

## **Watford Together '14 Conference**

**Friday 14 November 2014**

### **What next for the voluntary sector?**

*An address by Kevin Curley CBE*

Thanks for the opportunity to meet you today and to talk about the future for independent voluntary action. I'll be looking at some of the issues facing us – and some of the opportunities. It's been my privilege to work in the local voluntary sector for 30 years since 1972 and then for the final 10 years of my career at NAVCA - the national charity for 300 organisations like Watford CVS in England. My job was to speak up for the interests of local voluntary action. Explaining to politicians how local community groups and small local charities differ from national charities and why we need different policies and support if we are to thrive. And always alert to threats to our independence from governments of any colour.

I want to talk about the difference we make in our communities. And how we can keep on making a difference even though we face hard times.

I'm going to talk about 4 things. First - our duty to speak up for people who face poverty or injustice or discrimination or all three. Second – our right to request a share of the local state's money. Our money entrusted to elected councillors and to public officials. Third – our responsibility to unlock new sources of money so that we can sustain our independence. And I want to close by saying something about the values which underlie all our work.

Where I refer to resources or programmes you may not know you will find web addresses in this hand-out in your pack. And if you'd like the detail of what I say it's available on the Trust's website.

**So – first. What I call our duty to speak up for people who face poverty or injustice or discrimination. Or loneliness.** Or a lack of services they need to maintain a decent life.

We have a strong tradition of supporting people who are hit by poverty. Advice services, homelessness projects, training schemes for young people, practical help like free furniture or food – all part of the local voluntary sector since the days before the welfare state began. And churches and other faiths now increasingly in the frontline, as the state steps back. Often hosting Food Banks, providing emergency beds for people and somewhere warm to go during the day.

I'd like to say a little more about Food Banks. Their rapid growth in just four years shows the voluntary sector and the churches at their best. The Trussell Trust said that the number of people using Food Banks tripled in the 6 months to September 2013 compared to the previous year. Over 350,000 people received 3 days' emergency food. Why? The Trussell Trust says it's because of cuts to welfare benefits, low wages and zero hours contracts and rising food and energy costs. So do more than 40 bishops and other faith leaders. I was moved by my recent visit to one of Derby's Food Banks when I learned that a quarter of the people using the bank ask only for items that don't need cooking – either because they have been cut off from power or they can't afford to use it to cook. The government says Food Banks are now better known and that's why they are used by more people.

So Trussell has challenged government to hold a public enquiry into the causes of food poverty in this country. As their Chair of Trustees Chris Mould said 'This is not about pointing fingers. It's about finding solutions. That's why we believe an enquiry is now essential. As a nation we need to accept that something is wrong and that we need to act.'

Chris Mould and Trussell Trust have already paid a price for their boldness. In a meeting with DWP officials Chris was threatened with the closure of his charity. It seems Ministers are unhappy with the way in which Trussell has politicised food poverty. I doubt that even this anti-campaigning government can close a charity down. Trussell receives not a pound from the government and enjoys huge local support from community groups and faith communities and the people they serve. And even under the leadership of William Shawcross I doubt that we have yet reached a position in this country where aggrieved Ministers can use the Charity Commission to close down a charity they don't like.

Nevertheless, Chris Mould admitted that he thought about toning down Trussell Trust's criticisms of welfare reform. But with strong support from all parts of civil society I'm sure Chris will continue to speak up for those people who cannot put food on the table for their children because of government policy.

So his is a script for all of us. Trussell Trust is part of our strong tradition of making a difference. We run the Food Banks. A national charity collects the data. Together we insist that something must be done. We don't play politics. It's about finding solutions says Chris Mould. We need to act.

Amen to that. Are you concerned about people's mental health? About isolated old people? About teenagers who self-harm? About children who fail in school? About threats to the local environment? Whatever your charitable mission. Whatever your passion. We help people who need it. We provide services of the highest possible quality. We mobilise volunteers and community members to enable us to do more. But then we use our experience. We collect the data. We bring it together locally and nationally. And if change is needed we demand that it happens. And we pursue reform relentlessly. That is our duty. 'It's about finding solutions' 'we need to act'. What a compelling set of words to inspire us.

### **So second – our right to request a share of the state's money.**

Commissioning is a set of activities undertaken by elected councillors and officials in councils and clinical commissioning groups, in the police service, in recycling, in environmental protection in economic regeneration. They have to work out what services local people need and then find the most effective way of funding those services. Commissioning does not have to lead to awarding *contracts* for services after competitive tendering processes. Commissioners can continue to use grants as a method of funding our work – and grants can be awarded competitively or by negotiation.

So to be clear. Commissioning is not contracting. It's not competitive tendering. It's not payment by results. It's not enforcing European procurement regulations.

The law is quite clear about grants. They are not affected by competition law or by European Union procurement regulations. You may be told by an official 'We can no longer award grants. The EU requires that we put everything out to tender'. This is frankly nonsense.

The law is set out clearly and concisely in this excellent book - 'Pathways through the maze'? Written by procurement lawyers chapter 6 explains why grants can be awarded without competitive tender. It explains that European Procurement Regulations do not apply to grants. It's free on-line at the NAVCA website.

Why does this matter for the future? There are two main reasons. Firstly, grants enable us to meet a need in the way we know best. We can innovate and we can work flexibly. We can mix money from different sources and we can combine the work of staff, volunteers and trustees in creative ways. This is in sharp contrast to the usual contract which specifies exactly what we must do and how we must do it. Secondly, competitive tender processes mean that many local charities cannot access public money. Contracts are too big, the conditions we have to meet in order to tender are too onerous and the terms of payment – often these days 'payment by results' – make it impossible to operate.

So what would happen if your council and others abandoned grants and awarded all their funds through contracts? Most of the funding will be won by private sector companies or so-called mutuals created by council staff or by big national charities from outside the borough.

I find that local Councillors understand why these commissioning trends are so harmful to the community. They can see that large contracts are likely to be won by large organisations from outside the area. So they can be persuaded of the value of small contracts and of grants. They don't want to see Home Start and small providers close as all children's services are provided by Barnardo's – as has happened in Somerset. They don't want to see the CAB service lost as the contract is won by A4E – as happened in Hull. They want a diversity of small charities and groups to thrive. Because they know these charities and groups provide good services and are good value. They know that they are owned by local people and make our communities better places to live in.

I've also seen GPs who chair Clinical Commissioning Groups in Derbyshire demonstrating an understanding of why grants are the best way to encourage preventative services for their patients. And most Police and Crime Commissioners have now set up grants schemes. So, we can win this argument.

Grants must of course fit with the funder's strategic priorities and grants can be awarded after a competitive process. But you avoid the waste associated with competitive tendering for contracts- and the severe limits imposed by contractual specifications.

Take a look at this NAVCA leaflet which helps you to make the case for grants. Watford CVS can lead this argument – but it needs your support. It's something you need to raise with the councillors and officers you know in every local public body. And it's a winnable argument.

### **Third – our responsibility to unlock new sources of money so that we maintain our independence and keep services going**

Social media offer a new opportunity for some of us.

You may well have the basics in place by now. Do you know how to use Twitter, Facebook, YouTube, and LinkedIn – for marketing your work, for influencing or campaigning and for fundraising? I went to a superb day course in the spring offered by a CVS which introduced

me to Hootsuite, Google Analytics, Eventbrite, Tweet deck and BlogSpot. And again for the sceptics. At York CVS' annual conference people from York MIND told me how one volunteer monitors Twitter, follows up anyone with an interest in mental health in the area and hit gold when a new Twitter volunteer raised £10,000 for them from sponsored events. And I surprised myself by raising £4000 for a small charity I chair in one weekend, using Facebook, Twitter and my Donate (much cheaper than Just Giving). Proof that an old dog can learn new tricks.

And we know now that social media can make a difference. Petitions on Change.org have helped to stop deportations of vulnerable women and children. Other sites like 38 degrees and Avaaz have mobilised literally millions of people to tackle issues ranging from threats of hospital closures to standards of care for disabled people and the failure of some large companies to pay the living wage.

I was dragged to social media by my teenage daughters. If you are reluctant, find a teenager or better still a recent graduate with good IT skills who wants some work experience. Charge them with developing your social media strategy so that you take your charity into new ways of communicating, campaigning and fundraising. New ways of making a difference.

Have you used crowdfunding yet? It's an old principle given new technology. Instead of asking a large donor for £10,000 you set out online to get 500 people to give you say £20 each. The trainers will warn you to use crowdfunding as part of a fundraising strategy – but I'd say 'have a go' if it's new to you. Go to [crowdfunder.co.uk](http://crowdfunder.co.uk) and see how others are doing it. You will need to mobilise potential donors through use of Twitter Followers and Facebook Friends – but you will be astonished how many people you can reach through your networks of staff, trustees and volunteers. The guidance on how to get started on [crowdfunder.co](http://crowdfunder.co) is excellent.

Some really useful research was published by Warwick University last month. They looked at thousands of pages on Just Giving, the leading on-line fundraising platform. People fundraising on their own for individual events raised almost 50% more than people taking part in mass events. Individuals raising money for smaller charities – with incomes of less than £100,000 – raised the most. Setting a target enabled people to raise significantly more. So if you plan to have a fundraising page on Just Giving take a look at this research – 'Online fundraising – the perfect ask'. It's on the resources list.

And now watch out for #givingTuesday invented 2 years ago by Henry Timms in the States and making huge amounts of money each year. It's coming here supported by the Charities Aid Foundation on 2 December. Put it to use for your charity. Localgiving tells us that 30% of all donations to British charities are raised through the internet and 90% of the 30% come via online platforms.

Radical, rapid change in less than 10 years. Get up to speed and then work with others to shape these new media so that they work for your organisation.

And don't forget an old fundraising tool – Gift Aid. So many charities neglect it. It's easy to use and it brings you an extra 25p for every pound donated by a tax payer. It's even easier now that it's all on line. I bet charities in Watford and Three Rivers are missing out on at least three quarters of a million pounds in unclaimed tax refunds. Don't give George Osborne this money. Bring it into Watford and Three Rivers and put it to use.

I've said nothing about support from the private sector. We know of course that employee volunteering and pro bono help from private sector professionals will usually be more prominent features of their support than cash. For a really excellent model of innovatory practice we only have to look at what Tameside CVS is doing, bringing local companies together with charities through a new website – Tameside4Good. It's in the hand-out. Islington Voluntary Action- with 4 grant making foundations- has launched 'Islington Giving' and raised £2 million for local groups. Take a look.

If your organisation has not yet worked out a strategy for drawing in more private sector support, this has to be at the heart of your future proofing. The threat is that national charities with their legions of corporate fundraisers will mop up private sector support. The opportunity is yours because you are here on the ground and the people you serve are the customers of your local companies.

Have you heard of Community Shares? These are a way of raising capital within communities from people who would often not make donations. Community shares have financed community buildings, renewable energy schemes and have saved rural shops and pubs and urban community centres. I have seen how important they can be in the part of Derbyshire where I live. You ought to put them at the heart of any capital fundraising appeal.

Cooperatives UK and Locality provide a Community Shares unit offering excellent advice on how to get started – the link is on the hand-out. Community Shares are one example of Social Investment. I commend this excellent guide to you – produced by Social Enterprise UK and free on-line.

Try to turn your hostility or scepticism about social finance into open mindedness. I've had to work on this. Trustees are risk averse. They don't want to borrow. Let me ask you. How many people come from a charity or group that has ever taken out a loan to get work done? I understand your reluctance.

I know too that trustees don't like the idea that people may make money out of voluntary effort – which is at the heart of social finance.

I have been much influenced by what the YMCA in Perth has achieved. This is a local charity employing 12 staff – so not a big organisation. They have raised £500,000 through a Social Impact Bond which is funding their training and support work with 200 young unemployed people. The money came mostly from small local investors. They will get a

return on their investment - paid by DWP - if the YMCA is successful after 3 years. Ian Marr at the YMCA told me that this was the only way to get new money and that it's enabling them to work much more effectively than was possible through the discredited Work Programme. The YMCA is sharing its legal agreements with the wider sector, making it much easier for you to get started. These are the agreements between the YMCA and the DWP 'the outcomes partner' and the agreement between YMCA and investors. Marvellous and generous gesture. You'll find contact details in the hand-out.

At last we can see that Social Impact Bonds could work for local charities. For some of us in this room they could be part of the solution to our future funding needs. Again they are described in this easy to read and free guide from Social Enterprise UK.

Local Councils have been hard hit by this government's austerity programme – some will have lost 40% of their funds by the time of next year's election. So it's good to see that you are well supported by the County and Borough Councils. No support organisation can thrive without funding from local government and usually from the Clinical Commissioning Group as well. I must single out Watford Borough Council for a little recognition. In many parts of England similar Council budgets have been cut deeply in recent years. The strength of the relationship between the Council and the voluntary sector here says a lot about the quality of leadership shown by Bob Jones and the quality of services provided by everyone in the Trust – including of course your volunteers and trustees.

### **Finally – our values**

Let me finish with something about our values. The bedrock of our work. At a time of faster and more radical change than I've ever known I need to hang on to some certainties. And the values which brought me into the local voluntary sector in 1972 seem to me to be unchanged. Back then in York as a student volunteer I looked for homeless people sleeping rough after the cruel death of an old man in a shop doorway on a frosty November night. This survey led to a night shelter established by the CVS. A few months later I joined the multi-agency group brought together by the CVS to welcome Asian refugees thrown out of Uganda by Idi Amin. After the humanitarian work was completed, the CVS helped refugees to set up the Ugandan Asian Refugees Association.

This is why I joined the local voluntary sector. We were making a difference. Seeing a need, mobilising people from the voluntary, public and private sectors, getting a new service started quickly, then persuading the state to take more responsibility as well. And I'm sure you will be involved in issues like these here in Watford and Three Rivers.

So what was it that brought *you* into voluntary action? Together we are here to fight poverty, disadvantage, discrimination and loneliness through local voluntary action. And that's probably all we are here for. We are not here to run social enterprises. We are not here to promote partnerships or to form consortia. We are not even here to win public services contracts. Although we do all of these things when they help us to fight disadvantage.

And so we always know whose side we are on. We are always on the side of homeless people sleeping rough. We are never on the side of those who say they should be removed from our city centre streets because they upset the tourists. We are always on the side of black people and women and disabled people who face discrimination in the workplace or the school or who are terrorised in their own homes. We are never on the side of the employer who says there are too many burdensome employment rights. We are always on the side of refugees fleeing the latest vicious dictator. We are never on the side of those who say that England is full.

We will always say that care and compassion matter more than punishment. We will always say that social justice is more important than social enterprise. We will always say that community development matters as much as economic development. We will be proud of



being charity like and we will refuse to be business like if that means the pursuit of profit for its own sake.

We will insist that the Council and the Clinical Commissioning Group and the police – all of them our natural partners - treat the voluntary sector's leaders with respect. If there have to be funding cuts they must be made openly with the full involvement of the sector's representatives – supported by Watford CVS - and the cuts must be proportionate.

None of this is about complacency. We must change our organisational structures. We must learn new skills, create new models, challenge old ways of doing things – so that we can tackle local poverty, use our knowledge to promote reform and challenge politicians and hold officials to account. We can put social media to use for us, draw in new money and make our organisations less reliant on state funding.

But let us celebrate our unchanging values and protect them. Our tradition of combining community service with seeking change. Your values, your confidence, your belief in the power of independent voluntary action to change people's lives, people's neighbourhoods, people's villages, for the better. Your knowledge that through Watford CVS we can achieve so much more together than apart. These are our greatest strengths. This is the real resilience in our sector as together we face hard times. This is the certainty we must hold on to as we adapt to radical change and continue to make a difference.

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