

# SIR STUART ETHERINGTON'S LETTER TO THE VOLUNTARY SECTOR, 2015



Dear colleague

I'm writing on the day of what has been described as the most unpredictable general election in a generation. For politics enthusiasts, it's easy to get wrapped up in the excitement of such an uncertain race: we may have a new government by the end of this week; we might even be faced by a second general election in the near future. The frustration for many on the frontline is that whoever forms the next administration, their voice is not heard, and no one is setting a vision for how voluntary action and voluntary organisations can make a bigger difference to the challenge we face.

The absence of a vision – a government, even – may not matter hugely to those outside the Westminster bubble. Parties in Belgium famously took over 500 days to form a coalition following the country's general election in 2010. And by and large, Belgians, and their economy, got on perfectly well in the meantime. It is little wonder that there is so much interest in people power and what we can do to change the world, both individually and more importantly for me, collectively.

I believe that no government is going to find a vision for voluntary action, nor should we want them to. We need to look to our own sector for our own solutions.

This is not to say that the government does not make a difference or that parties' policy positions do not matter – they do. But we also need to set our own course for voluntary action over the medium term, and to make our own case for what voluntary organisations can bring to the table when dealing with society's challenges.

## Manifestos, election, vision

For organisations proud of our independence, we often spend substantial time thinking about the actions of government. This is right: government policy, and its implementation, often matters to the people we work with, particularly when it comes to the big structural issues charities are helping to solve. But for the sector itself, we must find a way to get on and get through without government, as we so often have. We're not without power, nor resources ourselves. I wonder therefore if we lack confidence?

If so, we shouldn't. The solutions to many of our challenges are within ourselves. My vision is of an open, independent civil society that builds upon the strengths of all sectors, encouraging and catalysing the energies and resources of everyone in society, always acting in the public benefit, and

therefore trusted by the public. It is a civil society unafraid of holding to account those with power, speaking up for those without it, and supporting those who want to create their own future.

In practice this means we need voluntary organisations which are transparent and accountable, setting their own standards rather than waiting for regulators to require them. It means we must keep an open mind to new forms of finance and funding, while reminding existing funding bodies that their first duty is to do voluntary action no harm. It means we must recognise that our role is to give shape and form to the voluntary action of individuals wherever they live or work: not just doing, but shaping, facilitating, engaging, building on people's strengths. It means we must all seek to bridge what seems like a widening divide between large and small charities in our own sector, recognising that we are all the warp and weft of civil society. And just like those working in government, it means always acting for the public benefit: while this does not make us unique, it makes us different, special even. Worth preserving, whatever the vagaries of the current government and the influence they seek to have over us.

## Politics, good and bad

When it comes to voluntary action, governments can have an influence, an effect. They can leave an impression, both good and bad – one need only look at gift aid or the lobbying act. But they can't transform us or define us and neither should we want them to. It is not in the spirit of the sector I know to say, 'How can someone else do this for us?' Our motto has always been, 'How can we do this?' The last thing we want is to have any given party's idea of how we should be enforced upon us.

At their best, political parties facilitate engagement and social action; they can be driving forces for change. At their worst they are prone to gimmicks, to crowd-pleasing, to relying on simplistic, dogmatic approaches for complex and nuanced issues. In other words, the opposite of what we want for a credible, trustworthy and effective sector in the future.

We see this hopeful, eager but ultimately glib search for novelty and quick fixes in the outgoing government's enthusiasm for social investment. Yes, it has potential, but it cannot be the answer to everything. Similarly, we rightly celebrate and nurture innovative social entrepreneurship, but we should not privilege it at the expense of what is tried and tested for novelty's sake alone. We are supportive of all sorts of social action. We are excited by the potential of new forms of volunteering. We welcome and embrace spontaneous social action. But we shouldn't forget that much of the toughest and most powerful volunteer work takes place in highly structured settings, with intensive training and management. These need support and investment to continue and to grow. As we look, as we inevitably will, to volunteers to do more and more in public services, these structures to facilitate volunteering and train and support volunteers will become ever more important. So our vision isn't just one of more volunteers, it is of more impactful social action, effectively supported by government, business and voluntary organisations.

Fortunately, most of us know that our work doesn't have to be in vogue for it to be effective and rewarding, life-changing or even life-saving. Much of our influence as a sector is by way of evolution not revolution: the incremental innovation that so many of you work hard for every day that make things better. We must celebrate these changes and you must be proud of them. We shouldn't overlook these everyday achievements in the quest for the next big thing. Part of my job is telling this truth to the politicians who would have us reinvent the wheel every five years. And this also means some important, mundane truths about funding and finance. Any vision for our sector has to recognise that mechanisms such as payment-by-results, especially in its more crude forms, can hinder innovation. Yes, they can play a role in building the next generation of public services, but so can grant funding. Too often grants are seen as a dull relic of the past: they should be seen as the risk capital of the future.

And far from courting popularity, our role and our duty must often be to bring to attention things that people do not want to hear. It's in this way that progress is made. When we do so, we are strengthened by the credibility our non-partisan approach provides, and we benefit from the bulwark of public trust built up over time and with the understanding that our organisations can work only for public benefit, not private or political interest. So my vision for the future is one where civil society is an important part of the system of checks and balances on the state, while itself upholding the highest standards of transparency and accountability. It is one where we inform and engage with the democratic process, campaigning and influencing on behalf of those who would not be heard otherwise. And it is a vision where regulation supports voluntary organisations' important function of providing a voice, backed by the highest standards we in the sector set ourselves.

## Trust

Voluntary organisations can only play such a role because of the high levels of trust the public place in them. It must be by living up to our sector's values that trustworthiness is achieved and sustained for the long term. We are stewards of the public's trust in us: as such, we have a duty to tomorrow's beneficiaries to replenish this trust through our actions, not find ourselves with a perception that there is a gap between these. Any vision for the future of voluntary action has to have trust at its heart, and I think that there is more we can do.

We all have more to do on transparency. This is a paradigm shift, not a transient fashion. As opacity is eroded elsewhere – through greater disclosure in the public sector and through increasingly rigorous reporting requirements for publicly listed companies – the voluntary sector must not be left lagging. Political party manifestos had various commitments to increasing transparency in public services, and we must expect to meet this topic in the near future, whoever forms the next government. More importantly, for many people transparency is now one of the values that build trust: it is not just a 'hygiene factor'. I think this is an important debate that I hope will take place in our sector.

In the coming weeks, we will consult members on their views on extending freedom of information to outsourced public services, including those delivered by the voluntary sector. Our instinct is clear: we believe in openness and we believe that the public, and charities, ought to be able to see what is being done on their behalf. But we are also conscious of the many barriers which prevent voluntary sector organisations playing a fuller role in public service delivery. So we hope to be able to identify promising methods for furthering the cause of transparency without placing undue burdens on providers, particularly smaller ones.

How we treat people in our own organisations is also a marker of our values. Our senior executive pay inquiry last year recommended that charities calculate and publish the ratio between their median and highest salaries. This gives an indicator of pay distribution in an organisation which should be food for thought for trustees. Last summer, the Living Wage Commission, of which I was a member, made the recommendation that all employers who can afford to should pay the living wage. I know this is not easy for many charities, which is why we called for public service commissioning that allows contractors to pay the living wage, and I'm pleased to see party manifestos reflect some progress on this front. This year, we published guidance on internships in the voluntary sector. We were clear that charities must ensure they are not inadvertently exploiting the enthusiasm of people who are often young and in precarious financial and employment situations. Such actions, closely aligned with our values, are what makes us different, distinctive even, trusted. And as organisations across all sectors compete for public support in the future, I believe such values and actions are what will set us apart so that we can face the future with confidence, my final point.

## Facing the future with confidence

Our [quarterly polling of charity leaders](#) shows your confidence, on average, has crept up, following the lows of 2010/11, when the consequences of the financial situation were being most sharply felt. It's interesting to note that you are more optimistic about your own organisations than you are about the sector as a whole. While this is a common trend with such surveys, I'd like to encourage you to be optimistic about the sector as a whole. We have much to celebrate and I hope that we can face the future with confidence.

There is greater recognition than ever before of the importance of our role, of the contribution we can make as organisations in ourselves and as facilitators of volunteering. Over twenty years at NCVO I have watched the sector become more powerful and more professional, but no less spirited or determined. We have the ability, the grit and the ingenuity to do what is necessary to ensure we are at least as strong a voice in the future as we are now.

I believe we should face the future with confidence, but this shouldn't be mistaken for complacency. Just as we effect change around us, so we also must change. We are now reaping the rewards of the seeds we sowed in previous years' advocacy. We have a responsibility to those who follow us in our

sector. We should ask ourselves, as organisations and as a sector, what seeds we should be sowing for the future.

The [influential Deakin report](#) of 1996 set the agenda for the past two decades, prompting major reforms. Deakin was very much of its time: it focused on a growing sector that wanted a seat at the table, that wanted and needed to modernise, that was looking for a more grownup relationship with government. The questions Deakin might now ask are somewhat different: what is voluntary action for? Why, or how, are voluntary organisations different from organisations in the public or private sectors? And how do we help to shape a world where people are ever more keen to start and do things themselves?

It's the responsibility of those of us working in the voluntary sector now to ask where we want to be in the next two decades, and how we can get there. That is why NCVO has agreed to work with the Barings Foundation [to instigate and support](#) an independent commission on the future of the voluntary sector. While still at an early stage, we hope that this will provide inspiration and guidance for the next generation of voluntary sector leaders, whose challenges and opportunities will be very different to those faced by my colleagues and I in 1996.

## Making a bigger difference

At NCVO we believe in the value of voluntary action. We believe voluntary organisations can make an ever bigger difference to the communities we work with. But we cannot wait around for the new administration to point out how, or where, we should do that. That is a role for voluntary sector leaders.

I hope I have given you some food for thought. I am eager, as ever, to hear your views, and how we might best help you and your organisation to make a bigger difference. And on the theme of strategic thinking, it would be remiss of me not to mention that many of the sessions at Evolve, our major annual conference taking place next month are focused on strategic organisational issues, from the new political environment to charities as employers, to some workshops I've no doubt will be particularly challenging, such as 'Impact measurement is a waste of time: discuss', and 'Charities have willingly misled the public about how they work: discuss'. You can see the whole programme and book online [here](#).

With every best wish



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