

FORESIGHT: to 2020 and beyond

Summary of the major trends identified by partners and participants at the event 'Welcome to the Future', held on October 7th 2010, by NCVO Foresight

At this event we all discussed the drivers we felt might affect the voluntary and community sector (VCS) over the next 10 years. In groups, drivers were ranked by those most likely to occur and those with the biggest impact for:

- Frontline organisations
- Infrastructure organisations
- Beneficiaries of VCOs
- Funders of VCOs

Through feedback forms we also asked everyone to individually identify what they felt were the key drivers for VCS organisations over the next 10 years.

The following information is an amalgamation of the group work on drivers, individual feedback, discussions at the event and information from the drivers bank on the NCVO Foresight website.

The following is made up of the trends that were identified by the largest number of individuals and discussed in the group session alike. It is made up of drivers that were seen to present the greatest challenges and opportunities for the VCS over the next 10 years.

Through this analysis we identified five broad drivers:

1. The Changing Economy of the VCS
2. The Communications Revolution
3. Resource Constraints and Climate Change
4. A New Model for Citizens and the State
5. Demographic Change - Global and Local

These drivers are intended to be a representation of the views and ideas expressed by all participants of the event in October – but not drivers that all participants necessarily held exactly the same views about. These are not listed in order of importance.

The following summary of these drivers is not intended as a forecast of what will happen – it aims to stimulate further thinking and analysis, and support our partners and others to plan strategically.

The structure of the drivers reflects the pattern we use for analysing trends – a brief discussion of the trend, some implications that explain why this trend is important, followed by some questions and suggestions to encourage strategic thinking and action.

The immediate problem of the uncertain economic environment facing VCS groups was understandably discussed in some depth, and so the longest section addresses the changing economy of the VCS. The impact of demographic or climate change may take longer to materialise, but will certainly be profound when it does.

The Changing Economy of the VCS

What?

Over the last 10 years the VCS has grown significantly. Income has increased by over 5% per year in real terms, from £25.1 billion in 2000/1 to £35.5 billion in 2007/8. The sector has also become more diverse, providing a wide range of services to greater numbers of people.

The role of the sector in public service delivery has increased, stimulating debates around the relationship between the state and the sector. In terms of how the sector is funded there has been a move from grants to contracts. Statutory income to the sector has increased, government contracts were worth £4.0bn in 2000/1 which had risen to £9.1bn by 2007/8, but over the same period income from government grants fell slightly from £4.1bn to £3.7bn.

The move to 'social enterprise' rather than the traditional model of charity and beneficiary has been significant, and encouraged as a route to financial sustainability. As a result, voluntary organisations are earning more money not only by contracting services to the state, but also by charging individuals for goods and services – not just for primary purposes, but also through trading arms to raise funds.

The professionalisation of the sector has been a large topic of discussion – there are now over 170,000 voluntary organisations in the UK employing 668,000 people. The skills required to work in the VCS, the evidence required to comply with funder requirements, and the adherence to both occupational guidelines as well as legislation, have also changed.

However, boom time is over for the sector. Imminent public spending cuts mean that many VCS organisations now face a real challenge to maintain their levels of activity. With a new government comes a new agenda, and the Big Society idea, combined with the constrained public finances presents a real challenge to the sector – as well as potential opportunities.

So What?

A power shift to smaller, local organisations

- The localism agenda, continued and extended with the Big Society, influences the location in which services are delivered and accessed, and the structure of service design.

- Project based work, for example in relation to area based regeneration and development, has become a key part of VCS work. This work has often been based on themes or needs identified at a national level, but with locally relevant delivery mechanisms.
- There is likely to be much less funding for regional and national bodies, as the priority will change to solving problems locally. National targets and measurements are likely to decrease - instead, priorities on health, poverty reduction and other social issues will be decided locally.
- National and regional infrastructure support to front line delivery organisations is likely to decrease. There will be much less ring-fenced funding from the centre. Organisations that can prove they are working 'on the frontline' at a local level are likely to be more popular with government and funders. This will result in much greater variation between local areas with VCS organisations playing a much stronger role in some localities while in others private firms may take over.

An ever greater focus on impact

- In a tight funding environment, the organisations that can prove the greatest impact will be the most effective at gaining funding.
- VCS organisations may have to prove that their work reduces demand for other more expensive services, or that the service can be delivered more effectively than by a public or private sector organisation – perhaps focussing on the impact of volunteering. The not-for profit values of voluntarism are likely be more important than ever.

Increased competition for funds

- Competition for grant funding will be stiffer than ever as organisations turn from funding bids to trusts and foundations in order to make up for lost statutory funding. In order to cope with the increased demand, funders are likely to narrow their criteria, and concentrate their funding on the 'best' bids that have the greatest impact – within a changed political and economic climate.
- As many organisations in the sector invest in fundraising at once, competition for the donor pound will be fiercer than ever.

A new organisational culture for the VCS

- Changes in the size, role and funding of the VCS have impacted on organisational structure and culture. The sector has become more business like, developing social businesses and enterprising activity.
- It is likely that there will be a rapid growth of social innovation and innovators with new business models for the VCS developing. Alternative income generation models and methods are likely to rise. However some organisations may also become constrained - increased need to be efficient in combination with resource constraints may limit creativity and innovation, instead forcing them to focus on bidding for existing public sector contracts.
- Key challenges for the VCS may be about how to operate in a competitive business environment at the same time as being inclusive, both in terms of staff and beneficiaries. Creative and collaborative working may increase as the VCS looks for new ways of working in a changing landscape. Being strategic in order to navigate this landscape may become even more important.
- As models of working change in the sector there maybe a need for greater flexibility of staff, particularly in relation to the skills they have and roles that are needed to run an organisation or project.
- Organisations may need to operate with non-hierarchical structures as the 'power' relationship between the user and staff of the organisation changes. It is likely that users become more involved in the design and delivery of services, and potentially become more linked with each other outside the organisational structure. Co-creation or co-production of services may then increase, meaning the staff and beneficiaries need to work closer together.
- An increase in non-hierarchical models may also help to ensure that the needs of the most vulnerable are considered, particularly as needs change and access to services becomes more complex.

Now what?

- As models of working change, VCS organisations may need to re-think messages about their values and how these are communicated.
- Proving impact may be even more important as users become co-producers or 'customers', competition for fewer resources increases, and monetary decisions may be increasingly based on potential or proven impact.

- Demonstrating the 'added value' and the unique selling point (USP) of an organisation will also become increasingly important for the same reasons as above.
- VCS organisations may need to carefully think who they are accountable to and whether their organisational structure and culture may need to change to reflect this.
- Where working structures change, both within and between organisations (or other bodies) the VCS may need to think about how the sector has a voice, where and how independence from government is needed and how it continues to support those it represents. How will VCS organisations continue to empower their users in this environment?
- As front line local organisations are increasingly seen by government as the vehicle for delivering services and aspects of the Big Society, local, regional and national infrastructure will have to re assess its relevance and provision of services.
- Front line services may need to access support from a diversity of providers and ensure they have particularly considered more formal and legal aspects of accountability.

Related drivers from the 3s4 driver bank:

Level and sources of VCS income:

<http://www.3s4.org.uk/drivers/level-and-sources-of-vcs-income>

Constrained public spending:

<http://www.3s4.org.uk/drivers/constrained-public-spending>

Localism:

<http://www.3s4.org.uk/drivers/localism-agenda>

Individual giving:

<http://www.3s4.org.uk/drivers/individual-giving>

The Communications Revolution

What?

New communications technology is changing the way charities connect with supporters, beneficiaries and the wider public. Initially this is changing outgoing communications – social media is being adopted and used for campaigning and fundraising as a broadcast mechanism. However the future trend is for a much more interactive world with social media being used to facilitate two way conversations between individuals and employees of institutions.

So What?

Empowerment through technology

- Shifts in power as beneficiaries become providers. Social networks allow user-generated content, and peer-to-peer advice will become mainstream as self-organised groups share their experiences.

Greater user involvement

- Greater user involvement in designing services – beneficiaries will be more vocal about what they like and don't like. They will increasingly expect organisations not only to listen and reply, but also to take this into account when designing products and services to better reflect their needs and wishes.

Even more online and virtual services

- As web technologies reach ever greater market penetration it will be increasingly easy and cost effective to provide online support. However the disruptive impact of the web could do for charities and public services what is has done for newspapers (i.e. decreased purchasing resulting in job losses).

Digital divide ever more important

- No matter how widely used technology becomes, there will always be some people who do not have access to online technology for a number of reasons, for example through poverty, disability or geographical area. There is a risk of a connected vocal few having an undue influence, amplified by social media, but not providing an accurate nor representative picture of the needs of all service users.

Now what?

- While there is a focus on what the future of communications technology might look like the VCS is also involved in creating this future. VCS organisations may need to play a greater role in ensuring that technology is driven by the future needs of their beneficiaries rather than by those with specifically technical expertise.
- If users self organise, there may be a reduced role for intermediaries. What is the role of infrastructure organisations in the new media landscape? Could more infrastructure services be provided online?
- How can you make sure you are listening to and responding to the needs of your users?
- How might you manage 'misinformation' by engaged beneficiaries or community members? In a worse case scenario, might they bid to deliver your services or transfer your assets to a newly lead organisation within the context of the localism and Big Society agenda as local power relations are encouraged to shift?
- How can you strike a good balance between the online and the offline? When will printed literature or real-world meetings still be appropriate and needed?
- What can you do to stay in contact with the people who are left behind by digital technology? How might you need to get them involved in digital technology – either through supporting individuals to develop their skills or lobby for sufficient and appropriate access in relation to need and geographical area?
- The VCS may need to ensure that it is up to date, if not leading the way, with technological development to support their users and beneficiaries. How might organisations make better use of assistive technology and telecare for instance?

Related drivers from the 3s4 driver bank:

Online communities:

<http://www.3s4.org.uk/drivers/online-communities>

Online trust and identity:

<http://www.3s4.org.uk/drivers/online-trust>

Empowered consumers / information society:

<http://www.3s4.org.uk/drivers/empowered-consumers-information-society>

Digital exclusion

<http://www.3s4.org.uk/drivers/digital-exclusion>

Assistive technology for older people:

<http://www.3s4.org.uk/drivers/assistive-technology-for-older-people>

Telecare:

<http://www.3s4.org.uk/drivers/telecare>

Resource Constraints and Climate Change

What?

There is set to be increased global competition for scarce natural resources. The depletion of fossil fuels will lead to an energy crisis if new sustainable technology does not emerge. Climate change is likely to decrease food yields, particularly for staple crops in developing countries and an increased risk of extreme weather events causing catastrophic crop-failure and famine.

These resource constraints, the effects of climate change combined with reduced public finances is likely to have a significant impact on society globally and locally. The level of resources available to us is of course likely to decrease, however this may also mean that how resources are defined and the methods by which they are accessed will also alter. How resources are discussed in the sector increasingly goes beyond money.

The ways in which the VCS delivers services has been changing over some time. As government sees the VCS and social enterprise as increasing its role in delivering public goods and services, in a competitive environment, further changes are like to occur. How beneficiaries access services may also become more complex.

So What?

Rising prices of food, energy and raw materials

- Commodity prices are likely to increase, having a profound impact on inequality in our society. There is even the potential that such resources will be rationed.

Poverty becomes even more entrenched and complex

- Rising prices could further erode living standards of the poorest in society, and there could be more people with unmet basic needs such as food, healthcare and shelter. There is the potential that poverty becomes more entrenched as greater numbers of people have unmet need. The interrelationship of needs in a changed global and domestic environment may become more complex to identify and meet. As the nature of need and inequality changes, the continuation of existing inequalities may receive less attention and recognition.
- The changing global situation may alter the perception of poverty. Groups who were traditionally well-off may find themselves struggling and seeking to use services previously not accessed. Measures of poverty in the developed world may increasingly refer to unmet needs – absolute poverty rather than relative poverty looking at the distribution of income and wealth. New forms of inequality, for both the better off and those already living in poverty, are also likely to arise.
- Health inequalities are likely to increase – however there may be more focused attention on watching how inequalities develop.
- Decreasing government investment in health and social care, housing and education for instance; increased complexity in service delivery; competition for resources; increased commodity prices and climate change, could all mean there is less support available to those that need it most. The ability of some groups to access services, particularly those who are vulnerable and may need additional support, may reduce in such an environment.

Increased migration and social tension

- Migration will present an increasing challenge to the current international system. As crops fail and water becomes scarce in some parts of the world we are likely to see the birth of the “climate refugee”. In a general climate of resource constraints this might lead to social unrest.

An exploration of new models to meet need

- Goods and services may be delivered by an increased variety of providers - some of whom reject the traditional market model. Goods and services may rely more on barter, ‘good will’ and skills exchange rather than on more traditional financial markets.

- Non monetary systems of meeting needs are already emerging – e.g. the Brixton Pound and the revamp of LETTS schemes. Access to goods and services in the future may rely on levels of social capital, or the productive capacity of local communities rather than economies being organised on a global or national scale.
- Urban farms could become more widespread, and more people in developed countries may be forced to return to primary industries like mining and agriculture rather than services – particularly if fuel scarcity impacts on food production.
- As needs become more complex and resources become scarce, proving the needs of beneficiaries may become harder and more subjective. Proving need is likely to become crucial for beneficiaries in order to be entitled to and access services, as well as for VCS organisations to gain resources, monetary or otherwise, in order to provide services to meet these beneficiary needs.

Now what?

- Resource constraints and the impact of climate change is likely to alter the kinds of services provided by the VCS, as well as the political and economic environment in which they are delivered, who services are provided for, how they are delivered, the methods by which they are accessed, and who pays for them.

How needs are defined, identified, and responded to is likely to change over the next 10 years.

- As statutory resources for meeting need decrease, the VCS may need to take an increased interest in equality in order to service existing as well as potentially new beneficiaries.
- VCS organisations may need to review their priorities and even their overall mission to address new (and increasing) inequalities. Key questions about who you work with, how you deliver support to them, and how you represent and empower beneficiaries may need to be asked.
- Assessing and recording need may become more important for VCS organisations as resource allocation is increasingly based on proven need in a potentially more subjective environment. Articulating inequalities may become key in securing resources to sustain an organisation and so meet need.

- With a decreased availability of funding (grant or contract) VCS organisations may need to consider methods of providing goods and services, both to sustain the organisation (staff, back office functions and so forth) and services, in ways that require minimal, if any, financial investment. This may need to go beyond using volunteers in a traditional sense.
- VCS organisations may need to think more strategically about how global resource constraints may impact on beneficiaries and how these beneficiaries may change – might environmental refugees become a user group?
- What role might the sector play in campaigning for ‘environmental justice’, wellbeing and the redistribution of wealth?

Related drivers from the 3s4 driver bank:

Global Resource Constraints:

<http://www.3s4.org.uk/drivers/global-resource-constraints>

Climate Change:

<http://www.3s4.org.uk/drivers/climate-change>

Immigration:

<http://www.3s4.org.uk/drivers/immigration>

Poverty and inequality:

<http://www.3s4.org.uk/drivers/poverty-and-inequality>

Efficiency and value for money:

<http://www.3s4.org.uk/drivers/efficiency-and-value-for-money>

Expectations of evidence:

<http://www.3s4.org.uk/drivers/expectations-of-evidence>

A New Model for Citizens and the State

What?

The relationship between the state and individuals, and the private sector is changing – politically there is a concerted effort to replace state intervention with more individual responsibility. A new settlement is emerging between government, society and the sector – the emphasis being on responsibilities and fairness rather than rights and responsibilities.

So What?

Personalisation brings consumerism to public services

- Personalisation is bringing market forces into the provision of public services. This will present opportunities to the voluntary sector, as well as challenges, for example from the private sector. Beneficiaries will become clients in more than name, with a choice of service provider. Branding and marketing is likely to become ever more important, to highlight how services are meeting user needs.

An uncertain future - the relationship between state and citizen is at a cross-roads. What might it look like in the future? Could it be:

Smaller state and the further rise of individualism

- The introduction of market forces leads to greater efficiency in public services, service users increasingly choose private or voluntary providers over public services. Taxes and public spending are reduced as services are increasingly viewed as part of the private rather than the public realm. Users act like consumers switching between service providers that deliver a better service or lower prices.

Or....

Move towards greater community involvement

- Citizens come together to fill the vacuum in service provision left by the retreating state. There is more community involvement with volunteers taking a more active role in delivering services to vulnerable members of their community. There is a rise of self-help groups, and user led cooperative networks along the lines of the Brixton Pound Model.

Now what?

The future direction is uncertain but VCS organisations have a part to play in designing the future – not just responding to it.

- How might you engage key stakeholders in active discussion and debate about how VCS organisations can shape the future in a way which allows people to think freely and not be constrained (as much as possible) by past or present assumptions, structures and behaviours?
- How can the values of charity, voluntary action, and not-for-profit groups endure in the new landscape? How might the VCS maintain and develop these values in a changing political and economic (global) environment?
- There is the possibility that new social movements may emerge in response to the changing relationship between the citizen and the state. How might the VCS be involved in these new social movements whether they represent a shift to the 'left' or 'right'?
- What are the barriers to volunteering locally – how can the time/energy deficit be overcome to encourage consumers to become volunteers?
- What are your future aspirations for service provision, and how can you work to make them a reality? Do you need to reassess models of service design and delivery to achieve your mission – but not just in terms of public service delivery?
- Are there models of the not-for-profit and state/government relationships in other countries, that the VCS in the UK might benefit from – both in gaining new and innovative ideas and to avoid potential pitfalls?

Related drivers from the 3s4 driver bank:

Personalisation of care and individual budgets:

<http://www.3s4.org.uk/drivers/personalisation-of-care-and-individual-budgets>

The Big Society Agenda:

<http://www.3s4.org.uk/drivers/big-society-agenda>

Individualism:

<http://www.3s4.org.uk/drivers/individualism>

Trends in volunteering:

<http://www.3s4.org.uk/drivers/trends-in-volunteering>

Demographic Change - Global and Local

What?

The world has never been smaller – there is ever an increasing movement of people between countries – from short term tourism to permanent migration. Combined with new digital technologies facilitating rapid exchange of information there is a global movement of people and cultures on an unprecedented scale.

The UK has long been culturally and ethnically diverse. Ethnic minorities make up 8% of the population, though this percentage varies widely: 45% in London but less than 4% in the South West.

At the same time, there is a demographic shift occurring as populations in the developed northern states grow older due to low birth rates and longer life expectancy, with profound implications for the labour market, social care and pensions.

There is also a change in the role of the family, as industrialised societies become more fragmented, there are more single person households, people are marrying later, divorcing more and family networks are stretched by a geographically mobile labour market - people moving away from their family for work, and from older people who are relocating in the expectation of a long, healthy retirement.

So What?

Changing ideas of community and membership

- People are forming more social ties, particularly in the online world, but the nature of these relationships are different. Global communities of interest may emerge whilst at the same time there is a reassertion of the importance of local communities.
- Membership of some organisations is seen as a commercial activity rather than a social one. Individuals may be a member of multiple organisations, expressing the diversity of their interests and identities. Value based intangible benefits are becoming as, if not more important, than tangible commodities for people engaging with VCS membership schemes.

- In the last decade the concept of 'super-diversity' had emerged, in an attempt to convey the diversification of diversity. People increasingly form identities through many factors such as ethnic, religious, kinship, regional or local ties.
- This could mean that there may be increased levels of commonality between diverse groups of people. However it could also mean that community becomes an 'atomised collectivity' - where there is a small government and small society where individuals engage with micro societies or communities motivated by their individual interests or needs at a particular moment in time.

A shifting definition of need given demographic changes

- Given the ageing population, the definition of need may change. Rather than focussing on poverty or the chronic illness, other issues such as loneliness, mental health and wellbeing will increasingly come to the fore.

Fragmented family networks, care of the elderly, and social issues

- There is considerable fragmentation of social networks in the UK. According to the last census, there were 6 million people who cared for a relative, partner or friend. Most unpaid social care is provided by women aged between 45 and 65. As this cohort ages they may require more care themselves, placing increased pressure on the social care system.
- This is likely to be compounded by the increased number of people living alone, away from traditional family networks, putting increased demand on the post-baby boom generation and beyond.
- An ageing population could lead to greater poverty levels overall because the old-age dependency ratio is expected to increase from 25% to 53% by 2050, resulting in more people living on pension-only incomes. Younger people will increasingly be expected to support those who are older, and we are likely to see heated debates on whether gains for older people come at too great a cost to the young.

New family groupings emerge

- Counter to this trend (fragmentation of social networks) is the emergence of new family groupings that do not always conform to the stereotype of the traditional family. More people are living with step-parents, cohabiting without marriage or entering civil partnerships. This could see the return of intergenerational

households, with a diverse range of structures and changes to social norms and values.

Now what?

- These kind of large scale changes can seem overwhelming. Changes that happen over a long period of time, and where the more specific nature of the change is unclear, can be challenging to plan for - especially in an environment of public spending cuts. However these changes, whatever the specifics, are large scale and require strategic and creative planning.
- As people define themselves through a number of identities and through multiple membership affiliation the VCS may need to carefully consider who their beneficiaries are and how they target and engage them with their organisation.
- The VCS may need to adapt their services to take account of an increasing movement of people between countries. Are beneficiaries getting the services they need or falling through a gap? Is the VCS making the most of the knowledge and expertise within new or transient communities?
- In what ways might the social values of both a minority and majority population change, on both a local and national scale? How might the VCS need to respond to this?
- How will the VCS ensure it takes account of new family groupings in its work? For example care given to younger or older people, and those with additional needs, may no longer be provided by an immediate family, or a family member at all. How will the sector be inclusive while ensuring the safety of those cared for and have appropriate levels of accountability?
- It is likely that the VCS will be providing services to meet the needs of an aging population, through public service delivery or other mechanisms. What kinds of services will the VCS need to provide to support an aging population? How it will promote the welling of those who care for older people? What role could the sector take in addressing any potential issues with younger people carrying the cost burden of an aging population?
- Can the sector provide volunteering opportunities to the “younger older” who may be retired but still have plenty of skills to contribute?

Related drivers from the 3s4 driver bank:

Aging Population:

<http://www.3s4.org.uk/drivers/ageing-population>

Immigration:

<http://www.3s4.org.uk/drivers/immigration>

Changing family structures:

<http://www.3s4.org.uk/drivers/changing-family-structures>

The commodification of membership:

<http://www.3s4.org.uk/drivers/commodification-of-membership>

The changing nature of community leadership:

<http://www.3s4.org.uk/drivers/changing-nature-of-community-leadership>

Ethnic and cultural diversity:

<http://www.3s4.org.uk/drivers/ethnic-and-cultural-diversity>