

**Funding Commission roundtable on the future of the voluntary sector
Monday 30 March 5pm, NCVO**

1. Attendees

Name	Organisation
Paul Amadi	Funding Commission
Margaret Bolton	Consultant
Padraic Brick	New Philanthropy Capital
Michael Brophy	Funding Commission
John Brookes	Unity Trust Bank
Clare Cooper	Designing for Transition
Dinah Cox	Funding Commission
Louisa Darian	NCVO
Justin Davis-Smith	Volunteering England
Stephen Dunmore	Funding Commission
Toby Eccles	Funding Commission
Fiona Ellis	Funding Commission
David Emerson	Association of Charitable Foundations
Megan Griffith Gray	NCVO
Peter Hahn	CASS Business School
Richard Harrison	CAF
Charlotte Jones	Independent Theatre Council
Peter Kyle	ACEVO
Rachel Lomax	Chair of the Funding Commission
John Low	Commissioner
John Mohan	University of Southampton
Lenka Setkova	Carnegie
Karl Wilding	NCVO

2. Welcome

Rachel opened the meeting. She explained that the Commission's aim is to look ten years into the future to identify the funding opportunities and challenges facing the voluntary and community sector (VCS). This is no easy task, particularly in the current climate. The purpose of the roundtable was to help the Commission to start to think about the context that the VCS would be operating in.

3. Future drivers

Megan Griffith Gray presented a selection of demographic, political, economic and social drivers that will shape the VCS operating environment in the next decade.

You can view the presentation here: [Funding Commission Presentation](#)

4. Response: Karl Wilding

Karl Wilding responded to the presentation by outlining a possible scenario for 2018. Within this he identified three key drivers:

1. In his view the number of civil society organisations will continue to grow rapidly, doubling in size by 2018. This will mean growing competition for funding with a small number of organisations taking the lion's share of VCS funding.
2. A post recession government will be faced with rising demand for public services, particularly low level social care, as the baby boomer generation falls into late retirement. This, alongside less money to spend on public services, would result in the 'charitisation' of public services.

3. He explained that new technologies will increasingly broker a multitude of relationships between those seeking to deploy resources (time, money) and those looking for resources. Better quality outcomes information will mean that resources will increasingly flow to where they are most needed.

You can read Karl's scenario here. [Funding Commission Scenario Karl Wilding](#)

5. Response: Lenka Setkova

Lenka gave some background to Carnegie's Inquiry into the future of civil society. This identified the following uncertain drivers of change where civil society associations can have the greatest impact:

- Limits of economics (such as growing socio-economic divides and pressure on global resources)
- Personal values (such as rising individualism and shifting identities)
- Shifting activism (such as disengagement with formal politics and the rise of 'digital natives')
- State and individual (such as the visibility of the security state and the regulation of civil life)

She also raised a number of issues and questions that the VCS may want to consider:

Funding for what?

- How does the sector see itself growing and changing over the next 10 years – what new roles/characteristics might be necessary given the changing context in which we live?
- What will the sector be called upon to do and what will it want to do?
- How can the sector better prove its worth without mimicking business practices?
- How will it enhance the transparency and accountability of its work in a way that is proportional to the nature and size of the diverse organisations included in it?

What will happen to the relationship between funder and funded?

- Will less money fuel short-termism and/or parochialism?
- How will the outcomes mantra develop as a result?
- What will the balance of funding be in terms of servicing immediate social needs V funding long-term structural change?
- How can other resources be leveraged?
- Will there be an increase in asset transfer following growth in empty shops and buildings?

What will be the impact of localism?

- Will an increase in localism result in increased funding for local initiatives from local people?
- What will this mean for funding for national and/or global issues?

How can we ensure that funding does not equal permission to act?

- Dependency on the state and associated financial resources can mean that unless an organisation has a contract to do something, it won't.
- What are the other driving forces that enable or inhibit VCS action, such as civil liberties and the security state? How can these be highlighted in parallel to the need for financial and other economic resources?

6. Discussion

Rachel opened up the discussion. She asked participants for their views on what the key trends would be that would shape what the world looks like over the next decade and how these will impact on the VCS.

Economic

Giving and philanthropy

There was a lot of discussion around what would happen to philanthropy in the future, with varying levels of optimism. The research does not suggest a vast reduction in giving overall. In fact, giving has been constant for the last five to seven years and did not reduce dramatically during the previous two recessions. However, certain donors may change their giving patterns. For example, anecdotal evidence suggests that wealthy donors may defer giving until the economic climate is more stable. And we may see a rise in giving from younger generations. For example, CAF have found that younger people are very positive to their products and giving among younger generations has been a focus of government policy. Giving from lower income individuals, who give a greater proportion of their income, may also remain constant. If this is the case charities may have to re-balance their efforts to consider both lower and higher income donors.

Participants seemed to agree that there may be some capacity to increase giving, which only accounts for 0.7% of GDP. For example, despite the recession, this year's Comic Relief raised record amounts. However, participants recognised that while certain parts of the VCS receive a lot from charitable donations, other parts receive little or nothing. If we are to see a rise in philanthropy it will be important to educate donors about the value of different organisation's work and the way that VCOs operate. Attendees also pointed out that certain parts of the VCS need to get better at fund-raising, ensuring that they get their 'ask' right.

There was a related discussion around the shift of power from the West to other parts of the world, and what this would mean for giving. An increasingly diverse population, and the success of campaigns like Make Poverty History, could result in more charitable donations being directed to charities overseas. CAF's research into 2020 Giving demonstrates that charities might increasingly consider brand extension to overseas charities.

Legacies

Participants also considered what might happen to legacy income. While demographic trends suggest a potential increase in legacy income in the longer term, in the short-term we could see the value of legacies fall in line with reduced land and share prices. However, some participants did not think this reflected experience on the ground, as some charities have experienced stable income from legacies over the past few years. The Commission should connect with Legacy Foresight, which is considering what will happen to legacies in 2025 and beyond.

Values and behaviour

Trust

The economic downturn has resulted in significant levels of distrust among certain industries, most notably the financial services industry. As a trusted sector, this presents an opportunity for the VCS. For example, products could be branded by the VCS to help manage trust. But we may also see an increase in the number of people who want to work in the VCS by those who would have originally been drawn toward the financial services industry or those seeking a change in direction and the opportunity to regain some respect or trust.

Social attitudes

There is a possibility that the recession will result in people becoming less understanding of difference and diversity, and more parochial and in-ward looking. This could result in a greater divide between the richest and poorest in society and a rise in civil disobedience.

This could make the environment more difficult for the VCS to campaign within but could also see it being called upon more to help build cohesion.

Patterns of consumption

Some parts of the VCS may do well out of the events of the past few months. For example, organisations working on climate change or worklessness may see an increase in their income. It was observed that some parts of the Arts sector are doing very well due to a sharp increase in the sale of tickets. Participants were undecided as to whether this is because people are seeking more meaningful forms of interaction or whether individuals simply have more time and money due to job loss, severance pay and reduced mortgage payments.

Volunteering

The discussion also considered whether rising unemployment and an ageing population would have a positive impact on volunteering numbers. Young people in particular seem to increasingly want to shape the world they live in. If this is to be an opportunity for the VCS existing constraints, including lack of resource and support for infrastructure, would need to be tackled.

Delegates thought it was important to recognise the different reasons people volunteer. Some want to volunteer for purely altruistic reasons, while others may use it as a stepping stone to something else.

Politics

The relationship between government and the VCS

There was a discussion around how the role of Government would change. In a much tighter economic environment there is a possibility that its role will become more peripheral as it reverts to funding essential over discretionary activities. This may mean less money for the activities of civil society organisations. But it also could provide an opportunity for civil society to regain some of the power. This will require new mechanisms. For example, government may need to think about how to encourage people to give to or invest in the VCS through tax rebates. And structures would need to be in place to enable individuals to connect with local organisations, for example through expansion of Community Foundations. If this is to happen it may result in increasing demands about the way organisations operate, requiring civil society to become more accountable and transparent.

7. Close

Rachel closed the session, thanking participants for their contributions. She said that the key task for the Commission will be to consider how the VCS can seize the opportunities presented by the next decade. This means considering resources of both time and money, the allocation of resources, scalability, effectiveness and accountability.