking and practice. Funding agencies (see below) need to rise to the challenge of becoming less risk-averse; to support potentially beneficial high-risk proposals; and to recognise that some, maybe all of their investment will be lost, and yet be willing, following private sector practice, to accept a degree of loss set against the clear benefits that will accrue as some high-risk models break through to the mainstream.

6. Joined-Up Funding

Voluntary organisations are totally dependent on an increasingly complex mix of funding – contracts, charitable giving and earned income. Funders of all types have a moral public policy and business-led responsibility to deliver funding strategies which are more effective and sustainable, less bureaucratic, which encourage initiative and innovation and which are specifically geared to supporting pathways out of social exclusion. There are a number of encouraging signs, as I write, that many funders are beginning to see the benefits of ‘joined-up’ funding. Positive developments in this area should include:

- Joining up funders and fundseekers – breaking down the



artificial barriers between the two. In the United States, regional associations of ‘grant-makers’ regularly brief fund-seekers on how successfully to bid for their funding and hold round-table events on particular issues – homelessness, venture capital, early reading schemes and so on. Applying this model to the developing regional environment within the UK would deliver quick dividends.

■ Sharing information, monitoring and evaluation. Funders need to be better informed, less wasteful and less bureaucratic. They need to share critical data more effectively. At present the London Funders’ Group, a cross-sectoral network of 100 funders with an aggregate spend exceeding £400 million, which I chair, is concluding a major ‘single application form’ project. Assuming that a critical mass of funders adopt or adapt this form, we will be able drastically to reduce levels of bureaucracy and transaction costs both for fund-seekers and funders and to greatly increase the sharing of key information between funders.

■ The continuum of risk. I have already commented on risk, and believe that funders have a key complementary role to play, with fund-seekers, in managing issues of risk more effectively. At regional, national and (potentially) EU level, funders should be encouraged to consider what level of risk they are prepared to undertake.

In today’s funding environment, charitable trusts tend to be open to high-risk funding; corporate funders mainly cluster around the medium-risk range – they are open to innovative ideas but want some guarantees of a return; while national and local government funders, in thrall to the Treasury or local auditors, traditionally congregate at the low-risk end of the spectrum. By improving the collective understanding of where individual funders fit on the risk continuum, funders will quickly improve their capacity to package multi-funded arrangements where the funding burden passes down the risk continuum from high to low

in stages as the project moves through its lifespan.

■ **Two-way learning.** Traditionally, funders monitor fund-seekers, not vice versa. But in practice, funders may have much to learn from fund-seekers. There may well be organisational, cultural, customer-related and service areas where the cutting practice of particular voluntary organisations could provide instructive and helpful models for government and local government, health bodies, corporate donors, family trusts, and so on. Quality assurance systems and tools need to be developed for the new Millennium which will encourage and deliver this sort of two-way learning. Such a step, while clearly beneficial in itself, will also significantly improve the quality and sustainability of partnerships between non-profit-making players and the other key sectors within UK society.

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