

Independence, diversity, voice

A manifesto for voluntary action

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Introduction

This manifesto has been produced to set out an agenda for voluntary and community sector policy at the next election and for the next Government.

The voluntary and community sector has grown considerably in the last ten years. With a total income of £20.8 billion and an operating expenditure of £20.4 billion; a workforce comprising of 569,000 paid employees; and a contribution of £7.2 billion to UK GDP, it is a sector that no Government or mainstream political party can afford to ignore.

The next election also comes at an important time for the sector.

The inclusion of the Charities Bill in the 2004 Queen's Speech almost concludes an agenda for the sector that began over eight years ago. NCVO established a Commission, chaired by Nicholas Deakin, in 1996 to develop a vision for the future of the voluntary and community sector. Over the course of the last two Parliaments we have witnessed a changing environment for voluntary and community organisations as the Government implemented many of the Commission's recommendations, including:

- the Compact, supported by the three main political parties and the first of its kind in the world;
- a tax system that underpins giving, with Gift Aid bringing in an extra £586 million a year for charities;
- the Treasury's cross cutting review on the role of the voluntary and community sector in delivering public services;
- the ChangeUp framework for capacity building and development of the sector's infrastructure.

Each of these policies are ensuring that a political and fiscal environment is continuing to be created which is enabling voluntary and community organisations to flourish.

However it is now important that we look forward to the next five to ten years and lay out an agenda for voluntary action in the years ahead. We believe, therefore, that the focus of the next government's voluntary and community sector policy must be about more than just public services. Despite all the successes that we have had over the last ten years, there is a danger that government can view the sector in an instrumental way, as solely a means of providing and improving service delivery.

The next government needs to have a much broader agenda for the sector, which embraces voluntary action as a means of providing support for the most marginalised individuals and communities.

This draft manifesto is thus in two parts: firstly, principles that we believe all political parties should be able to endorse and secondly, a series of proposals that we believe the next Government should implement.

Stuart Etherington
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About NCVO

NCVO is the largest general membership body for charities and voluntary organisations in England. Established in 1919, NCVO gives voice to over 3,600 organisations ranging from large 'household name' charities to small self help groups involved in all areas of voluntary and social action at the local level.

Principles

Voluntary and community activity is an essential part of an active and vibrant civil society, contributing to the social, cultural, political and economic life of the country in a variety of ways, for example by:

- bringing people together and enabling them to participate in the life of their community;
- giving voice to their concerns and enabling their voices to be heard;
- promoting more responsive public services, whether by providing services directly or by advocating on behalf of service users, individually and collectively; and
- contributing to the social economy and to economic development.

As the boundaries between the public, private and voluntary sectors become increasingly blurred, it is important that all political parties recognise the unique role of voluntary and community organisations and the added value they provide.

NCVO and the voluntary and community sector therefore believes that there are five principles relating to the sector that all political parties should endorse and actively support.

These are:

1. The **independence** of the sector must be understood and valued. Political parties must recognise and engage in a meaningful way with voluntary and community organisations (VCOs). VCOs must be able to determine for themselves how best to meet the needs of their users or beneficiaries, independent of any specific government targets or objectives, and must be able to exercise their right to campaign and to comment on or challenge government policy, irrespective of any funding relationship.
2. The benefits of a **diverse** and independent voluntary and community sector should be recognised by supporting voluntary action in all its forms, including those parts of the sector that do not want to engage with government.
3. A **political, legal and fiscal environment** should be created that enables VCOs to flourish and encourages individual and corporate philanthropy, including the giving of time as well as money.
4. The role that VCOs play in **civil renewal** and engagement, the development of **social capital** and the creation of strong, cohesive communities should be valued. Political parties must recognise that the voices of VCOs complement and enhance the representative role of government: strong and equal **partnerships** between government and the sector work to the advantage of both and to the benefit of citizens.
5. Where VCOs choose to deliver **public services** they should be resourced on a realistic, sustainable and transparent basis because of the benefit they bring to users. Government procurement strategies must enable VCOs to work in ways that add value and should not undermine those features that make them preferred suppliers in the first place. That is, drives towards greater efficiency should not be at the expense of effectiveness and enhanced **choice and voice expressed by users** to local community needs.

Proposals

1. Representation in Government

To reflect the increasingly recognised role that the sector plays, the ministerial position with responsibility for the sector in the Home Office should be upgraded to Minister of State. This Minister will have responsibility for sector issues such as charity law, infrastructure and the Compact. In recognition of the diversity of the sector, the Minister for the Cabinet Office should be charged with responsibility for cross-departmental coherence on policy affecting the sector. Parliament should also play a greater role in scrutinising Government policy relating to the sector. A House of Lords Standing Committee on the voluntary and community sector should be established and meet regularly. **The Government should establish an annual Parliamentary debate in Compact Week on the voluntary and community sector-Government relationship by the end of 2006.**

2. Lottery

The percentage share of Lottery good cause money going to the sector will remain at its current level until 2009. With Camelot's license to operate the Lottery running out in 2009 and the recent merger of the Community Fund and New Opportunities Fund, the next Government must therefore ensure that there is an early debate on the Lottery's future in order that these changes maximise returns to good causes. **The Government, as a minimum, should pledge that returns to good causes after 2009 will be maintained at their current levels.** The principle of additionality – that lottery funding should be additional to what is properly funded from general taxation and not be a substitute for it – must be upheld and the Government should establish an annual report to Parliament demonstrating that it has upheld this principle. The Government should also remove the 12% duty on lottery tickets and redirect this duty to good causes and lottery prizes.

3. Taxation

Charities have to pay 17.5% tax on outsourcing activities and buying in services however, unlike their public sector counterparts, charities cannot recover this tax. The total irrecoverable VAT burden on charities is therefore at least £400 million annually. **An independent review of the impact and cost of the VAT burden on charities should be established during the lifetime of the Parliament.** Until this review is carried out the Government should make a series of targeted VAT exemptions in those areas where charities are hardest hit.

Government must promote the transfer of unclaimed assets from financial institutions to the sector for reinvestment in society. **If the current voluntary scheme does not reach a minimum target of a transfer of £500 million by April 2006, Government should introduce legislation making this compulsory.** Money released from unclaimed assets should be fairly distributed across the whole of the voluntary and community sector and used to support a broad range of activities and causes. The Government should also consider introducing tax incentives to promote the use of Charitable Remainder Trusts.

4. Giving

Government must maintain and enhance the current measures that promote tax efficient giving by individuals. However, steps must be taken to further encourage business giving. The Government should set a target for all of the top FTSE 100 companies to become member of The PerCent Club – a benchmark for corporate community investment in the UK – during the lifetime of the Parliament. **The next government should initiate, establish and resource an “Invest to Give” programme. This would be an ongoing programme aimed at encouraging organisations to seek the giving of time and charitable donations from targeted sections of the public, including young people.**

5. Public services and the users' voice

The Government should commit to genuine implementation of the 2002 Cross Cutting Review, in particular securing a commitment from funders to full cost recovery, a proper allocation of risk to minimise the burden on VCOs, and a move towards more stable funding relationships, for example longer-term contracts. These should be standard elements of all government procurement policies.

The Government should have a systematic approach towards the sector's involvement in the future of public services, whether they are delivering services or promoting users' voice. **This should be achieved by the establishment of an open forum, which will include representatives from the sector, both as advocates and providers, other stakeholders and representatives from both trade unions and Government.**

6. Infrastructure

Government should enable the sector to develop in ways that will allow voluntary and community organisations to increase their capacity to meet their objectives and ensure that they have the support and skills they need to maximise their effectiveness. Furthermore, Government support for infrastructure should enable organisations across the breadth of the sector to increase their capacity and should not be solely focused on those organisations delivering public services. The Government's 10-year vision for the development of voluntary and community sector infrastructure is to be broadly welcomed. **The next Government should ensure that there is continued investment in this framework beyond 2006. A further commitment to invest in this framework should be made at the next Spending Review.**

7. Charity law and regulation

If the Charities Bill is enacted before the next election, the Government must commit to reviewing the implementation of the Act by the end of 2007. This review should include a full assessment of the regulator and should ensure that the Act's regulatory provisions are being implemented in a fair and proportionate manner. If the Charities Bill fails to make it onto the statute book before the election, then a Bill should be introduced in the first Queen's Speech following the election.

The Government should monitor the regulatory environment that the sector works within and avoid the duplication of information between regulators. Monitoring and evaluation systems should be appropriate to the needs and capacity of VCOs and be developed in dialogue with them. **The Government should ensure that all regulatory bodies co-operate with each other and share information to avoid placing an undue burden on voluntary and community organisations and ensure that regulatory systems take account of the distinctive role of the sector.**

8. Compact

There must be explicit and ongoing cross party support at a national, regional and local level for the Compact. Furthermore the Compact must continue to underpin the relationship between Government, in its widest sense, and the voluntary and community sector. The Government strategy for Non Departmental Public Bodies (NDPBs) to sign up to the Compact is welcomed. The Government should make it mandatory for all NDPBs to sign up to the Compact and for each NDPB to appoint a Compact Champion by 2009. **Measures should be put in place to ensure that central and local government departments and NDPBs implement the new Compact Funding and Procurement Code at all stages, from design through to the delivery of outcomes and the final conclusion of the programme.**

9. Local government and the regions

The Government should recognise the sector's contribution to the quality of life in local areas and help to realise the sector's potential as partners, providers and advocates. This includes working with the sector through Local Compacts to develop an understanding of mutual responsibilities and obligations.

Government should work with the sector to identify ways of ensuring statutory obligations on local government to implement Local Compacts effectively. All political parties should ensure that there is cross party support at a local level for the implementation and development of robust Local Compacts.

The sector's relationship with Regional Development Agencies and Government Offices of the Regions is an important one. The Compact should therefore be the basis for regional institutions' relationship with the sector. **The Government should make it mandatory for all regional public bodies to sign up to the Compact by 2009.**

10. Criminal Records Bureau (CRB)

The sector welcomes the fact that CRB checks for volunteers are free. The next Government must ensure that this is retained. **Furthermore the Government should ensure that for the duration of the next Parliament there are no price rises above inflation for CRB checks for voluntary and community organisations' paid staff.**

11. Europe

The UK should use the opportunity offered by its Presidency of the European Union in 2005, to bring the EU and its institutions closer to the people. Formalised rules of civil dialogue between NGOs and the EU institutions are fundamental to the development of an inclusive, open, transparent and democratic EU and we call on the UK's EU Presidency priorities to address this. **Central to this should be the promotion of a Compact type agreement between EU institutions and EU-wide civil society.**

12. Public service broadcasting

Public service broadcasting plays a major role in social inclusion, community cohesion, and participatory democracy. The review of the BBC's Charter, which must be completed in 2006, is therefore a crucial event for the sector. The BBC's public service ethos, the role it plays in ensuring that the sector benefits from its public service appeals and the highlighting of voluntary and community sector causes to a wider public must therefore be maintained by the next Government. **The regulation of the BBC must be maintained through an independent regulatory process, which is accountable to Parliament and should not be moved to Ofcom, which is accountable to government.**

NCVO proposals in summary

- An annual Parliamentary debate in Compact Week on the voluntary and community sector-Government relationship should be established by the end of 2006.
- The Government should pledge that lottery returns to good causes after 2009 will be maintained at their current levels.
- An independent review of the impact and cost of the VAT burden on charities should be established during the lifetime of the Parliament.
- An “Invest to Give” programme should be initiated, established, and resourced.
- An open forum should be established on the future of public services, which will include representatives from the sector, both as advocates and providers, other stakeholders and representatives from trade unions and government.
- The Government should ensure that there is continued investment in the sector infrastructure framework beyond 2006. A further commitment to invest in this framework should be made at the next Spending Review.
- If the Charities Bill fails to make it onto the statute book before the election then a Bill should be introduced in the first Queen’s Speech following the election.
- Measures should be put in place to ensure that central and local government departments and NDPBs implement the new Compact Funding and Procurement Code at all stages, from their design stage through to delivery of outcomes and to the final conclusion of the programme.
- Government should work with the sector to identify ways of ensuring statutory obligations on local government to implement Local Compacts effectively.

- The Government should ensure that for the duration of the next Parliament there are no price rises above inflation for CRB checks for voluntary and community organisations’ paid staff.
- During its EU Presidency, Government should promote a Compact type agreement between EU institutions and EU-wide civil society.
- The regulation of the BBC must be maintained through an independent regulatory process, which is accountable to Parliament and should not be moved to Ofcom, which is accountable to government.

For more information

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