

*We're not an arm of the state: we have our own arms*

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## **THE BARING FOUNDATION'S PANEL FOR THE INDEPENDENCE OF THE VOLUNTARY SECTOR: A RESPONSE FROM THE NATIONAL COALITION FOR INDEPENDENT ACTION**

In principle, the NCIA welcomes the Baring Foundation's initiative on setting up an Independence Panel 'to consider the state of independence of the sector over the next five years'. On the evidence of the consultation document issued by the Panel in July 2011, however, we have serious reservations about the design and implementation of the project. There are three main causes for concern:

- The quality of the analysis on which the initiative is based and, therefore, how the terms of reference for the Panel's work are drawn;
- The composition of the panel and the arrangements for its servicing; and
- The strength of the evidence on which the panel's reports are to be based.

### **The quality of the analysis on which the initiative is based**

We believe that the analysis presented in the Panel's consultation document seriously underestimates both the seriousness and the extent of the current threat to the sector's independence and, indeed, the serious damage that has already been done to the sector by government and state policy and practice.

In the first place the consultation document argues that 'the prime responsibility for maintaining independence lies with voluntary organisations themselves' (p6); that 'responsibility for helping to maintain the sector's independence is shared by the Government and everyone who works with the sector' (p7); and that 'it's also important that the Government as a whole sets the right regulatory and financial and tax environment for an independent sector to thrive' (p7). While these statements seem on the face of it unexceptionable, they fail to take account of the realities of the situation in which voluntary sector organisations operate. Voluntary organisations have not lost their independence of thought and action simply through carelessness or the failure to assert themselves, but because successive governments have increasingly viewed them as instruments for achieving their policy objectives and have devoted themselves to ensuring that voluntary organisations are fit for that purpose. This process has reached its culmination in the adoption of the commissioning model of resourcing the sector. NCIA has set out at some length the ways in which commissioning is both destroying the voluntary sector and

restricting services to their users to those ‘the government says they should get’ rather than ‘the service they need’<sup>1</sup>. The harsh reality is that the consultative document’s aspiration that ‘funding and commissioning should allow independence of purpose, action and voice to flourish’ (p7) does not correspond to the ways in which government’s resourcing of the voluntary sector has been designed and is being implemented.

In the second place the Panel’s consultation document is not informed by any apparent understanding of the extent to which parts of the sector, including many of the ‘second-tier’ or ‘infrastructure’ organisations which operate at national and local levels, have been co-opted by government and have aligned their activities with its approach to the sector. Rather than opposing the move towards commissioning and the ways in which the policy has been implemented, the second-tier bodies have seen their primary role as helping to equip their member organisations to compete for resources on the government’s terms.

In fact, the opportunity for voluntary sector organisations to compete successfully for contracts is, anyway, extremely limited. Locally-based organisations find it increasingly difficult to win contracts in the face of competition from the growing tendency of large, national agencies to engage in ‘carpet-bagging’ and ‘parachuting’. And it is becoming more and more evident that even the largest voluntary agencies are losing out to private sector contractors taking advantage of the new ‘level playing field’ on the one hand and the shift to fewer and larger contracts on the other. The result we are seeing is the creation of a hierarchy of prime contractors and those to whom they sub-contract some of the work they have been commissioned to do. Voluntary organisations are finding themselves - at best – relegated to the largely powerless status of sub-contractors; charities assisting commercial organisations to maximise their profits.

While commissioning is the most explicit and immediate threat to the independence of the sector, it is not the only danger. It is closely related to, but not coterminous with, the permeation of the sector by inappropriate management practices which ‘are changing the nature of the charitable sector in ways that do not fit its values or activities’<sup>2</sup>. Modelled on the predominant approach of the corporate world, these approaches are essentially top-down – those who work in the organisation look upwards to the chief executive – and beyond her or him to the funders – rather than outwards to their users or the communities they serve. Managerialism is an insidious and serious threat to the independence of thought and action in a voluntary organisation; it influences not only what the organisation does but also how it does it and, in the process, undermines its identity and the values that underpin it.

The sector’s independence is also under attack from government’s pressure for mergers and the ‘rationalisation’ of the sector. Governments of all persuasions have been trying to reduce the number of voluntary organisations and ‘infrastructure’ bodies since shortly after the First World War but the Coalition, like its New Labour predecessor, has made this a high priority. For example, its latest manifestation, the Transforming Local Infrastructure programme, will only consider one funding bid from each upper-tier local authority and this needs to be put forward by a partnership which must include all those who have expressed an interest in participating under the aegis of an agreed lead organisation.

More broadly, independent voluntary action is endangered by other government policies and actions aimed at marginalising dissent and privatising public space. The government’s

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<sup>1</sup> NCIA *Voluntary action under threat: what privatisation means for charities and community groups* May 2011 p8 <http://www.independentaction.net/wp-content/uploads/2011/06/NCIAPrivatisation-paper2011.pdf>

<sup>2</sup> NCIA *Managing for independence and social action* May 2011, p1

reaction to the recent riots in many English cities with its discourse about feckless and feral youth who need to be punished severely for their criminal activities, is a dramatic manifestation of their approach to social need and fury about the deep cuts they are inflicting on education and welfare services. The government is deeply worried - as was its predecessor – about the existence of ‘ungoverned’ places. And, at the same time, the power of market values means that public buildings such as schools and libraries are only available for recreational and cultural activities on payment of an ‘economic rent’ which is beyond the means of many groups.

We suggest that the Panel should look more closely at what government has been and continues to do to the voluntary sector rather than listening to the rhetoric of partnership and harmonious relationships used by government and those parts of the sector which have tied themselves to the mast of the ship of state. If commissioning is the government’s way of ‘doing no harm’ (as the Conservative Policy Green Paper of 2008, quoted in the consultation document, suggested was their first priority), it is difficult to imagine what they would do if they were not concerned about the effects of their actions.

We also suggest that the Panel should recognise two of the realities of the situation:

- the threat to independence is underpinned by the disparity in power between the government and the voluntary sector; and
- the ability of individual organisations to defend their independence of thought and action is limited unless they can make common cause with others in a similar position or which have a common interest.

In our view, the above perspective should be reflected in the terms of reference for the Panel and its work. The damage already done to the sector is palpable; it is no longer an interesting research question but a fact of our contemporary experience. The task that now faces those of us committed to defend the independence of voluntary action is to work together to identify effective ways to get the government to back off, at the same time as finding strategies to defend the sector and resist these regressive policies whilst they persist.

### **The composition of the Panel and the arrangements for servicing it**

We are disappointed by the Foundation’s failure of imagination in constituting the Panel. The ‘great and the good’ are strongly represented (no fewer than five CBEs) at the expense of people with a more recent and intimate knowledge and experience of working at the ‘sharp end’ of local voluntary action; those with a wider view of civil society and a perspective on voluntary organisations other than those whose primary purpose is service-provision (such as self-help groups and campaigning bodies; and a ‘maverick’ or two with a record of organising for independence). It would appear that the ability of the Panel as constituted to think beyond the assumption that the interests and aims of the government and the voluntary sector are fundamentally the same is limited.

This concern about the kinds of experience and lack of fundamentally critical thinking the members are likely to bring to the Panel is reinforced by the choice of Civil Exchange as the body to service its work. Its spokesperson, Caroline Slocock, has spent most of her career in the public sector apart from a brief period as chief executive of Refugee and Migrant Justice. According to an interview in *Third Sector* magazine, she describes her organisation as a ‘link tank’ whose function is to improve the relationship between the state

and the voluntary sector and she ‘thinks that, whatever concerns the [Baring] panel discovers, charities must take up the government’s offer to provide more services. “It’s a massive opportunity to give more power to the people the sector works with,” she says, “I don’t think anyone can pass that by.” ’ This is hardly the open-mindedness we hoped the Panel would bring to its task.

### **The strength of the evidence base**

The selection of Civil Exchange to service the panel also does nothing to address our concern about the nature of the evidence on which the Panel will base its annual reports on the state of the voluntary sector’s independence. The consultation document simply says that ‘the Panel will review the best available evidence and deploy its own expertise’ (p26). This suggests first of all that the Panel will not be undertaking its own research but relying on the work of others. NCIA has devoted a good deal of its energies to collecting evidence about the sector’s independence, but we would hesitate to claim that this provided the kind of systematic and rigorous research needed on which to make a judgement about independence, which could be revisited on an annual basis to measure how and to what extent it had changed over time. We are also not aware of any other person or organisation collecting evidence of this kind. Presumably part of Civil Exchange’s functions will be to collect and analyse material which might shed light on the issues but, in the light of their lack of research experience and expertise, together with the views expressed in public by their spokesperson about the nature of the government-sector relationship, we are seriously concerned about the quality and objectivity of the data on which the Panel will base its reports.

This concern is heightened by the nature of the framework set out in the Barometer of Independence which the consultation document proposes as the Panel’s principal monitoring tool. Rather than using concrete and measurable indicators the framework sets out a series of abstract enquiries, answers to which are intended to demonstrate the strength of independence; these include broad questions such as ‘how far is independent seen as important?’ and ‘is there engagement with people and communities?’ However pertinent these are as a means of engaging with the issues, it is difficult to see how they can be used to collect meaningful evidence. To be fair, the consultation document admits that the approach is of limited value: ‘it is important to recognise that the Barometer will effectively be a “weather map” rather than a scorecard of independence. The aim is to allow the Panel to illuminate the state of independence rather than pin it down precisely and to map broad changes over a period of five years’ (p23).

To achieve even this limited objective, however, the Panel will need to collect data annually from the same body of informants. The choice of the sampling frame will be crucial but the consultative document provides no information about this or any of the other features of the kind of consultative process through which the Barometer would be used.

### **Conclusion**

The idea of a Panel and an annual report on the state of the voluntary sector’s independence is a bold and useful initiative. Unfortunately, the way in which the Foundation has gone about putting the idea into action is deeply flawed, and we are concerned that the outcome will lack the quality of evidence and the incisive thinking needed to achieve the aims of the programme. Left as it is, we fear that this will be a wasted opportunity. We urge you to revisit the terms of reference for the panel’s work, to rebalance the source of advice

and co-ordination that you have chosen to rely upon, and to revise the methodology underpinning the initiative.

If there is a willingness to make these adjustments, NCIA would be keen to make further input to the Panel's work and to help make the initiative a powerful and positive influence with respect to these matters.

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