

Note of first meeting of the Commission
5th February 2009, The Reform Club, 104 Pall Mall, SW1Y 5EW

1. Attendees

Rachel Lomax (Chair)	Former Deputy Governor Bank of England
Paul Amadi	Chair, Institute of Fundraising and Group Director of Fundraising at RNIB
Michael Brophy	Former CEO, Charities Aid Foundation
Dinah Cox	Executive Director, ROSA
Louisa Darian	Policy Officer, NCVO
Claire Dove	CEO of Blackburn House and Social Enterprise Ambassador
Stephen Dunmore	Former Chief Executive Big Lottery Fund, Adviser to OTS
Toby Eccles	Director, Social Finance
Stuart Etherington	Chief Executive, NCVO
Fiona Ellis	Director, Northern Rock Foundation
Brian Horner	Chief Executive, Voluntary Norfolk
John Low	Chief Executive, Charities Aid Foundation

Apologies were received from Dawn Austwick, Chief Executive, Esmée Fairbairn Foundation.

2. Scene Setting

Stuart explained that the launch of the Funding Commission came at the end of the Deakin era and marked the beginning of NCVO's move towards a broader civil society agenda. The Commission will look ten years into the future to address the Sector's funding concerns beyond the immediate impact of the recession. The Commission will produce recommendations to be taken forward, by Government, regulators and the Sector. Recommendations would belong to the Commission and not NCVO.

3. General discussion

A general discussion followed. Key points are outlined below.

Looking into the future

Commissioners discussed the impact of the recession and whether it would result in a sea change for the Sector. It was agreed that it would be useful to spend some time brainstorming what the Sector will look like in five or ten years time. Potential invitees include Geoff Mulgan, the Director of Policy Exchange, Claire Fox and Dave Willets.

Action: Louisa to liaise with Stuart to arrange an event as soon as possible.

Scope

Commissioners aired concerns about the potential breadth of the Commission's work. The Sector is very diverse and funding issues vary widely for organisations depending on their stage of organisational development, geography, asset base, cause and size. For example, equalities organisations face particular funding challenges, as do social enterprises, rural organisations and campaigning organisations. Many of the large organisations are much further ahead of the rest of the Sector when it comes to funding. It will be important for the Commission not to lose sight of this.

It was agreed that, at this stage, the Commission should not spend too long discussing the boundaries of its work. Instead, once key themes have been identified, Commissioners can ensure that they are pertinent to enough of the Sector. The Commission will think in terms of funding to support individual action, rather than funding for particular types of organisations.

Action: Louisa to pull together some examples of the funding make-up of different types of organisation.

Action: Louisa to work with Emma Weddell, an ESRC intern, to review the existing literature on funding of the Sector to identify what initiatives or recommendations are being suggested by others.

Action: Louisa to send Commissioners a copy of the 2009 Almanac.

Terms of reference

The terms of reference were agreed, as follows:

The Funding Commission aims to set the agenda for the funding of the voluntary sector in the next decade. The Commission will look ten years into the future and ask, what are the opportunities and challenges for VCOs in relation to their funding (what new sources could be developed, how can the sector make better use of existing resources, what new skills, models or tools are needed?).

Its objectives are:

- To set a new agenda for the funding of VCOs in the next decade by publishing a report outlining the key issues and making a set of practical recommendations;
- To raise awareness and understanding of the future funding issues facing civil society among VCOs;
- To engage with funders and policy-makers to ensure they understand and are supportive of its findings.

4. Themes

Three potential themes emerged for the Commission to consider.

Behaviour of funders and funded

Commissioners discussed the lack of co-ordination between different funders, which makes it difficult for organisations to access an integrated package of income. There is a need for more clearly defined boundaries so that there is greater understanding of the types of things particular funders will and won't support. This would enable complementary types of funding to be offered and accessed.

Weak balance sheets

Another area the Commission discussed was the very weak balance sheets of many Voluntary and Community Organisations in comparison to a few trusts. Part of the reason for this is a reluctance on the part of funders to encourage VCOs to build up their reserves.

Action: Louisa to produce a paper exploring the reasons for weak balance sheets in the Sector and barriers to change.

New structures of finance

The Commission discussed the possibility of developing new and existing financial products, such as social bonds (Citylife) and Community Land Trusts (Venturesome). The Commission also discussed the possibility of reinventing mutuals as trusted providers of finance.

Action: Toby will circulate a paper on the social finance needs of the Sector and what is being done to address them.

5. Annual Conference

Commissioners briefly discussed the session on the Funding Commission at annual conference. Rachel, Toby and Brian will be speaking at the session. If others would like to attend please let Louisa know.

6. Date of next meeting

Louisa will be in touch very shortly to confirm future meeting dates.