
The Yellow Book of the Voluntary Sector

Civil Society and the Liberal
Democrat Party after the 2015 election

With a foreword by the Rt Hon Nick Clegg MP

CAF Charities Aid
Foundation

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Charity Leaders Network

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ABOUT THE AUTHORS

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FOREWORD

Rt Hon Nick Clegg MP

I'd like to pay tribute to CAF and ACEVO for calling on all three of the main parties to set out our beliefs and ambitions for Britain's voluntary sector.

No political party has a monopoly on the value of charity but, for liberals, Britain's charitable and voluntary organizations serve a very specific – and utterly vital – function. They empower people. They reach into the most deprived parts of our society and, through sustained support, liberate men, women and children from circumstances over which they frequently have no control. So often our charities act as engines of social mobility and, for the Liberal Democrats, there is no greater contribution. My party's overriding ambition is for Britain to become a place where a person's life fortunes are no longer dictated by their background. We are all indebted to our many volunteers and charitable workers for the work they do to help Britain become that place.

In this anthology, 'The Yellow Book,' you will get a full spectrum of views from my colleagues on the

future of the sector, touching on issues as varied as the role of city philanthropy, the future of giving, and the place of the third sector in healthcare and the arts. It could not be more timely. After years of turmoil in our economy, having come through the fire, it is now time for us to have the debate over Britain's future. We are moving from a phase of rescue to renewal, in which our voluntary sector has a crucial role.

One area where there is a huge debate to be had is the involvement of the third sector in delivering public services – a key theme in some of the chapters here. The financial crisis and subsequent need for spending restraint have forced us to look at how we deliver services. It is an old liberal view that healthy, thriving public services require a mix of providers and our charities are essential in that. Whitehall does not have all the answers and very often it is the charities out on the front line who best understand how to help their communities – and not just the big players but the smaller, and often extremely effective, organizations too. Decentralization is important here. In coalition the Liberal Democrats have overseen an unprecedented transfer of power away from central government departments to our councils and communities. That is a trend we want to see continue, but we need to ensure that our local voluntary sectors now feel the benefits of these reforms. Big, regional contracts make it difficult for all but the

biggest charities to be involved – something greater localization will change.

These and other topics are rich areas of debate within my party, as you'll see in the pages that follow. I want to thank all of the contributors for continuing to push the party's thinking. My only plea is that the sector responds. We are at our best when we work in partnership. Just as Britain's voluntary organizations serve a critical democratic function by holding politicians' feet to the fire, the sector must also continue to make itself heard in the debate over Britain's future – whether on welfare reform, international development; whether on protecting our natural environment to promoting more diversity in our politics. Your contribution to public policy debates enriches and invigorates the public policy debate in our country, and it is needed now more than ever. We look forward to your response.

INTRODUCTION FROM ACEVO

Sir Stephen Bubb

Over the last four years ACEVO has worked closely with the Liberal Democrats – as we do with all parties – to represent the third sector during the party’s first period in government. At this late stage in the Parliament and with an election looming, it’s a good opportunity to look back at the party’s successes and failures, and reflect on how their relationship with civil society will look after the next election.

ACEVO and CAF convened this set of essay collections to broaden and deepen the third sector’s relationship with the political parties in advance of May 2015. It’s going to be an unusual election campaign. Fixed-term Parliaments have given the country years to prepare for the pre-election debate. The outcome of the Scottish referendum portends the largest constitutional changes in our lifetimes. And amidst all this, hundreds of organizations in the third sector will write their own election manifestos.

Our aim in these books is to go beyond the usual manifesto-writing and build a firm base for engagement with the parties both now and in future. The book you are now reading is the product of this endeavour. I'm pleased that, like the accompanying 'Red Book' and 'Blue Book', it showcases a broad and original range of political thinking about the voluntary sector.

My hope is that those on all sides of the political debate will read and ponder the essays in these pages. Their message, to me, is clear. Like the other parties, Liberal Democrats appreciate civil society's power to drive national civic renewal, a transformation of our public services and the transition to a better society. Our challenge is now to deliver on this potential. ACEVO will work with all the political parties to help make sure civil society is at the top of the political agenda.

Thank you to all of the contributors for their work, and to the teams at ACEVO and CAF for bringing this project to fruition. I'm confident it will spark debate between Liberal Democrats, the other parties and the voluntary sector. Let's hope this enriches the election debate and our political future after the election. I hope you enjoy reading it.

INTRODUCTION FROM CAF

Dr John Low CBE

We all need to do more to realize our vision of a bigger, more generous society. The basic principle that people can use their time, initiative and money to tackle today's social problems remains as powerful as ever, and enthusiasm for this from the British public remains strong. But our desire to continue to support good causes faces a number of challenges and it is vital that government leads the way in preserving and reinforcing this principle for both current and future generations.

Charities play an enormous role in our society and are the backbone of communities across Britain, but their presence in political discourse often does not match the importance of their contribution to social good. The next government must consider the value of civil society and investigate and encourage new and innovative ways of bringing people together to support those in need of help.

The Yellow Book of the Voluntary Sector gives Liberal Democrat politicians an opportunity to explore their ideas for the development of civil society, and how the relationship between government and the voluntary sector can be strengthened. The Liberal Democrats are a party rooted in localism and community action, and share many of these values with Britain's voluntary groups, which are explored in detail in this collection. I would like to express my gratitude to each of the contributors for their participation in this exciting project and will watch with interest to see which of the emerging themes and fresh ideas contained within these essays are incorporated into the forthcoming Liberal Democrat manifesto.

The Charities Aid Foundation is committed to ensuring that the needs of charities are taken into account by whichever party (or parties) is in government, and we believe that the British public share our desire to place charities at the heart of policymaking. Better interaction and engagement between government and charities can only help to create the kind of society that we desire, and this essay collection plays an important role in focusing attention on the value of charities and placing their needs high on the political agenda.

PART ONE

**THE POLITICAL
SETTLEMENT:
WHERE CIVIL SOCIETY
MEETS LIBERAL
DEMOCRAT POLITICS**

CHAPTER ONE

‘THE MOST GENEROUS COUNTRY IN THE DEVELOPED WORLD’ – UK CIVIL SOCIETY AND POLITICS

Dr Julian Huppert MP

As the General Election approaches, parties of all stripes will be putting forward their ideas for the future of the country. There will be a renewed focus on key issues such as the economy, health service and education, and debates and hustings will be held across the country to give politicians the opportunity to communicate directly with the electorate at a local level. Before then, all parties will be engaging with organizations and experts to get their thoughts on how the different sectors in our society could be improved. It is important that the essential role of charities is not overlooked.

This Yellow Book plays an important role in engaging the Liberal Democrats with the 164,000 charities that do so much good across the country. As a Member of Parliament with a constituency that includes a thriving voluntary sector, I am delighted to be given a platform to make the argument that Liberal Democrats should aim to bolster civil society whilst providing organizations with the resources to pursue their charitable missions.

The UK is one of the most charitable nations in the world, with a proud history of generosity that manifests itself in the millions of Britons who give their time and money in support of charity each year. We regularly rank in the top ten in the world for supporting charities, and in 2013 the UK was the most generous country in the developed world for charitable giving. Indeed, our positive approach to civil society is recognized and adopted across the world, and many emerging economies are seeking to replicate the facilitating role that UK governments have historically played to allow our charity sector to develop.

A strong charitable ethos is at the very heart of our society, but we cannot grow complacent. Like organizations in other sectors, charities have struggled as a result of the recent economic crisis. Indeed, many smaller charities have been unable to continue their work as a result of funding reductions, both from voluntary and statutory sources. Of course, action had to

be taken to reset the public finances, but now that the economy has returned to growth it is essential that the next government creates a climate that allows charities and voluntary groups to flourish.

Although it may seem that the charity landscape is dominated by large international and domestic charities, the reality is that the overwhelming majority of charities in the UK are small and operate almost exclusively at a local level. Much of their activity happens without any fanfare, and as a result even those people whose lives are improved by the work of charities – such as the many who benefit from the likes of meals on wheels, youth sports teams and museums – are often unaware of what charities do for them unless it is explicitly explained. There is, therefore, a need to raise greater awareness of the role that charities play in society, particularly amongst young people, in order to ensure that their vital work is not taken for granted.

Perhaps as a result of a lack of knowledge about charity, not everyone gets involved with supporting good causes, despite the personal and societal benefits that engagement in giving can bring. Last year, the Charities Aid Foundation (CAF) carried out research that looked in detail at the people who provide the power behind Britain's charities. Their research discovered that charities are dependent on a small number of people who do a great amount for a cause that they believe in.

CAF found that nine per cent of people are responsible for two-thirds of all charitable activity in the UK; Britain's 'Civic Core' who give both their time and money generously, and are often at the very heart of their communities. At the other end of the spectrum are a quarter of the populace who choose not to engage with charities at all, whilst in between are those who make a recognizable contribution. To political activists, that distribution may not be wholly surprising, and I would speculate that if you were to conduct similar research with regards to politics, the figures would not be dissimilar.

This research aimed to demonstrate that there is scope for more people to get involved with supporting good causes, and this is something that Liberal Democrats would undoubtedly support and actively encourage. Getting those who already do a little to do a bit more, and those who are currently not engaged to take the first steps towards engaging with giving could unlock a huge resource for charities in their efforts to make a positive difference in society.

I believe that there are two main functions the government has in ensuring that more people become engaged with giving. Firstly, the government needs to create a climate that puts charities at the heart of society, recognizing the contribution that they make whilst putting into place schemes and programmes that allow them to enhance their impact. Secondly,

the government needs to look at how giving can be reformed to ensure that donations of both time and giving are maximized, so that people who do give know that they are making as big an impact as possible.

Turning to the first function, this isn't to say that the current Government has failed when it comes to supporting charities. There is much to be proud of, visually encapsulated by the thousands of volunteers who made the 2012 London Olympics such a roaring success. However, the lofty rhetoric of David Cameron's Big Society – and this is a policy area that has been mostly the preserve of our Coalition partners – has not been matched by practical support. The Prime Minister spoke of the value of volunteers and community action, but much of this goodwill was lost when combined with a failure to ensure that charities were given access to the resources and expertise needed in order to make a difference. The Big Society needed a proper framework to flourish; instead a failure of funding and facilitation left it to fizzle.

The ideas of the Big Society were, in many respects, nothing new, but what was lacking was an adequate plan to translate those sentiments into action. The next government can choose whether or not to abandon the phrasing of the Big Society, as the organizations who were always at the heart of it will continue in any case, but what is crucial is the creation and implementation of practical policies that demonstrate to charities,

volunteers and donors that the sector will not be abandoned and left to fend for itself.

Liberal Democrats should commit to an approach that makes a virtue of providing support to civil society, recognizing the value of the work that charities do. There is of course a need to ensure that charities maintain their independence and are able to pursue their mission free from interference, but where Liberal Democrats should break from the approach followed by our current coalition partners is by ensuring that support mechanisms are put in place to give charities the confidence and ability to focus on their primary activity: creating positive social change.

In that respect, our approach to civil society should not differ significantly from our attitude towards welfare. Where possible, we should adhere to the classic liberalist principle of freedom and allow charities and voluntary groups the freedom to flourish. However we should also offer proper support structures, including training and guidance for new charities, fair access when bidding for contracts, and greater education around the activities of charities to encourage mass participation in giving.

Such an approach would acknowledge and enhance the role that charities play in modern Britain, often helping the most vulnerable people in society, who might otherwise slip through the gaps between the public and private sectors. Charities need an enabling

state to allow them to continue this vital function, and Liberal Democrats should seek to give charities the freedom and confidence to realize their potential whilst simultaneously providing access to information and opportunities that mean that charities themselves have somewhere to turn when in need of a helping hand.

Turning to giving, the UK has a proud history of encouraging those people who can to give, in order to help others. It has for a long time been a principle in our country that donations for charitable purposes should be exempt from taxation. The introduction of Gift Aid has embedded that principle firmly in our modern giving culture, but Gift Aid usage could still be much higher, and there are a number of policy issues that the next government should commit to exploring in depth to ensure that the value of donations is maximized through a taxation system that encourages charitable giving.

One particular problem is that giving mechanisms have not always kept pace with technological change. We now rely on smartphones and tablets to conduct our daily business, and digital giving is increasing rapidly each year. People are keen to give by text, and many charities offer donors the opportunity to make a simple, small donation at a time and place of their choosing. The difficulty is that it isn't always easy to Gift Aid donations made by digital means – text in

particular – so charities are missing out on reclaiming the tax that the donor has already paid. This needs to be rectified to ensure that the explosion in giving via new technologies is enhanced by Gift Aid, and so that donors can be confident that the value of their donations is maximized to the benefit of the charity that they are supporting.

In addition, one of the most efficient giving mechanisms – Payroll Giving – displays a significant discrepancy between interest and participation. Payroll Giving allows people to give directly from their salary before being taxed. However many businesses do not allow their staff to give direct from their payroll, and with Gift Aid usage consistently at between 50–60 per cent the result is that charities are missing out on tax benefits that they could and should be receiving. Payroll Giving is particularly important because it gives charities a regular source of income, allowing them to plan their resources more effectively, and coordinated action needs to be taken to give more people access to this efficient way of giving.

There are of course other issues relating to giving, particularly around incentives for corporates who give time and money to support charities, but the reform of Gift Aid and Payroll Giving – issues that the current Government has been looking at in detail – would help to demonstrate to charities that legislators are on their

side and that practical action is being taken to make donations to go further. Liberal Democrats should commit to bringing together experts from charities and the digital world and working in partnership with them to reform giving to ensure that our guiding charitable principles continue to be relevant in the modern world.

In the next few months, the Liberal Democrats will be making the case that we are the only party that balances an understanding of the need for a stronger economy with a desire to create a fairer society. That is a message that is applicable to every sector, not least charities. A stronger economy means that people have more disposable income which they can use to support charities, and a fairer society gets the government working with charities in pursuit of positive social change.

The two main points that I have made in this contribution are that Liberal Democrats in government – be that as a single party, or as part of a coalition – should seek to create a positive environment for civil society organizations, whilst ensuring that giving mechanisms are reformed to allow donations to good causes to go further. We all value the work of our charities, and as Liberal Democrats we know first hand the difference that they can make at a community level. The unsung heroes of society need to know that they have a voice at the heart of government. Liberal Democrats should make it our mission to be that voice.

CHAPTER TWO

CHARITY AND POLITICAL ENGAGEMENT IN POST-BIG SOCIETY BRITAIN

Jemima Bland

‘Charity creates a multitude of sins,’ wrote Oscar Wilde in 1891, when people in London’s East End reported feeling demoralized by the donations of the well meaning wealthy.¹ Today, charity has become a multinational enterprise, growing and diversifying beyond recognition. Not only part of our civil society, charity is also part of the way we distribute resources, deliver public services, and foster international relationships. The voluntary sector has become a rich

1 Oscar Wilde, ‘The Soul of Man Under Socialism’ (1891). On the destructiveness of charity, when given for emotional reasons but received as degrading and demoralizing, he wrote: ‘It is much more easy to have sympathy with suffering than it is to have sympathy with thought.’

community space in which we can generate new solutions to social problems.

I want to ask that in post-‘Big Society’ Britain, the third sector, in its diverse forms, recognizes the central role it has to play in countering political disengagement. Charitable organizations in civil society have the power to help improve the quality of our democracy.

Charity as Politics

From the fair trade section in a supermarket, to a charity appeal on the tube or on a billboard, charities today use a wide range of modern communications to give a socio-political context to our daily activities. Whether consciously or subconsciously engaged, charities for homelessness and poverty are able to unite their target audience in general sympathy with an entirely separate group of people. They keep issues playing in the public consciousness and use their broad appeal to lobby governments. In so doing, charities from the largest to the smallest have the power to help to create a more networked and representative, consensus-based form of politics.

From local action groups to international aid organizations, charities can actively encourage their supporters to participate in their local social systems to improve them, as well as supporting those further afield. To help alleviate suffering, supporters of charities should

also seek to join political parties and stand for election. Charity is never a substitute for active political involvement, and can channel our instinct to help others into active participation in social change, participation on which democracies rely.

Building a better political system

Democracy is never a finished product. It relies on continuous input in order to evolve and survive. Our civil society continues to provide a space to explore, challenge and oppose the status quo. A rich civil society not only provides opportunities to engage with the running of your town and your country. By providing space for discussion, it facilitates healthy opposition, and the development of consensus-based political systems.²

After a detailed comparative study of democracies, political scientist Arendt Lijphart concludes:

Majoritarian democracies do not outperform the consensus democracies on macroeconomic management and control of violence – in fact, consensus democracies have the slightly better

2 See Robert Putnam's studies of Italy, in which he set out the role of civil society in providing political and market accountability, establish the connection between civil society and political accountability: Robert D. Putnam, with Robert Leonardi and Raffaella Y. Nanetti, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton University Press, 1994).

*record – but the consensus democracies do clearly outperform the majoritarian democracies with regard to the quality of democracy and democratic representation as well as with regard to what I have called the kindness and gentleness of their public policy recommendations.*³

In 2010, the UK's majoritarian ('first past the post') electoral system saw its first coalition government since 1945. If we elect another coalition in 2015, we may be able to move gradually towards a confirmed multiparty system, in which polarized parliaments are unusual, and more continuity can be expected.

Under the current system, reforms of the public services can be reversed as fast as they are painfully and expensively forced through. Political appointees to government bodies allocate funds in one direction, but the next government's replacement favours the other.

3 Arendt Lijphart, *Patterns of Democracy, Government forms and performance in Thirty Six Countries* (Yale University Press, 1999, p. 301). Lijphart defines 'consensus democracies' as democracies having the following general qualities: coalition cabinets rather than single party cabinets; a good balance between the executive and the legislature instead of a dominant executive; multiparty systems rather than two-party; proportional representation instead of majoritarian, disproportional election systems; more decentralized than centralized government; balance between two separate houses of legislative power, legislative oversight of a flexible constitution rather than inflexible constitution which can be changed only by the executive, and independent rather than executive-dependent central banks (*Ibid.*, pp. 3–4).

The result is a ping-pong between the outdated oppositions of left and right, or favouring the North and then shifting back to the South. A more consensus-based system has the power to stop this waste, and to represent more views, and to look more like the population it stands to represent. A healthy civil society can help us achieve this.

This is not new. De Tocqueville, a French aristocrat writing in the nineteenth century, argued that the great strength of American society was that people organized themselves when they wanted to get something done. As the modern historian Niall Ferguson notes, De Tocqueville was in awe of American organizations, ranging from the boy scouts to the societies for road management, or church flowers.⁴ De Tocqueville's observations illustrate the fact that traditions of charity and human co-organization were important causes of rapid European progress during the nineteenth century.⁵

4 Alexis De Tocqueville, *Democracy in America* (1835, 1840) and Niall Ferguson, *The Great Degeneration – How Institutions Decay and Economies Die* (Penguin, 2013).

5 Other historians such as Pankaj Mishra in *From the Ruins of Empire* (Penguin, 2013) have agreed with Ferguson's interpretation here. To non-western nations in the 19th century, the level to which Europeans organized themselves was no less than miraculous, and an urgent call to eastern peoples to come together in a similar way, to protect themselves against the Western empire builders.

Pitfalls

Political engagement through charity is not without its practical problems. As in the analysis of Slavoj Žižek, a Slovenian Marxist philosopher, we may deliberately buy Fair Trade bananas at an extra cost, whether or not we actually know or believe that ‘fair trade’ is a well-functioning means of getting farmers in developing countries a fair deal, and whether or not it actually has any real effect.⁶ We buy the ‘fair trade’ banana for less complicated reasons; because generally speaking, we believe that it is better to do ‘fair trade’ than ‘unfair trade’. Charity can be a way of dealing with unprocessed, unexamined consumer guilt, engaging with the world without doing more than buying a fair trade cup of coffee. Occasionally, charity can actually exacerbate the problems it seeks to solve.

In other areas, charitable or voluntary endeavour can also be seen to represent the interests of a limited group, such as, for example, a group of middle class parents setting up their own ‘free school,’ which may be to the detriment of children from other backgrounds in the same area. While recognizing the role of charity in fostering political engagement, we must

6 Slavoj Žižek, *First as Tragedy, then as Farce* (2010). A shortened lecture version is available in this RSA video of 2010: [youtube.com/watch?v=hpAMbpQ8J7g](https://www.youtube.com/watch?v=hpAMbpQ8J7g).

be cautious to ensure that these do not ‘replicate, rather than challenge’ power relationships in wider society.⁷ Civil society must actively engage the full spectrum of society in order to be effective in increasing political and social participation.

Dambisa Moyo, a Ghanaian economist and banker, famously set out the compelling case that centuries of aid from the West to Africa has done far more harm, in creating dependency, than good.⁸ Žižek goes still further. Using the example of Starbucks ‘ethical’ marketing campaigns, he says that charity is now subordinated to capitalism to such an extent that when we give to charity it is often in self-conscious penance for our own consumerist excesses. In his words, ‘there is a severe case of semantic overload here!’⁹ We don’t just buy a cup of coffee, we simultaneously pay off the debt with one hand, which is accrued for destructive consumption with the other. We should be conscious of the danger that generalized charitable sentiment can become a substitute for getting together to solve those problems which create the need for charity in the first place.

7 Jude Howell and Jenny Pearce, *Civil Society and Development, a Critical Exploration* (Lynne Rienner Publishers, 2001).

8 Dambisa Moyo, *Dead Aid: Why aid is not working and how there is another way for Africa* (Allen Lane, 2004).

9 Žižek, *ibid.*

Active and engaged

Political engagement (as measured by voter turn out) has worsened substantially in the UK since the post-war period, from 83.9 per cent in 1950 to only 65.1 per cent in 2010. In Scotland in 2014, the independence referendum has massively increased political participation. Young people who have had a taste for political engagement in that battle may yet go on to set new standards for political participation among their generation.

UK charities are now providers of national and international services, just like their multinational counterparts in the private sector. Retaining or increasing their power to persuade, charities and volunteer organizations can also play an active role in reversing the negative trends of national and international political disengagement. Undoubtedly, the charity sector now has a complicated hand to play. But through a participatory, rather than linear approach, charities can help build a more sustainable political system for future generations.

CHAPTER THREE

LIBERALISM, DEMOCRACY AND THE VOLUNTARY SECTOR

Martin Horwood MP

Here's a mystery. How has a party whose philosophy and history – and people – have been so intertwined with the voluntary sector over many years become almost invisible in the sector in recent years? And, on some levels at least, so absent from the debate about its future.

Liberal Democrat philosophy is made for the third sector. Throughout the long history of our political movement over two centuries we have always rejected laissez-faire social inaction and been amongst those who were actively trying to end poverty and inequality, right wrongs and correct injustice. But we are instinctively distrustful of solving everything through state power and enthusiastic about quirky non-conformist solutions to society's challenges and problems. Liberalism is about challenging the concentration of power in the hands

of the few, whether that is political, economic or social. Like it says on the membership card, we challenge ignorance and poverty but we challenge conformity too.

So whereas business and government often seem to need a bit of qualification for Lib Dems (responsible capitalism, decentralized government), a sector based on independent organization for good not profit was always a natural fit.

So it's not a surprise that many many Liberals and Liberal Democrats have made their professional homes in the voluntary sector. I worked for Help the Aged back in its pre-Age UK days, then for Oxfam and then as Director of Fundraising for the Alzheimer's Society. Amongst my fellow MPs, Jenny Willott (Barnardo's and Unicef UK), Adrian Sanders (NCVO), Sarah Teather (Macmillan Cancer Relief) and Danny Alexander (European Movement) all had voluntary sector jobs while our party in the Lords includes a string of distinguished former presidents, chairs or chief executives of voluntary organizations including Claire Tyler (Relate), Tim Clement-Jones (Crime Concern), Archy Kirkwood (Joseph Rowntree Reform Trust), Kate Parminter (CPRE) and David Steel (Anti-Apartheid Movement).

Campaigning charities

Liberals and Liberal Democrats have slotted seamlessly into innumerable political campaigns, from the Stop

the Seventy Tour (whatever happened to that Young Liberal chair Peter Hain, eh?) to Make Poverty History, not to mention countless local campaigns against heavy-handed decision-making from on high that threaten local services, green spaces or communities. It's not just the sector's independence from government and its practical approach to righting wrongs that appeal to Lib Dems, it's also that this kind of campaigning has always formed part of our conception of democracy. From the coalitions of non-conformist and radical organizations that supported Gladstone through to our modern community politics, we have never thought democracy belonged in leather-upholstered chambers, even at local level.

Genuine liberal democracy belongs to the people. It delegates power grudgingly and cautiously to the institutions of the state and their powerful friends.

That's why I don't think many Liberal Democrats would make the lazy distinction between traditional charity and campaigning either. Most charities find space for campaigns for change and see it as part of their DNA. When I worked for Oxfam we all knew about the charity's origins campaigning against the allied blockade of occupied Greece during the Second World War (can you imagine a more controversial campaign?), and its long fight to gain legal recognition for the right to draw political conclusions from its work with the poor all over the world. But it was equally

clear, when I worked for the Alzheimer's Society years later, that we had to campaign for the rights of people with dementia and their carers, for decent resources for dementia research and funding for anti-dementia drugs.

One of my first jobs in Parliament was to collaborate with a little-known Labour Cabinet Office minister called Ed Miliband to steer the 2006 Charities Act into law which clearly enshrined charities' right to non-party political campaigning in charity law.

Most MPs are now very familiar indeed with that kind of voluntary sector campaigning and take it for granted. But I'm never quite sure how comfortable our colleagues on the Labour and Conservative benches are with it.

Tory fluff and Blairite bonanza

One of the joys of coalition has been sitting with Conservative ministers as they reacted, privately, to the latest news of a voluntary sector campaign on their turf. I still remember one otherwise really impressive DfID minister – who had better remain nameless – essentially describing one new campaign by a respected development NGO as the work of pinko lefties with an agenda for self-promotion. I was genuinely shocked.

All I could see was exactly the kind of identification of an issue and logical campaigning response that

I had seen a hundred times from voluntary organizations genuinely motivated by the needs of those they were set up to help, or – at the very worst – by the high-profile professional fulfilment of whatever mission they had been given by their supporters, trustees and charitable objectives.

Some Tory backbenchers do get it but many react with distrust and disgust to these kind of campaigns and want charities to keep their noses out of politics. I'd call it a Victorian attitude to charity except that's frankly unfair to the Victorians. Even Victorian businessmen understood very well that you didn't just have to feed the poor and give them jobs. You had to understand why they were poor and try to do something about it.

David Cameron's Big Society initiative was a political response to this disconnection with the voluntary sector, which Tory strategists before 2010 understood posed a risk to their detoxification of the Tory brand. But you always sensed that even in theory it was more about engaging people in the practical work of tackling the symptoms of poverty, injustice or inadequate services – as many people had been doing anyway for years – and that Conservatives would always draw the line at the political conclusions which might flow from such work.

Labour, by contrast, appears to have a much more natural rapport with the voluntary sector, especially

when it's on their side. But they have always had an ideological problem with its independence from the state. Indeed, Tony Blair's enthusiasm for contracting out services in pursuit of efficiency and innovation didn't just alarm the left of his party because it looked, walked and sometimes talked like privatization. It was because it weakened that comfortable relationship between the institutions of government that funded services and the actual service providers which we know had often excluded mere service users from any kind of voice. Many of those local campaigns were against decisions by local councils, the NHS or by planning or highways authorities from which the people who needed and used the services often seemed excluded.

But that growth of contracted services also strengthened the relationship state and the third sector.

In one way, it was a bonanza. Voluntary sector incomes grew hand over fist. Between 2000/01 and 2007/08 the sector's overall income grew from around £20 billion to £35 billion and much of this growth was in fees and contracted services. Today, according to NCVO's latest analysis, the sector is gifted just under £9 billion from individual gifts – its traditional staple source of income – along with about £3.5 billion from charity trading activities such as shops and raffles and £2.4 billion from charitable trusts and foundations. The corporate sector – never as significant an income source as it was reputed to be – still contributes only

£1.8 billion in total, whether from philanthropic gifts or hard-nosed sponsorship.

Grants from government at all levels bring in about £2.5 billion but public sector contracted services and fees now contribute a whopping £11 billion.¹⁰ New breeds of organization, social enterprises and even social businesses, increasingly popped up alongside traditional charities as well.

The changing face of the sector

Some of us in the sector were worried even as we saw this growth in different income happening. Would the sector's independent voice be compromised? Would we become clients of government?

Oxfam now receives nearly half its income from DfID, the European Commission or from other governments or public authorities, a much greater percentage than in my day.¹¹ Has it silenced Oxfam's radical voice? Happily, it hasn't. Oxfam – and most other voluntary organizations in my view – remain robustly capable of dishing it out to government and the EU

10 National Council for Voluntary Organizations, *UK Civil Society Almanac 2014*. Available at: data.ncvo.org.uk/a/almanac14/how-has-the-sectors-income-and-spending-changed/.

11 Oxfam GB, *Annual Report and Accounts 2012/13*. Available at: oxfam.org.uk/get-involved/-/media/784640467B084C6EBD32D278A28D9FF1.ashx.

and other public bodies when they think they're in the wrong.

But there has been an effect from this changing income base, even though it has slowed down since the crash and recession bit into public finances. Charities have often reacted to the need for greater contractual accountability with greater professionalism. Inevitable, probably. Desirable, maybe. Many have painfully lost their local branch leadership, including my own alma mater, the Alzheimer's Society. The once-thriving Cheltenham and East Gloucestershire branch was first closed and then replaced by professionally-run advice and outreach. Although it has made them less visible in the community, the service to people with dementia and their carers may well be better in terms of professionally-defined quality. But I can't help thinking the Society and many other national membership organizations who have followed the same path, have risked losing some of their heart and soul too.

It's true at local level too. Contracted services for housing and homelessness advice and provision, debt, drug and alcohol work and a host of other local services are now bound up in increasingly large tenders which still can be and are won by voluntary organizations. County Community Projects is a brilliant charity in my constituency, helping some of Cheltenham and Gloucestershire's most vulnerable and 'at risk' young people and adults. They earned £33,000

in voluntary donations as a result, according their most recent annual report online. But they were paid £1.87 million for their charitable services, the lion's share by Gloucestershire County Council. CCP are now resilient enough to withstand losing one of their contracts but for smaller, less professional bodies it can be a devastating blow. CCP are fantastic but are they really the voluntary sector we knew of old?

Is this perhaps one reason why Liberal Democrats politically seem to have had less to say about the voluntary sector lately? Did we complacently assume that, as a relatively small party, it was hardly worth allocating another spokespersonship or working group to maintaining a relationship we took for granted, only to find the sector had begun to change behind our backs?

And has the experience of coalition inadvertently increased that distance, not least by polarizing debate on issues affecting the sector? Have Lib Dems found themselves caught between Conservative ministers who weren't inclined to bend to sector concerns, and Labour politicians determined to exaggerate them?

The Health & Social Care Act provides one case in point. Many campaigners against the bill focused on the risk that previously state-run services would be lost to private healthcare companies. I found many reasons to vote against that top-down reorganization legislation but fear of privatization wasn't actually one of them, especially after the changes insisted on by

Shirley Williams and other Lib Dems. Yet much of the public debate drowned out legitimate concerns in a cacophony of people predicting the immediate death of the NHS.

Some on the pre-Blairite left of these campaigns seemed to ignore the very existence of existing voluntary sector providers of NHS services as an inconvenient truth. Yet if they were screened for cancer or Alzheimer's in Cheltenham, the chances are it would already be carried out by the Cobalt charity and if they one day need local palliative care, that is almost certain to be provided by Sue Ryder Care. GP practices themselves are not actually NHS organizations.

But the state vs private sector characterization of the debate obscured a real question for the voluntary sector providers. There is a legitimate fear that over time it will be big business that has the resources and resilience to fight for and sometimes lose these big contracts. Third sector organizations will have to respond, adapt and compete.

The voluntary sector has a powerful, imaginative and caring role to play in providing statutory services and all the organizations I've mentioned have entered this brave new world with enthusiasm, passion and commitment to their mission and not to making money. I think that makes them better providers of many of these services than profit-making companies

so I expect them to continue to succeed. But we have to recognize that the relationship between the sector, politics and people is changing.

The Lobbying Bill, why it hurt and what we need to do about it

The natural history of independent, campaigning organizations that provided happy real-life career paths for so many Liberal Democrats is evolving. The sector is getting bigger, more professional and less voluntary. To be honest, that label has been a bit misleading for the best part of thirty years, hence the growth of the term 'third sector'. If the trend towards contracting out services continues and becomes ever more competitive, 'voluntary sector' will become less and less meaningful as a description of the independent, non-profit organizations that take part in it. Will they all be social businesses?

There may be an illiberal political outcome from all this. Charities and voluntary organizations may start to divide between smaller, more political campaigning and membership organizations and richer, more business like service providers. I think that would be a shame, not only for the voluntary sector but for our democracy. It would be a revival in new form of that conservative instinct that charities should keep their noses out of politics and stick to the day job. Ironically

it would owe as much to the work of a Labour Prime Minister, Tony Blair, as to any Tory.

That may be why the Lobbying Bill, now Act, struck such a chord. Was it really a conservative device to accelerate this trend and silence the political voice of charities all over again? I don't think it was actually. Liberal Democrats wanted a bill of this kind, firstly because it was a faltering first step towards controlling the professional lobbying industry and second because of the risk that campaigning organizations, yes even voluntary ones, were beginning to send us down the American path of uncontrolled political spending by third parties. Having been personally targeted by both pro-hunting and anti-European lobby groups myself at the last election, I could see the point of subjecting them to the same kind of spending limits as political parties.

But the idea that it was an attempt to silence the political voice of charities, however inaccurate, gained real credibility. Given existing charity law which prohibits charities from indulging in that kind of party political campaigning, I still can't see why we didn't just exempt charities from the whole thing. The poorly thought-out wording inherited from earlier legislation was no excuse.¹² As it was, the coalition government rode headlong into a wholly unnecessary

12 The Political Parties, Elections and Referendums Act 2000.

confrontation with the voluntary sector. Many Tories, never that strongly in sympathy with campaigning charities in the first place, seemed to quite enjoy the confrontation but for Liberal Democrats it was a deeply uncomfortable experience given all that shared history. Labour lapped it up, not least because it provided great cover for their own defence of trade union political funding.

This is a very long-drawn out way of saying that my first priority for an incoming Liberal Democrat government would be look afresh at how that Act is affecting charities and restate, in legislation if we have to, the critically important role voluntary organizations have to play in our democracy. We must safeguard that hard-won principle that if a charity finds from its work with the poor or the disadvantaged, with animals or the environment, in sport or art or local communities, that something is wrong then they have not only the legal right but the moral duty to do something about it – and about its cause not just its symptoms.

In doing so, we may help to repair a political rift with bruised Liberal Democrat parliamentarians. But much more importantly, we will make a statement about what the voluntary sector is for. It was never just a job, just a business. Independent, innovative, imaginative, caring, non-profit organizations shouldn't just be service providers, they should be an active part of

our democracy and society with members and campaigners as well as supporters and employees. If we can squeeze a tax break or a new incentive into the legislation that will encourage that too, then it will be a job well done.

CHAPTER FOUR

LIBERAL DEMOCRATS AND THE LOCAL THIRD SECTOR

David Smith

What is the right relationship between the third sector and local government? How can Liberal Democrats develop a distinctive approach? We want a pluralistic society in which many different voices can be heard. Local government and the third sector are mutually inter-dependent. Councils need a thriving third sector to keep them connected to local communities; and the sector needs supportive Councils that treat it as a major stakeholder. There are a number of policy areas that need a more strategic approach, especially at local level, if the full mutual benefits of the relationship are to be realized. Liberal Democrat councillors and activists can make a real difference.

Why do Councils need the sector?

The sector has access to funding not available to Councils. Charitable and private sector sources do not want to subsidize the public sector directly. The sector has developed skills in bidding for funding which the public sector lacks. But amongst the sector's biggest assets are the volunteers it can mobilize. People are usually more willing to give their time freely to a charity rather than to a service they pay for directly from their taxes. The sector has developed expertise in recruiting, training and supporting volunteers and has a network of local volunteer centres up and down the country that match volunteers with suitable vacancies and promote best practice. Leeds Volunteer Centre – a partnership between Leeds City Council and Voluntary Action Leeds, based in the Council's City Centre One Stop Shop, and one of the busiest in England, is an excellent example.¹³

These assets add value to grants and contracts, but it's a mistake to see the sector purely as a service provider. It is at its best when championing seldom heard communities, identifying new and emerging needs, and leading innovation. It has a big role to play in developing effective community engagement

13 See doinggoodleeds.org.uk/volunteering-in-leeds.html.

strategies and supporting the leadership role of councillors. And when community development is needed, it is much better placed to deliver than the public sector.

Why does the sector need supportive Councils?

Local councils are amongst the biggest spenders in the public sector at the local level, providing an important income stream for many voluntary and community organizations. As a more integrated approach to commissioning develops for example with the NHS, Councils are also in a position to influence other parts of the public sector.

Councils should recognize the importance of the sector as a stakeholder, alongside businesses and residents. They can make sure that it has a place round the partnership table, and that arrangements are in place to make sure that they can participate fully in their day to day business.

At ward level, councillors have a key role to play with community groups. They are a good councillor's eyes and ears. In communities where capacity is low, councillors can stimulate community development. Even where there are no Liberal Democrat councillors, our members can support such groups as part of their commitment to community politics.

So why is there a problem?

There is no shortage of good practice to be found if you go looking for it. Leeds City Council has invested in the sector, and works closely with it. Richard Brett, the Liberal Democrat Joint Leader of the Council until May 2010, took a lead on voluntary sector issues. He made 2010 Leeds Year of Volunteering. The Council's new Chief Executive Tom Riordan and the incoming Labour administration in May 2010 recognized the value of the initiatives he had taken and built on the work he had done.

Even in the most supportive Councils it is very hard to create the sense of mutual dependence between key stakeholders that is needed to maximize the benefits of working together. Council officers can easily dominate discussions in an unhelpful way. The sector can be guilty of a failure to recognize and respect the legitimate aspirations of local government, especially when it is genuinely seeking to change. Memories about past mistakes can get in way of seizing opportunities provided by a new leadership from councillors and officers.

The sector is a very diverse entity. In Leeds there are about 3,000 organizations, employing 20,000 full and part time staff – as big as the building industry. Communication is a real challenge. It is as well to remember that even a medium sized local authority employs thousands of staff and runs hundreds of different

services. Even those that pride themselves on their corporate strategies will find service areas that go their own way. We cannot at the same time celebrate the diversity of the sector – and complain when it doesn't have a unified approach.

A big mistake many Councils make is to see the sector exclusively as a service provider. Those are also the ones most likely to exclude it from partnership discussions on the basis that it has a 'conflict of interest'. In my working life I have heard this argument used hundreds of times.

And a mistake the sector makes is to undermine the role of local councillors as the elected local voice of communities. The fact is that local democracy is the best chance communities have to get their voice heard. The sector should encourage democratic participation, and the localism movement. It's a mistake to jump too quickly to lobby central government to tell local authorities what to do, and doesn't serve the long term interests of communities.

Third sector assemblies

Councils (across all their departments not just one or two!) need a dialogue with their local sector. In some areas, third sector assemblies have been developed as mechanisms that can speak on behalf of the sector as a whole. Across West Yorkshire such assemblies exist in

Bradford, Kirklees, Leeds and Wakefield. Councils for the Voluntary Service sometimes try to play this role without the benefit of such arrangements. They need to be careful that their membership really reflects the full range of the sector – some are very weak for example in their inclusion of faith based organizations or small community groups. The development of a third sector assembly does lead to much more careful consideration of who can legitimately speak for the sector as a whole. Councils have a strong vested interest in the development of such assemblies, but they must be rooted in, owned and led by the sector. Some Council funding is needed for such arrangements but if they are over-dependent their credibility as an independent voice is undermined. No Council funding is equally undesirable – the risk is lack of any incentive for a constructive dialogue.

These third sector assemblies don't happen by accident. They generally depend on local support and development organizations like Voluntary Action Leeds to develop and maintain networks. The track record of such bodies is not unblemished. They can be focused on providing basic advice to small organizations and not enough on the more support medium and large organizations need to develop. However support provided to the sector at national level isn't sufficiently tailored to the distinctive local context or the needs of local commissioners. In some areas Councils try to

provide this support directly, but this does not help build local capacity.¹⁴

Third sector partnerships – dos and don'ts

The Council needs to think about how to put arrangements in place to have a corporate dialogue with the sector, not one that happens only service by service. It's essential to appoint a senior councillor, supported by a senior officer, to lead the dialogue. They need support from a team of officers. This doesn't mean an expensive new specialist unit. It is better to draw together a virtual team from across service areas.

With an effective Third Sector Assembly in place, and suitable arrangements for the Council to deal at a corporate level with the issues involved, a partnership structure can be developed, a framework within which the dialogue can take place. One model is the creation of third sector partnership, with equal representation from the statutory and voluntary sector. Leeds Third Sector Partnership is a good example. Other public sector partners at the local level can be drawn in such as NHS trusts, clinical commissioning groups and the police.

The management of such partnerships is an art not a science. Some never get beyond being 'talking shops'

14 See for example doinggoodleeds.org.uk.

– and not very honest or open ones at that. Success depends on leadership from both sides, the development of working relationships outside the formal meetings, and a problem solving, ‘can do’ attitude from everybody. Permission does come from the top – the active support of the senior leadership of the Council is essential. And the sector has to empower a smaller group to speak on its behalf, which can be a significant stumbling block. A well established sector means lots of organizations, with strong leaders acting in what they regard as the best interests of their own organizations. It’s all about balance. Collaboration in the sector is founded on a recognition that no organization, however well established or apparently stable, can achieve everything it wants for the communities it serves on its own.

Finding common ground

The agenda for discussion between the sectors needs two elements which are absolutely intertwined and interdependent. The first is the outcomes set out in the Councils’ (and its public sector partners) corporate plans and strategies. The second is provided by local Compacts or third sector strategies.

Let’s look at each of these elements.

In Leeds key outcomes, negotiated with partners, are set out in the City Priority Plan; most Councils

will have something similar. The sector needs to engage too with the priorities of the Health and Wellbeing Board, the Community Safety Partnership, and the Children's Trust. And it needs to understand the economic agenda – for example set out by the City Region. These should be subject to discussion with the sector, through its engagement with all the key partnerships led by the Council.

A good local Compact or third sector strategy should set out how the Council and its sector will work together, just as the national Compact does for central government departments. It will set out principles. More detailed work is needed on things like resource allocation. As local authorities have developed their commissioning role, they have introduced procurement processes that can favour large private sector contractors. There are very simple changes that can improve things, such as interviewing bidders, not relying always purely on paper to make judgements. When commissioning services that are for people, it's usually best to talk face to face before committing to a big contract.

Police and Crime Commissioners

This article has focused on what is done at the local level, but it is worth highlighting an initiative that crosses Council boundaries in West Yorkshire. The

criminal justice system – police, probation, courts and crown prosecution service – is generally organized at the West Yorkshire level, spanning the areas covered by five local authorities. With leadership from Voluntary Action Leeds, the sector seized the opportunity provided by the election of a Police and Crime Commissioner in 2012. A third sector hustings for candidates took place during the campaign. Mark Burns-Williamson, the incoming PCC, appointed a third sector advisory group as part of his partnership arrangements. Now, he has a third sector adviser working with him to look in greater depth at the current and potential future contribution the sector can make to the delivery of the outcomes in the Police and Crime Plan. PCCs are controversial but this is an excellent example of the sector and an elected politician seizing an opportunity to develop a more strategic relationship to mutual benefit.¹⁵

A more strategic approach from Liberal Democrats

As a party, we have a natural affinity with the sector. The pluralistic democratic society we believe in cannot exist without a thriving third sector. Many of our

15 <http://www.westyorkshire-pcc.gov.uk/partnership/partnership-working/third-sector.aspx>.

councillors and MPs have a background of working in the sector. We have a respect for the autonomy of the sector. But we need to turn this understanding and commitment into a clear policy, at local and national level.

CHAPTER FIVE

WHAT IS THE VALUE OF LEADERSHIP IN THE VOLUNTARY SECTOR?

Baroness Jolly

Over the last decade the voluntary sector has changed in its funding mechanisms and delivery models. In the main, voluntary sector services are delivered by professionals, but volunteers are playing a larger role. Gone are the days of local authorities handing over a grant for services delivered. They now commission services with required outcomes, and contracts can be lost as well as won. This can be destabilizing for smaller organizations as they not only compete with an aggressive and often professional private sector but also alliances of voluntary sector organizations, or voluntary and private organizations. On the one hand this new regime will really challenge the sector about their successes, but it could stifle innovation – an area where the voluntary sector shines.

This uncertainty, in the pursuit of better value for the taxpayer and a better service for the client, calls for strong flexible leadership, but what of its value?

Over the last fifteen years I have been involved in several organizations within the voluntary sector as trustee or chair, and for just over two years before becoming a peer I worked for one of the Richmond Group charities. In preparing to write this essay, I spent my time reading, browsing the huge amount of material now available online on this topic, and speaking to those working and volunteering in the sector, and I must thank them for their time. But in putting together an answer to the question of the title and wondering what a liberal Britain's voluntary sector may look like in the future, I found myself posing many others.

What meant by leadership in any organization, whether it is private, public or not for profit? What difference might there be in skills and experience required or in the personal qualities needed? What does the voluntary sector 'do' that the private or public sector does not, and vice versa? Does any of this change with the size of organization? Are all leaders in the voluntary sector employed – what about the sizable army of volunteers? How is the sector changing and what challenges does a leader face? And finally what exactly is meant by value and can it be measured?

The daily newspaper jobs pages gave me an insight in what was being required of Chief Executives of major charities and FTSE 100 companies. Here are two to consider:

Job 1

The chief executive is responsible for the leadership, strategy, guardianship and management of the organization.

As the organization embarks on a new strategic plan, this is a remarkable opportunity to lead, inspire and motivate the leading UK and international organization. The chief executive will build on a solid platform of success and seize opportunities to drive change that will support an ambitious vision for the future.

The chief executive will be an experienced leader of a diverse and complex national organization, with an outstanding record of delivery and achievement in representing an organization at the most senior levels, nationally and internationally.

You will be passionate about leading volunteers and staff and resilient in the pursuit of organizational excellence. You will drive the organization with pace, energy and imagination, and be a dedicated champion for our work.

Job 2

Based at our head office in London, you will be flexible to travel within the UK and to our International operations.

Regeneration of our image and market position will be essential over a realistic 2 year time-frame.

Establishment of a clear 5 and 10 year acquisition and disposal plan to increase cash reserves and progressively improve the share price will be fundamental to the role.

You will be degree qualified ideally 1st class and have a recognized MBA with a minimum of 5 years operational experience at CEO level.

You will be comfortable in a high profile position, charismatic and inspirational; you will have demonstrably transformed your previous businesses.

Totally comfortable with leading multiple divisions you will have a firm grasp of company finances and ethics.

Comparing the two, it is easy to spot that Job 1 is the charity job. Much of the job description is similar, but the reference to volunteers in one, and shares in the other are the give-aways. The CEO of the FTSE company knows exactly who needs to be kept happy – the shareholders. The challenge for a leader in the voluntary sector is to know for whom he or she works.

It could be the chair and board of trustees, the beneficiaries, the staff, volunteers – many of whom feel a strong sense of ownership, and the public sector funders, where applicable. He or she also has to give comfort in several directions, to staff, donors, whether corporate, high net worth or regular person in the street, government (local or national) and the media. All this requires a broad range of communication and management skills, which might well be expected of a CEO of a national charity.

We can deduce then, that a leader of any organization should be able to cope with running it, where necessary refocussing on its charitable or business aims and looking at new ways of delivering them, defining its purpose and moving it forwards. The charity job calls for skills working with people in general and volunteers in particular none of whom have a contract and could walk at a moment's notice. Another skill required of a voluntary sector CEO is that of advocate, someone who will speak truth to power.

There has to be a virtuous circle about raising the money, getting the right people and delivering the service/carrying out the research. This cannot be achieved without setting out the vision and strategy and then communicating that to your stakeholders.

I spoke about this with four national voluntary sector organizations and one local one.

Ciarán Devane, CEO of Macmillan Cancer Support, (income 2013 £187 million) due to stand down in October, has said he sees his role basically splitting into three – firstly raising the money, secondly spending it well and finally to be a voice representative of those whose lives are affected by cancer.

Heléna Herklots, CEO of Carers UK (income 2013 £4.3 million) and 30 months into her job, cited the importance of working with her board on the organization's strategic direction, then building the resource to achieve it – not only the money but the staff and volunteers to run the advice services and local support groups. Finally she addressed the issue of huge responsibility and privilege in the role, with the opportunity to influence and inform the media, policy makers and politicians.

Tom Franklin, CEO of Think Global¹⁶ (income 2013 £524,000), in post 3 years, spoke about advocacy and mission, financial sustainability, looking to what the future brings and what new products will need to be scoped and the importance of relationships with members and educational establishments.

Jackie Ballard, CEO of Alcohol Concern (income 2013 £920,000), in post 6 weeks, put the importance

16 A national education charity and membership organization, and the hub of a community of schools, NGOs and businesses which care about global learning and development

of getting a good team, diverse in working styles as well as background, who understand the vision and are facing the same direction. She would expect to be honest and open with them and expect this to be reciprocated. In addition she would focus on the needs of her beneficiaries.

Steve Davis, Company Secretary of Citizens Advice in the west of Devon (income 2013 £870,000, population 290,000 over 1,500 square miles) and in post for over five years, has recently completed the business merger of four Bureaux in order to reduce costs, and spoke about the need to recruit and train volunteer advisors, and for the trustees to bring clearly defined skills, such as HR, communications, project management and finance. Need and expectation is high locally, a commercial approach is required rather than 'old fashioned and cuddly'.

All of these leaders spoke about people and advocacy, as charities all use volunteers as trustees, but apart from Think Global the use of volunteers in some capacity form a key part of the business model. They recognized all the elements in the circle, but placed them in a different order.

The UK voluntary sector is the envy of many in Europe and the world, so much so that we take it for granted. We expect the medical research, the services provided by housing associations, advice services, hospices, 'rent a friend', specialist nursing services, meals

on wheels all to continue, the list could go on. Last year the collective effort of the voluntary sector raised £10.4 billion from individuals, up from the previous year; the FTSE 100 gave £2.5 billion a year, almost doubling since 2007.

Charities Aid Foundation has done some research on World Giving, calculating an index based on a country's donations of money, volunteering time and frequency of helping a stranger. The UK came 6th overall, behind the USA, Canada, Myanmar, New Zealand and Ireland. Of 20 states we were the second most generous in donating money, behind Myanmar, but were fifteenth in volunteering our time.

The last ten years or so has seen a huge change in the use of volunteers. Retired people use their skills from their professional life, and take on managerial tasks within the cohort of volunteers, such as strategy and planning roles and finance. Smaller voluntary sector organizations expect their trustees to lead in areas of finance, HR, communication and law. But a quick glance at your local volunteering website would offer a wide range of opportunities from carers' advocates to organic gardening tutors. Enter 'volunteer' into GOV.UK website and there are pages of advice, but no one knows it is there!

It is not as if this government is inactive. The Alzheimer's Society has an ambitious target of recruiting dementia friends by 2015 and David Cameron

and Jeremy Hunt were high profile supporters of the scheme, and gave £2.4 million to roll it out nationwide. (This is incidentally an excellent example of strong advocacy with the Prime Minister by the CEO, Jeremy Hargreaves.) The Social Action Fund is supporting 40 charities with more than £20 million over two years with a volunteer recruitment drive. Volunteers add at least £40 billion a year to the economy.¹⁷

If we are going to cope with the demographic time bomb of people with time on their hands and people in need of support, encouragement and assistance we need to marshal the willingness to engage and make it easy to volunteer. The government should look at costing a single national scheme and providing training. It is already recognized as an investment. But a scheme here and another one there causes confusion. Liberal Democrats are supportive – the Public Services paper, presented to the autumn 2014 conference makes some recommendations. Care Minister Norman Lamb MP is really enthusiastic and has seen exciting schemes running in health and care all across England and is an enthusiastic advocate on their behalf.

17 There are so many estimates of this figure, from conflicting sources, making the calculations in different ways, with or without regional variations, I have opted for a safe figure well within margins of error.

To answer the question of the essay title, leaders of the voluntary sector currently deliver a value of over £50 billion to our economy and services, that is just under half of the NHS annual budget. Led by CEOs and supported by expert volunteer trustees, they will have to be the engine to drive up the value in the future. They will need the skill set of any private sector CEO, but a more person focused personal profile. As we approach a general election parties are looking at new policy pledges for next year's manifestos, I hope that all address the issue of the voluntary sector and acknowledge its priceless worth.

PART TWO

IDEAS IN PRACTICE: FUTURE POLICY FOR THE SOCIAL SECTOR

CHAPTER SIX

YOUTH, VOLUNTEERING AND CIVIL ENGAGEMENT: POLICIES FROM PRACTICE

Ben Nicholls

The emails flying around are technical, detailed, sophisticated. One minute it's the hiring of appropriate build space and haggling over the cost of materials; the next, agreeing appropriate content for radio interviews; later, marketing and budget plans for a high-octane month-long rehearsal period and theatre get-in. You'd expect this with any production; after all, theatre is a complex world, and putting a fully-fledged musical in a professional venue requires a producer to have the skills and maturity that are evident in the emails. What's unusual here is that every one comes from a teenager.

For the past eleven years, it has been a privilege to oversee the work of RicNic, a unique and genuine youth theatre company where young people really do

run the show.¹⁸ At RicNic, every role in every show – from the director to the dancers to the designers to the drummer – is undertaken by someone aged 16 to 21, with minimal adult supervision. That includes the producers, responsible for coordinating the entire show: this year a nineteen-year-old undergrad and an eighteen-year-old who received her A level grades during rehearsals (she made her first-choice offer). RicNic has increased my faith in the abilities of young people, but perhaps more importantly it has provided a valuable platform for young people to experience the joys of volunteering and has led to their increased civic participation, in a model from which valuable policy lessons might be learnt.

The RicNic case study

RicNic began, if truth be told, as an entirely selfish venture. A few friends, aged fifteen to seventeen, were arrogant enough to think we could put on a musical from scratch; our delightful headteacher was kind enough to give us the school theatre for a month in the summer holidays to see if we could. Given that autonomy, but also given that level of trust by an authority figure, we determined to make good. With a cast, band and crew of local teenagers, all participating free

18 For more information please visit ricnic.org.uk.

of charge and after fair, open auditions, we set about putting on *Guys and Dolls* in two weeks of rehearsals, working 9am to 6pm every day.

Was it a flawless production? Categorically not. My best friend (the director) and I (producing and conducting) almost came to blows; the fire alarm went off minutes before the show; relationships began and ended fuelled by the passion of the theatre; we played one night to a silent audience almost entirely consisting of foreign language students who understandably missed every joke; all this aside from the inevitable errors onstage. But it was pretty good, and people enjoyed it, not least the fifty of us in the company. A sincere love for theatre was ignited or extended in many of us, but more importantly we learnt skills in leadership, teamwork, communication and organization which the classroom can't necessarily teach.

More than a decade later, RicNic has sprung up in other cities too and hundreds of young people have taken part. Many describe it as the best experience of their lives, or even a life-changing one. This is, of course, largely due to the nature of the theatrical experience – even for those not dead set on being a trumpeter, technician or tap-dancer (and most aren't – RicNic isn't a training camp), the chance to fill those roles largely unsupervised in a major venue is a good one – and to the friendships which form during production. But it's also, without doubt, because of the responsibility

given to these young people. The model is a simple one: once the production team is in place (anyone from the previous year's company who is still within the 16–21 age bracket can apply), the RicNic trustees give them a loan and help them prepare a budget. The trustees also provide ongoing support, as do members of the RicNic Advisory Council (eminent names from the arts, education and business)¹⁹ but to all intents and purposes it is their show. Eight hours a day, six days a week, for a month, they rehearse and perform, and they invariably sell out and raise the roof. Awards have been won; reviews annually rave; audiences customarily cheer. None of this has anything to do with adults.

The professional elements

For a budding thespian, musician or technical wizard, RicNic offers certain CV-handly opportunities, but

19 At the time of writing, the Council members were Dame Mary Fagan (Lord-Lieutenant of Hampshire), Lord Fellowes of West Stafford (writer, actor and director), Dame Beryl Grey (President, English National Ballet), Nigel Havers (actor), Professor Gavin Henderson CBE (Principal, Royal Central School of Speech and Drama), Graham Hill (retired lawyer and former Trustee of the Royal Opera House), Lord Laming of Tewin (former Chief Inspector of Social Services), Michael Langley (businessman), Dr Jane Manning OBE (singer and academic), Hatty Preston (actress), Sir Donald Sinden (actor) and Dr Ralph Townsend (Headmaster, Winchester College).

it's remarkable how few participants are actively considering a theatrical career. Most are in fact involved because it looks like a fun way to spend the summer – which is wonderful. But, as suggested above, even for those who have never been involved with theatre before (several each year), there is the opportunity to learn a range of professional skills. Where else, for example, would a seventeen-year-old manage a £12,000 budget, negotiating with businesses and suppliers and contractors, as well as manage the welfare and schedules of her fifty-strong company? The participants have sole charge of marketing, sales, finances, scenic building, timetables... I know many of my age and older who would baulk at the prospect.

An examination of the former participants' CVs suggests the value of the specific (theatrical) and general (professional) skills learnt via RicNic. A remarkable production at one university in 2008 consisted of ex-RicNickers in the roles of producer, conductor, leading man, assistant stage manager, and chorus member. The skills developed do seem particularly valuable for the world of HE societies, where many undergrads can find themselves bewildered by the autonomy on offer, but also for the world of work, where alumni now in their late twenties still refer daily to their RicNic experience and how they use it in the real world. For me personally this is hugely true. Early management roles in the civil service and

education, for which I was otherwise ill-equipped, were made vastly easier and more enjoyable by the lessons learnt (some of them harsh) during those summers in the theatre.

The social elements

Where RicNic's value is heightened, in the views of many participants, is in the social elements of the experience. It has been core to RicNic's ethos from day one that no participant should pay to be involved. Unquestionably, we have had participants whose parents could easily afford the astronomical fees which other summer theatre projects continue to charge – but most could not come close. It is profoundly unfair that these talented young people are frozen out of the majority of training programmes because of their backgrounds, and RicNic vehemently refuses to pursue that model; the trustees remain prouder of this aspect of the group than any other.

This policy has two results. The first is that we have to manage our money very carefully. We are, of course, not alone in this – tough days face many charities, though some of them will have fundraising staff where RicNic has no staff whatsoever (just a small board of trustees). We fund-raise, of course, but more importantly we emphasize to producers the importance of their shows being financially stable and self-sustainable.

This, in itself, is a valuable learning experience. The second result, though, is that RicNic achieves a social mix and enables friendships across boundaries which otherwise might not be breached. Wiser voices than mine have made clear the value of such social diversity; RicNic shows it first hand.

Lessons for policy

No charity can claim to have all the answers for policy-makers, and there is a real danger in making policy on narrow experience. It is equally vital, though, that practice informs policy in a real way, and eleven years of RicNic have suggested to me a few directions in which policy might helpfully travel. In committing them to paper, I am fiercely aware of RicNic's limitations, of its (current) presence just in the South of England, and of its fairly short history and comparatively small sample size. But, lurking as I do on the fringes of the political and charitable worlds, I reckon that anything furthering the motion of evidence-based policy is a sound move – so here goes.

Autonomy and responsibility for young people

Whilst not a policy in itself, anything which shows trust in young people and gives them autonomy is, from my RicNic experience, an important step in

helping them to take their place in society. There are a variety of ways in which this importantly-placed faith in young people might manifest itself. Why not, for example, bring young people more fully into the leadership of their schools and colleges? If they gain valuable professional and personal skills from leading theatre productions, why not give them a bigger stake in leading other local voluntary troupes as well? Movements such as the Cadet Forces (though aspects of this are still too private-school-dominated) have clear value in this regard, and it may be that more can be done to extend autonomy to young people elsewhere.

Elected or public office for young people

On the same note, enabling young people to hold elected or public office is also a valuable policy pointer. There are multiple ways this might be achieved and, from RicNic's experience, giving this level of trust and responsibility will be well-placed and reap dividends for wider society as well as the individuals concerned. As a few starters for ten:

- extensions of the existing Young Mayor schemes in many boroughs, and wider efforts in schools and colleges to encourage membership of the UK Youth Parliament;

- extensions of Lord-Lieutenants' cadetships to other voluntary roles;
- changing the meeting times of councils so that younger people, and those with educational or work commitments, can attend. This, of course, affects not just young people – the absurd meeting times in some areas already mean it's hard for anyone to be a councillor unless they're rich or retired – but would help them become better engaged, not least by public attendance at meetings.

Votes for sixteen-year-olds

To take a step back, we could stop patronizing young people most effectively by letting them have a stake in their society – never mind standing for office. Anyone who has who has seen the remarkable things young people achieve within an autonomous environment such as RicNic is left in no doubt that the vote should be well and truly theirs. After all, we allow these people not just to choreograph musicals but to marry, to drive motorbikes, to pay tax, to fight for their country. It remains for many scandalous that they cannot have a proper say in the system that makes these things happen to and around them – and is, of course, a chicken-and-egg situation when it comes to young people feeling demonized and patronized.

Change the operation of the National Citizen Service

The concept of the NCS – a programme to engage young people in volunteering and support their transition to adulthood – is a laudable one, but it has proven costly and limited.²⁰ There is a convincing argument that the NCS should operate not as a programme in its own right, but rather as a validation scheme for existing programmes – like RicNic – which meet its core aims. This could save money, but could achieve the same goals, particularly if participation in such a scheme was more effectively encouraged. The six key advantages for NCS participants, as listed on its website,²¹ might as well have been written about RicNic – or, for that matter, about many other charities. Such a suggestion is not a new one, but was recommended by the House of Commons Education Committee after a detailed inquiry in 2011.²²

20 See *Services for Young People: Third Report of the Education Committee, Session 2010–12* (June 2011), particularly Chapter 6. Available at: publications.parliament.uk/pa/cm/201012/cmselect/cmeduc/744/744i.pdf.

21 National Citizen Service, ‘Grow your confidence; make your UCAS application stand out; make new friends; develop the skills that employers want; get a killer CV; access to exclusive events.’ Available at: ncsyas.co.uk/about.

22 See *Services for young people*, *ibid.*

Conclusion

As noted above, RicNic is small and specialized; it offers a very particular experience, and there is no firm reason why what has worked for us would, or will, work elsewhere. That said, the diversity of RicNic participants but the unanimity of positive experience (and outcome) does, in my view, rank it as a case study worthy of consideration for policy pointers. Moreover, the policy changes intimated above have been supported by my work in education and with other youth-focused charity projects, where the key themes of autonomy, responsibility, trust and engagement shine through – and by many others working in similar fields, including (most critically) young people themselves.

All politicians say it, but it is concrete fact that young people are the future of our society. If we want and expect them to participate in that society in a meaningful way, it is never too early to show that we trust them, and to give them the tools to take charge of their own destiny and that of others. It will surely lead to increased civic engagement, and perhaps more importantly to happier, more rounded young people as well.

CHAPTER SEVEN

WHAT ROLE IS THERE FOR CHARITIES UNDER A LIBERAL DEMOCRAT NHS?

Norman Lamb MP

Over the coming decades, our health and care system will face unprecedented challenges. Across the Western world, people are living longer – in the UK, the number of people living over the age of 90 increased from 384,980 to 513,450 from 2002 to 2012.²³ What is more, increasing numbers of people are living with combinations of chronic health conditions – the number of people with three or more long-term conditions is predicted

23 Office for National Statistics, ‘8 facts about life expectancy’ (21 March 2014). Available at: ons.gov.uk/ons/rel/lifetables/national-life-tables/2010---2012/sty-facts-about-le.html.

to rise from 1.9 million in 2008 to 2.9 million in 2018.²⁴

This means that in the coming decade we will see significant increases in the number of people who need some level of support from our health and care services. In particular, the health and care system will have to provide care and support to people living with a range of long term conditions, potentially disabling, for increasingly lengthy periods of their life.

At the same time, I believe that we need to change fundamentally our approach to supporting people with health problems. As a Liberal Democrat, I want us to build a fairer society, championing the freedom, dignity and well-being of individuals. It is not enough for society to keep people fed and clean in their homes, but isolated from society. The health and care system of the future must make people's overall well-being its first priority – helping people to live a good and fulfilled life.

To deliver this modern health and care system against the challenging demographic backdrop, I believe there are four fundamental shifts we need to achieve – at the heart of which lies our voluntary sector.

24 Department of Health, *Long Term Conditions Compendium of Information*: Third Edition (20 May 2012). Available at: dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_134487.

Exclusive to inclusive

In the past, there has often been a tendency for NHS organizations or Local Authorities to look at a patient's needs simply in terms of their entitlement to statutory services. The focus, perhaps understandably, has been on the clinical or administrative challenges of treating a particular condition, or assessing the level of need for social care.

But the reality is that people have all kinds of needs for which doctors, nurses or carers cannot provide. People might need help with day-to-day tasks like changing their light bulbs, checking the fire alarm, or renewing their library books. Most of all, people need companionship – the crippling isolation faced by some people in their old age is profoundly damaging to people's health, and a sad reflection on our society.

There needs to be a much richer collaboration between the NHS and councils and the communities they serve. There are already fantastic schemes across the country that utilize local volunteers to check in on their neighbours, perform odd jobs and run quick errands, and provide the companionship that so many people who are elderly, disabled, or vulnerable so desperately need.

I visited a fantastic community action group called 'Friends and Neighbours' in Sandwell, where a team of committed local volunteers are transforming the lives

of people in their community by complementing the traditional ‘care’ services that are available and thereby reducing dependency.

In my own constituency in North Norfolk, I have signed up to a scheme run by the Royal Voluntary Service to drop off a new set of library books once every three weeks to a resident in North Walsham. It is not just about dropping off the books, though – I really look forward to having a chat with Joyce when I visit, and it also gives me the chance to look out for any other problems that might need to be referred on, perhaps to the housing association or Local Authority.

We need councils and care organizations that understand the value of these sorts of services, and are able to work with the voluntary sector to create packages of care that really work for people – helping people enjoy the best possible quality of life, whatever their health challenges.

Fragmented to integrated

In my role as Health Minister over the past two years, one of my highest priorities has been tackling the increasing fragmentation that has taken place across the health and care system in the past. All too often patients are confronted by a bewildering array of different health and care organizations. The need for repeated

referrals between GPs, consultants, perhaps radiographers and occupational therapists, or social workers leads to immense frustration, and can hinder people's ability to access the care and support they need, when they need it.

Last year, I announced fourteen 'Integration Pioneers', local areas where health and care services are working together to find new ways of linking up the care and support they provide around the needs of patients. But many of these pioneers are going further, also involving charities and the voluntary sector in their plans to join up local services.

The Cornwall and Scilly Isles pioneer is developing a ground-breaking approach to care for the elderly, working with Age UK. They started with a small pilot of 100 people living alone in Newquay. Now they are working to identify 1,000 residents in the Penwith area who are most at risk of hospital admission, many of whom are frail or elderly, perhaps with two or more chronic conditions. These individuals can then receive targeted care and support aimed at improving their overall well-being.

A review of the initial pilot for the scheme in Newquay found a 30% reduction in non-elective hospital admissions and a 40% reduction in admissions due to long-term conditions. By ensuring that local health and care services are collaborating effectively with the voluntary sector, it is clear there are significant

gains to be achieved – saving money, and transforming people’s quality of life.

Paternalist to personal

As a Liberal Democrat, I believe fundamentally in the value of empowering individuals to make decisions about their lives, and challenging the lazy assumption that distant, centralized decisions are the best way to protect people’s interests.

And the approaches I have described above all rely upon a rigorous focus on the wishes of the individual. The Care Act legislates for personal budgets for the first time. This can really transfer power to the individual.

One of the greatest transformational tools of the modern world in helping people exercise choice and control is technology – giving people direct control of services at the touch of a button. I want to see our health and care services make much better use of the sort of tools that are already taken for granted across most other sectors of the economy.

But just as important is that we help the most frail and vulnerable members of society, who may be unable to access the empowering benefits of technology, to exercise the same level of control about the support and treatment they receive. And already in the voluntary sector, a range of fantastic organizations such as Age UK, the CAB, and Rethink Mental Illness transform

people's lives by ensuring they have a strong voice when decisions are being taken about their care and support.

From repair to prevention

We need to achieve a fundamental shift of emphasis from repairing the damage once it is done to prevention ill health and preventing a deterioration of health. The payment system in the NHS, which incentivizes activity in acute hospitals, is crying out for reform. We need to promote better outcomes and a greater focus on prevention.

The Liberal Democrats are committed to opposing inequality wherever it exists, working to build a fairer society. And there are few areas where inequality is more striking, or entrenched, than in health. Based on 2010–12 death rates, 79% of newborn baby boys in the most deprived areas will survive to their 65th birthday compared with 92% in the least deprived areas.²⁵

But the enduring health inequalities in some of the most deprived parts of our society cannot be tackled by statutory services alone. There is a crucial role for community organizations and charities to play both

25 Office for National Statistics, 'Baby boys in most deprived areas show greatest increase in life expectancy' (16 April 2014). Available at: [ons.gov.uk/ons/rel/subnational-health4/life-expec-at-birth-age-65/2006-08-to-2010-12/sty-life-expectancy-gap.html](https://ons.gov.uk/ons/rel/subnational-health4/life-expect-at-birth-age-65/2006-08-to-2010-12/sty-life-expectancy-gap.html).

in highlighting the local causes of inequality, and delivering the measures – perhaps most importantly, better education – that are needed to eliminate this injustice.

I would like to see public health programmes engage much more effectively with local community groups – everything from youth clubs and maternity support groups to football supporter associations and religious groups. Local community organizations can bridge the divide between the medical establishment, and the people who most need help, where government services often can't – improving awareness, encouraging people to get conditions like cancer diagnosed early, and ensuring that local communities have a voice to influence the way that services are designed.

Mental health

I have campaigned for better mental health services for many years. And I could not write an article about the role of the voluntary sector without talking about the huge contribution it can (and indeed, already does) make to the support provided to people with mental health conditions.

One in four of us will suffer from a mental health condition at some point in our lifetime. But in the past, mental health has suffered from low levels of diagnosis, variable access to treatment and support, and a social

stigma which could make it difficult for people with mental health problems to access employment. This is completely unacceptable.

Against this backdrop, the work of Mind and Rethink Mental Illness in leading the ‘Time to Change’ initiative has been truly inspirational in recent years. As I write this, 62,935 people have now signed the campaign’s pledge to end mental health stigma. And the number of people who say they know someone with a mental health problem has gone up from 58% in 2009 to 63% in 2012. For someone with a mental health problem, the support and understanding they receive from friends and family, and in the workplace, is every bit as important as the support they receive from the NHS. Campaigns like Time to Change, and Alzheimers UK’s Dementia Friends programme, therefore have an invaluable role to play.

But there is even more that the voluntary sector can do. I was recently very impressed by the ‘Headspace’ organization in Australia, which provides mental health support for adolescents and young adults. By taking mental health care out of a conventional ‘clinical’ context, it provides a much more accessible and sympathetic environment. The services also go beyond simply mental health, to include sexual health, relationships, and employment advice. Crucially, young people can access the services themselves, confidentially, without the daunting hurdle of having to visit their GP.

I would like to see the same sort of approach here in England – linking up the horribly fragmented elements of our Child and Adolescent Mental Health Services (CAMHS) with other children’s services, and involving the voluntary sector. I believe that a joined-up help and advice service for young people could have a transformative effect for many, and address the current failings in parts of the service. And it is essential that this approach draws fully on the potential contribution that can be made by the voluntary sector to provide the richest possible support for vulnerable young people, giving them the best possible chance to realize their potential in life.

Better care

The challenges which our health and care system faces in the future are significant. But at the heart of our response to these challenges must be an obsessive focus on delivering better care. Better care is more personal, better co-ordinated, more preventative and – crucially – more inclusive, drawing effectively on the valuable pool of experience and skills which the voluntary sector has to offer.

By delivering better care, we can transform quality of life for so many people who are frail and vulnerable, or suffering from multiple chronic conditions. And at the same time, we can make people safer. By making

sure that people are in control of their care and support, and by avoiding situations where the co-ordination of different services breaks down, we can stop people falling through gaps in the system.

If we are to deliver a fairer society for the next generation, our health and care system must go far beyond simply ‘fixing’ people, or enabling people to subsist when they are confronted by the challenges of frailty or chronic illness. Our health and care system must constantly focus on improving people’s well-being, to give them a good quality of life. And it can only do so through much richer collaboration with the incredible voluntary sector organizations across the country that already do so much to support those who need a helping hand.

CHAPTER EIGHT

LOCAL WELFARE – THE SOLUTION IS JUST AROUND THE CORNER

Kelly-Marie Blundell

Charities and small and medium-sized enterprises (SMEs) have great potential to deliver social and community-focused public services. But they often don't get the chance to realize it. In order to level the playing field, to allow them to fulfil their potential, we must devolve public sector contracting to local authority level. The current system of prime- and sub-contracting in public sector services is demonstrably not working. Only by allowing local governments tailor services to local needs will we prevent the growing oligopoly of multi-billion pound corporation service delivery and allow charities and small and medium size businesses to deliver services based on local need as well as quality not quantity. As Sir Stephen Bubb said in early 2014, we currently risk

replacing ‘public sector monopolies with private sector oligopolies’.

Liberal Democrats are not in essence against privatization – there is evidence of better money management in public services when they are delivered by private and charitable sector companies. However, it is clear that during the drastic cuts to budgets in this parliament, following the economic crisis, too many corners have been cut and the delivery, and quality, of public services has been severely impacted.

Charities and small and medium sized businesses are best placed to address local needs for work and welfare based contracts, but they continually come up against glass ceilings in the tendering process. These include tender income being reduced through prime contracting, tenders being driven at a national rather than a local level, and a democratic deficit in setting basis for delivery which panders to a national agenda.

In 2011 David Cameron, the Prime Minister of a coalition between the Conservatives and the Liberal Democrats, proclaimed his vision of the public sector that was modern, competitive and more transparent. With this was the caveat that 25 per cent of public sector services would be delivered by small and medium sized enterprises, including charitable organizations.

As yet, the Government have not achieved this target. Indeed, the caveat implies limitation rather than aspiration. It disincentivizes charities and small and

medium sized businesses from applying for tendering opportunities.

The public sector in the UK is now one of the largest in the world, second only to America in terms of revenue generation. But the recent political consensus has held that wide areas of public sector service delivery are in need of far-reaching reform. These have been accompanied by calls from the third sector for charitable organizations to be part of the reform process, as they are often better placed to deliver services at a local level.

National contracts for the Department of Work and Pensions (DWP), including the Work Programme, direct payment support and Work Capability Assessments are managed by prime contractors and then subcontracted at regional and local levels. The present Government set a priority of reducing the cost of the welfare budget, establishing targets with financial incentives. Yet as a result of subcontracting, the prime contractor is skimming financial incentive income from the smaller subcontractors, often forcing them out of the market entirely.

It is not clear that a prime contractor adds value by driving down costs, when the reduction of costs means smaller charities and companies are unable to deliver contracts that they are best placed to manage.

The cost of delivery of community focused DWP contracts has been reduced so much that the impact of cutting this cost further at a subcontractor level is

making targets, and social benefit, unachievable. The charities that are often in a strong position to provide good quality, needs-tailored public services, such as mental health support for people getting back to work, are being starved out of the market. Yet with the prime contractor issue, less and less are in a position to start or continue delivering vital services that would improve people's lives.

The idea that charities are best placed to deliver many welfare focused public sector contracts is not new. ACEVO have for many years led calls for the public sector to make better use of the charity and social enterprise sector to deliver citizen-focused and responsive public services, which also embed greater user voice in their design and delivery.

I believe the sensible solution to mitigate the fallout of charities and SMEs abandoning contracts is to remove the prime contractor system entirely. By doing so, it would increase the workload for central government to tender each area individually. Rather than drive up costs in house, decentralization of commissioning to local governments would address the problem.

The business model of current public sector contracts also causes problems. They are usually designed on a supply-and-demand basis. The risk of opening up the public sector market to prime and subcontracting has always been that the public sector does not run on a demand basis. With the public sector, the Law

of Supply and Demand becomes obsolete. With bin collection, GP appointments and education, the service will always remain static, in line with population needs. With no correlation between demand and price, the public sector has been inclined to choose bids that have the lower price, based on the ideological premise that this is better for the tax-payer.

With the law of supply and demand irrelevant, the choice of contracts tends to be driven by tender proposals. These originate from national government and therefore are inherently ideologically driven, rather than being based on local need or local value of services. The value is demonstrated by quality of services for price.

Small and medium sized businesses and charitable organizations are in a better position to deliver good quality services. In many situations, the needs of the public sector are unique. Support for those returning to work, for example, is rarely a profit-making business.

There is, in addition, a democratic deficit created by the tender process being driven at a national level. Local authorities are best placed to address the needs of their communities, be it based on amount of people seeking support to return to work, or the amount of people accessing food banks because of abject poverty. If local councillors were accountable to the needs of their constituents in delivering welfare based contracts

according to local need, it would open up the process to democratic accountability.

Choice, in essence, is promoted as a good thing, but public sector service choice is driven by central government and not the consumer. A person in need of return-to-work support has no more choice in the provider of the company than they have in which train company runs their local station.

In this instance choice can only be enhanced by increasing democratic accountability. If councils take responsibility for the tender process, clients and consumers are more empowered to influence demand and provision. Local authorities also work with local charities and SME businesses and have the ability to commission from local and specialized services currently being undertaken by prime contractors.

Devolved power gives the inhabitants of the region that hold it a stronger sense of identity. They feel more empowered as a group and take a greater interest in economic and social policy, which leads to increasing participation in the political process.

There are demonstrable problems with the contract and tender process that prevent the quality of public service delivery not only to make targets achievable, but also that is demanded by the public.

As he left his post as Minister for Civil Society, Nick Hurd called on the Prime Minister to 'do more to enable charities and social enterprises to win public

service delivery contracts.’ Without such action, nothing will change. Not only will the government not hit their 25 per cent target, but also charities and SMEs risk being priced out of service provision entirely.

The private sector oligopolies that Sir Stephen Bubb observed mean that charities are no longer able to compete on a level playing field. Even national charities, with wide ranging visions and objectives, struggle to deliver national contracts which are driven by targets rather than local demand.

We need to devolve the contracting of public services to a local level. In the deliver of welfare services and many others, this can only help. It will reduce the problem of oligopolies, increase democratic accountability and allow quality to be a key driver of tenders, not national targets or price alone. Charities and social enterprises – often the organizations best able to run specialized, high-quality and responsive services – will be able to reach their full potential. Our whole country will be better off.

CHAPTER NINE

CHILD POVERTY: A UNIFYING THREAD FOR LIBERAL DEMOCRATS IN GOVERNMENT

Ibrahim Taguri

In 1999 Tony Blair delivered the Beveridge Lecture, an annual opportunity for leading politicians to set out their views on social justice. The lecture is of course named after William Beveridge, the great Liberal thinker and peer who put the foundations of the post-war welfare state in place through his ground-breaking report on social need. In a passage that sounds oddly reminiscent of today's Prime Minister, he stated that today's welfare state was 'often associated with dependency, fraud, abuse, laziness'.

He claimed that he wanted to restore the welfare state to its rightful state. In order to do so, he made a historic commitment: to eradicate child poverty within 20 years. Suddenly, an issue that had been largely neglected was at the centre of British politics again,

and indeed it began to dominate much of Labour's policy for the next decade. A cross-party consensus also began to emerge, with David Cameron committing his party to addressing child poverty in 2007, and the Child Poverty Act becoming law in 2010. The Act, passed just before the election in 2010, enshrined in law four separate child poverty targets to be met by 2020/21, and required the UK government to publish an updated UK child poverty strategy every three years.

Now this is all very well and good when the economy is thriving and the government can afford to offer tax credits and free services but the last few years have required creativity and determination on the part of the coalition to pursue this mission. Many flagship Lib Dem policies can be traced back to the agenda of creating a fairer society within a stronger, rebalanced economy; raising the tax threshold, the pupil premium, extra child care funding, free school meals and shared parental leave have all been legislated for. All laudable policies that support vast swathes of society.

The fact is that we are likely to be a long way from achieving the targets set out in the Child Poverty Act. For all of the money poured into the welfare state and the public sector by Blair and Brown, progress has been slow. 3.4 million children were living in relative poverty in 1998/99; despite a decade of continuous growth, this had only fallen to 2.8 million in 2008/09. The recession caused a further drop to 2.3 million due

to the resilience of benefit and tax credit income compared to median wages – but that was still well short of the government’s target of halving child poverty by 2010. Under the Coalition the number of children in relative poverty has remained steady at around the same level – 17%, compared to a target of less than 10% by 2020/21.

Sadly, the number of children in absolute poverty has actually increased since 2010/11 as growth in household income has failed to keep pace with inflation. 19% of children – 2.6 million – were in absolute poverty in 2012/13 compared to 18% in 2010/11.

A report published by the Social Mobility and Child Poverty Commission – a body set up as a result of the Child Poverty Act – has warned that the targets in the Act are to be missed by ‘a considerable distance’. Research has suggested that both absolute and relative poverty will increase to 24% and 21% respectively by 2020/21, based on government projections for earnings and employment growth.

Your mileage might vary on the definitions of child poverty. The current government has already indicated that it is not happy with the existing measures, and intends to replace them with alternatives focusing on the ‘root causes’. But in the meantime it is signed up to the existing targets, and should be doing everything in its power to achieve them. The Child Poverty Act also recognized the difficulty of capturing every aspect

of poverty, hence its four targets, although the main emphasis is obviously on low income.

The Lib Dems have had to fight within government to retain a focus on child poverty. The danger is that it slips down the political agenda as other issues seem more important – whether it's the economy, NHS reform or foreign policy challenges such as those in Syria and Gaza. Back in March 2014, David Laws, the chairman of the party's election manifesto group, committed us once again to clear targets after the Conservatives refused to include them in the newest strategy to reduce child poverty.

I believe that the time is right to re-energize the debate on this issue. For me this is a touchstone issue for liberals, one that harks back as Blair did to the great social reforms enacted after the Beveridge Report, but also looks forward to a time when an advanced Western economy finally ensures that all of its citizens are cared for and valued. For Lib Dems, reclaiming the idea of social security is vital and should be a priority, but even more so, we should be concerned for the children who are growing up today in squalor and destitution.

I continue to be astounded by the tales of poverty I hear in my home constituency of Brent. This is because so many of the issues are those my own family experienced in the 1980s; a lack of social housing, working but on unreasonably low income and unaffordable childcare. My earliest memories are dominated by

the recollection of the difficulties we faced day to day. Meeting constituents in the same circumstances only brings these memories back. My mother's determination that education would be our route out of poverty and a stable family home gave my siblings and I a fighting chance. But not everyone is so lucky.

The fight against child poverty asks us to consider the major questions we are faced with today as a society and the government's role in providing social services fit for future generations.

I am convinced that nothing can be more important to giving a child the best start possible in life and that's why I am proud of the introduction of the Pupil Premium by my party in government. It is a good example of a targeted policy aimed precisely at improving the lives of deprived pupils. However, there must be ways of going further and ensuring that pupils do not start school already disadvantaged, and thinking about what we can offer to new parents in terms of childcare – whether improving their parenting skills or enabling them to access outside help – is essential.

Another example is housing. This is becoming an increasingly salient issue in the run-up to the general election as political parties realize the urgency of the crisis, particularly in the rented sector. My party has a lot of thinking to do about how we can improve access to affordable housing, whether through building new homes, bringing empty properties back into use, or

just enabling people to make rent each month. Thinking about the consequences of poverty and its impact on children who are growing up in unpleasant conditions – sometimes even on the street – should certainly help to focus our minds on finding solutions for these questions.

The health consequences of child poverty are also very significant, affecting everything from birthweight to unexpected death in infancy to physical disability and ill health. For instance, data shows a social gradient for all types of cerebral palsy, with children in the most deprived groups twice as likely to suffer cerebral palsy as those in the most privileged group – and 30% of that cerebral palsy was attributable to social inequality. Developmental delay in early childhood is also associated with social disadvantage, and there are sharp differences in the prevalence of childhood disability according to the socio-economic status of the household.

These examples show that the impact of child poverty resonates across society. I believe that charities and the power of the third sector can play an enormous role in helping not just to alleviate the symptoms – some of which I've outlined above – but also to tackle the causes of child poverty themselves, and to achieve the ambitious targets that current and future governments are bound to. If the Lib Dems do continue in government, working with the third sector to enable them to

take a leading role in this fight will be at the top of my agenda. We must give charities and NGOs the powers and, if necessary, funding that they require to act like charities rather than necessarily as businesses.

I spent over a decade campaigning and fundraising in the third sector with charities delivering educational opportunities and services to some of London's most deprived communities. The impact these organizations were able to make on the lives of families went beyond what the state was simply able to provide.

Those experiences showed me we have a long way to go but that ending child poverty is an aspiration within our grasp if the political will is there.

CHAPTER TEN

SECURING THE FUTURE OF BRITAIN'S CIVIL SOCIETY

Baroness Tyler of Enfield

‘Civil Society’ is a rather nebulous term, one that is not easily pinned down, defined or identified. However any understanding of the concept of ‘civil society’ places the work of the charitable and voluntary sector at its very heart. From providing services and expertise, to representing the marginalized and advocating the most pressing societal issues, the role of the charitable and voluntary sector in strengthening and empowering society is difficult to overstate. Britain’s charitable and voluntary sector is particularly vibrant – voluntary organizations alone number over 160,000, the vast majority of which are small-scale, local initiatives making a real difference in their communities. Securing the sector’s future is vital if we are to succeed in our goal of creating a strong economy and a fairer society.

The reach of the work of charities is vast, but as important as what the charitable and voluntary sector does is how it does it. Fundamentally, in order to its function, the sector depends on two principles; firstly, generosity from the public, manifested in the contribution of both time and money; secondly, political independence and the ability to operate free from interference. Both of these principles are currently facing challenges in one form or another. Two-thirds of all charitable donations and volunteering hours given in Britain are provided by just 9% of the population, a situation that appears even less tenable when it is considered that a third of these givers are over the age of sixty-five. Equally, calls from within the political establishment for charities to rein in their advocacy work are now louder than ever. If we are to protect our voluntary sector, urgent action is required to diversify its funding base and reassert the importance of its role in creating policy and providing solutions free from obstruction and meddling.

Focusing first on the topic of charitable donations, we are fortunate enough to live in the sixth most generous country in the world and rightly pride ourselves on the deep pockets and public-spiritedness of our citizens. There are numerous examples of Britons rallying behind good causes, but the £70 million raised by Sport Relief 2014 and the tremendous success of Stephen Sutton's fundraising for the Teenage Cancer

Trust stand out as examples of our generosity. Indeed, such overt successes might even draw us into complacency – surely with generosity of this magnitude the charitable and voluntary sector ought to be in rude health?

Unfortunately, longer-term trends give more cause for consternation. Research commissioned by the Charities Aid Foundation in 2012 showed that fewer households are participating in regular charitable giving – 27% in 2010, down from 32% in 1978. Perhaps even more worrying are changes in the demographics of givers. The share of donations coming from under-30s fell from 8% in 1980 to just 3% in 2010, while contributions made by the over 75s rose from 9% of all donations to 21% over the same period. The implications of these trends are worrying – charities are relying on an increasingly narrow and ageing segment of the population for donations. Not only is this situation inequitable, it is also unsustainable – what will happen when this cohort of generous grandparents are no longer with us? The charities that we rely on – who are already struggling to cope with rising demand for their services – could fold entirely.

The Growing Giving Parliamentary Inquiry, which I co-chaired alongside Rt Hon David Blunkett MP and Andrew Percy MP, was established to investigate further the reasons for these trends and explore the actions needed to increase and diversify charitable

donations. Expecting to find that perhaps public attitudes towards charitable giving and volunteering had hardened, over the course of our evidence sessions we were instead struck by the almost palpable desire of people of all ages to give more. The recent pressure on disposable incomes, particularly those of the young, has undoubtedly constrained capacity to give, but it also became apparent that the platforms that allow people to contribute, particularly digital platforms, simply have not kept pace with changes in modern life.

In essence, we must seek out new ways to embed charitable activity into everyday life, from school to retirement, to enable people to give their time or money in ways that work for them. This may seem like a daunting task, but the conclusions of the Inquiry actually provide a handful of straightforward changes to unlock the potential for giving at every age.

Establishing a culture of giving amongst the young must be our priority. Despite the declining share of charitable funding coming from the under-30s, young people still display an unmistakable commitment to social action. Nearly three quarters of 16–24 year-olds report that they have volunteered in the past year and almost 80% of young people agree that they should give up some of their time to help others. In terms of harnessing this enthusiasm, there is widespread support among both teachers and students for closer links between charities and schools and for volunteering

opportunities to be given a higher profile at both higher and further education bodies. Moreover, the participation of young people must not be limited to putting a few pennies in a charity tin or hosting a bake sale. Large charities should create more opportunities for young people in leadership roles, particularly aiming to appoint a young Trustee who can provide a new perspective in the process of governance. This is essential for training the next generation of leaders, but also taps into the insight and potential of a very entrepreneurial and resourceful section of society to the benefit of charities.

We can all sympathize with the pressures that come from trying to balance full-time work with family life, and engagement in volunteering can often slip down the list of priorities as a result of the demands that people face. As a result there is significant demand for employers to provide opportunities for supporting good causes whilst at work, and as of yet supply has not caught up with demand. One of the most straightforward ways of giving at work is via payroll giving – donations deducted straight from salary – yet 45% of PAYE employees are still unable to give through their pay. Moreover, many companies that do offer payroll giving are failing to make their employees aware – in some cases, even HR Departments are unable to say whether or not the company provided payroll giving! Raising access to and the profile of payroll giving is

crucial, but stronger incentives are also required to encourage the provision of matched giving schemes by employers, which tend to be highly valued by employees. Indeed, mentioning the matching of donations has been found to increase response rates by 71% and average donations by more than half. We also need to talk more about the benefits to businesses that participation in giving brings, because the polls show that company ethics matter to both customers and employees. A survey by CAF found that more than half of respondents would be more inclined to buy a product or service from a company that makes a donation to charity, whilst research by ComRes found that 61% of young people would rather work for a business that supports good causes. It is evident that there is an appetite for a change in corporate culture.

The integral role the older generation can (and indeed already does) play in supporting the charitable and voluntary sector also deserves attention. Retirement provides an excellent opportunity to give time in support of good causes, as well as providing an escape from social ills such as loneliness that characterize later life for too many people. Indeed, there are significant health and well-being benefits for those who get involved with giving their time. However, according to the Royal Voluntary Service, nearly one in five pensioners have a skill that they would like to use to support a charity, but currently do not have the opportunity

to do so. A post-careers advice service could help to mobilize the wealth of knowledge and enthusiasm possessed by the newly retired, providing information and matching skills with opportunities. Additionally the government should build on the work of the Money Advice Service to inform those moving into retirement about the different ways they can continue to give, along with information about contributing to legacies.

Turning now to the need to maintain an independent charity sector, this is an important principle that has come under increasing pressure over the past year. This is in no small part because of the actions of a number of actors in creating a perception that charities are deploying their resources in a political manner. In recent months political discourse has at times taken on a hostile tone towards the advocacy work of charities, urging them to refrain from weighing in on public debates and reprimanding them for voicing criticism of government policies. We need to challenge this development.

Charities act as advocates for some of the most vulnerable people in society, and give a voice to the voiceless. They use their expertise – often based upon the interaction that they have directly with their beneficiaries through the provision of services – to campaign for change that will make a positive difference to the very people that they represent. In much the same way as a politician has a responsibility to speak up for their

constituents, charities take on the same ambassadorial role on behalf of the people who depend upon them. Of course, this can mean criticizing or even actively campaigning against the policy of a government or political parties, but politicians should welcome, not fear, this added scrutiny of their actions.

Instead, over the past months we have seen repeated attempts – either explicitly or implicitly – by some politicians to restrict the ability of some charities to campaign. Some of the most worrying stories have included rumours that charities, including household names, who publicly disagree with the government could be ‘shut down’. This is a long way from the independent sector that we should all seek to preserve.

These attempts to silence the charity sector are at best misguided, at worst an attack on the ability of charities to speak up on behalf of the people that they represent. Campaigning is a vital function for many charities and is part of their social contribution. Any attempt to restrict this has a direct effect on those people who rely on charities to be their voice, who are then silenced and left without a stake in the political process.

Speaking up in defence of charities even as they publicly disagree with you isn’t always easy. But the reality is that after the next election, there are going to be people and causes that need advocates to keep their issues on the political agenda. That charities will be acting as these agents regardless of the election result

next year clearly shows that they are divorced from the party political process, and from my experience the reality is that staff at charities are far too concerned with pursuing their social mission to get involved with politicking for the sake of causing mischief. As this debate continues, we must clearly and passionately make the case for retaining the independence of charities, and indeed urging them to speak up where they believe their expertise can help us right a social wrong.

I believe that Britain's charities and voluntary organizations do a great deal of good and make Britain a better place to live. But we cannot grow complacent, and must ensure that the charity sector continues to flourish in the years ahead. The two principles that I have addressed – strengthening our giving culture and retaining the independence of charities – must be high on the political agenda after the next election and in the years ahead. Alone, the sector cannot sustain itself indefinitely. It relies on stakeholders – primarily the public and politics – to make a commitment to providing charities with the necessary resources and climate in which to function. A strong civil society is an essential component of a healthy and plural democracy, and politicians should welcome and embrace it as part of the body politic and social fabric of this country. It is our duty to put these principles into action to pursue our own mission as Liberal Democrats of creating a fairer and more socially just society.

For this agenda-setting collection, the leading civil society umbrella groups ACEVO and CAF worked with the Liberal Democrats to showcase the party's thinking about its future relationship with charities and social enterprises. The accompanying 'Red Book' and 'Blue Book' feature similar essays from the Labour and Conservative Parties.

'In this anthology ... [you] get a full spectrum of views from my colleagues on the future of the sector. ... It could not be more timely. ... My only plea is that the sector responds. We are at our best when we work in partnership.'

Rt Hon Nick Clegg MP, Leader of the Liberal Democrat Party

'Our aim in these books is to go beyond the usual manifesto-writing and build a firm base for engagement with the parties both now and in future. [This book] showcases a broad and original range of political thinking about the voluntary sector.'

Sir Stephen Bubb, Chief Executive, ACEVO

'The Liberal Democrats are a party rooted in localism and community action, and share many of these values with Britain's voluntary groups, which are explored in detail in this collection.'

Dr John Low CBE, Chief Executive, Charities Aid Foundation

With contributions from Dr Julian Huppert MP, Jemima Bland, Kelly-Marie Blundell, Martin Horwood MP, Baroness Jolly, Norman Lamb MP, Ben Nicholls, David Smith, Ibrahim Taguri and Baroness Tyler of Enfield.

