

# The Baring Foundation

## **GAINS AND STRAINS: THE VOLUNTARY SECTOR IN THE UK 1996-2006**

The occasion for this last reappearance on a voluntary sector platform (the final one, I promise) is the tenth anniversary of the publication of the report of the Independent Commission<sup>1</sup> and the chance I've been offered to reflect, both on what has happened since our report was published and on what that experience suggests for future developments .

I've heard several times lately talk of a "Deakin Agenda" being completed (the Minister for Third Sector used that expression again the other day). I suppose it's inevitable that the chair's name gets stuck on the exercises like this: but today gives me the opportunity to stress that this report was in every sense a collective effort in which all the members of our Commission (some of whom are here today) were closely involved and one that was generously supported, both in cash (by the Joseph Rowntree and Esmée Fairbairn Foundations) and in kind.

The report that we produced together stands on four legs.

- **First**, our assessment of relations between VCS and government and our conclusion that the terms of that relationship needed to be radically changed and those changes given formal expression in a negotiated agreement.
- **Second**, the pressing need for a change in the regulatory environment, especially that in which charities (a large part but not the totality of the sector) had to operate.
- **Third**, the importance of cultural change within the sector to enable it to address the new challenges that were then emerging – not just in service delivery but across the whole range of its activities.

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<sup>1</sup> Commission on the Future of the Voluntary Sector (1996) *Meeting the challenge of change: voluntary action in the 21<sup>st</sup> century*. London: NCVO.

- **Fourth**, the need for diversification in the range of resources going into the sector and the sources from which they were being drawn (not just financial but human). In particular, the need for a new relationship with business/ corporate world.

And we also called for structural as well as cultural reform within government itself and the identification of a single point of entry, centrally located within government to act as a voice within government as well as a gateway.

Our report was produced in the summer of 1996 and it is important in any evaluation of progress made since to understand something of the environment in which it was produced.

Then, there was widespread dissatisfaction in large parts of the voluntary sector about the attitudes and behaviour of government at all levels. Ed Miliband quoted in his Hinton lecture some of the ways in which Nicholas Hinton (a strong supporter of our enterprise: I'm sorry he didn't live to see it completed) expressed that concern and struggled to address it.<sup>2</sup> This discontent peaked in the late eighties, when I saw it at first hand as a national voluntary sector chair (a hands-on experience which coloured my own subsequent approach) but persisted into the nineties.

One of the things that our Commission did – almost banal to report now but innovative in its day – was to take evidence for our report by going out to meetings across the country and listening. (The success of that enterprise was mainly down to Jane Kershaw). Two messages dominated almost all those meetings (small rural areas, large urban ones, monocultural or ethnically mixed): the impact of the contract culture on the way service delivery organisations had to operate, and a chronic shortage of resources across the whole range of activities, from the smallest (nonstaffed) bodies to the largest.

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<sup>2</sup> 'Changing lives, changing society,' Hinton Lecture, given on 22 November 2006, by Ed Miliband MP.

Yet at the same time we came back from the field with a strong impression that this whole vast body of individuals and organisations, so diverse in their objectives, composition and manner of operation had almost limitless potential, individually and collectively. As much as anything our report was about trying to realise that potential, identifying pathways for change, reflecting our confidence that what we called ‘the challenge of change’ could, given the right condition, be met.

Scroll on ten years and see the difference.

Of course I’m not trying to claim more than that we gave the process of change a push in the right direction at the right time (Stuart Etherington may want to say more about the nature of that push). The key event – the necessary condition for progress – was the change of government in 1997. The Conservative government had formally rejected our public policy recommendations. Labour, when still in opposition, welcomed them. And in this field, Labour was well prepared for government – Alun Michael’s report for the party gave incoming Ministers a clear set of directions for change. (It was no coincidence that what he proposed was not a million miles from our own recommendations). The appetite for change was certainly present and unlike other policy areas where it was dissipated or became diverted this was one where implementation did follow – not always rapidly but generally following a clear and consistent set of principles.

Look for a moment at the four areas that we mapped out a decade ago.

**Relations with government:** The English compact was in place as early as 1998; local compacts followed (now covering 98% of local authority areas); we are now well into second phase of work with Compact plus and the appointment of the Compact Commissioner. Perhaps more important, there has been a fundamental change in the terms on which engagement with government takes place. There has been a continuous policy dialogue, supported by a whole panoply of consultative groups and task forces involving leading figures from the Voluntary and Community sector . One illustration among many from the past decade has been the management of the input from the sector to successive Treasury spending

reviews, latterly the Comprehensive Spending Review due to pronounce next year on the future role of the Third Sector in social and economic regeneration.

And there is cross-party acceptance of the crucial role of voluntary action across a whole range of policy areas. Rhetorically, the relationship is now presented as a “partnership of equals”; practically, of course, the disparities of power mean that it is difficult (but not always impossible) to see it in those terms.

**The regulatory framework.** A new legal framework has eventually appeared, after a long and tortuous journey in the Charities Act, 2006; regulation in a broader sense remains controversial: command and control has turned out to be something of an addiction for Government – though the recent report of the Regulation Commission suggests a move towards some welcome flexibility.

**Cultural change in the sector.** The Hinton agenda for internal reform has been energetically pursued, notably by the Quality Standards Task Group, chaired by Rodney Buse. Support for infrastructure is in place (Futurebuilders, Capacitybuilders/ChangeUp). Campaigning is as energetic as ever – using the opportunities created by new communications technologies not yet present in ’96 to recruit and mobilise support. The cutting edge of innovation is still clearly present, as in campaigns on human rights issues and addressing world poverty. The debate whether on professionalism in the sector has become Professionalisation continues but has not been resolved.

**Alternative sources of resources** – the necessary counterbalance to the first area activity and one of the guarantees of independence. Since ’97 there have been systematic attempts to tap new sources of financial support (Giving Campaign) and accentuate the importance of volunteering (Russell Commission). Perhaps the least successful area has been in making new relations with business (something I want to return to – the question of corporate philanthropy and its role). Problematic, too, is the future role of Foundations (I’ll come back to that as well, at the risk of biting the hand that fed us, among many others).

And we now have the Office for the Third Sector and the declared intention of government to act as a partner that respects and values the sector's independence and campaigning activity.

That's my list of **gains** (It's brief and selective- I could add many others).

I think we would have been astonished if in 1996 we'd be given a glimpse of the future – the progress made has in many ways exceeded our wildest expectations.

It is not just the sheer growth that's impressive (as the NCVO's statistical reports show) and the still greater diversity; it is the extensions into new fields (witness the striking re-emergence of faith groups as significant players) and above all the move from margin to centre in political debate. Politicians now fall over each other to compete for podiums from which to laud the VCS/Third Sector, often in strikingly similar terms (compare the old days when national conferences had ten minutes of a Home Office under-secretary and no time for questions). Compare, too the position of the Opposition. Both in '96 and '06 the position they have set out hugs the middle ground, with the point of balance set very slightly left of centre.

This acceptance of the central role that voluntary action of all kinds can play in social policy means that debates on policy have taken on a quite different tone – instead of the case for greater participation having to be made by the sector the pressure is now all the other way – along with the ritual praise comes a long menu of possible tasks that voluntary or community groups could take on.

But no gain without pain, as they say.

Being embraced by politicians is not an unmixed blessing. And a formal relationship with the central state and an increase in the proportion of funding coming from the public sector throws up vital issues about the independence of the "sector" – the gold standard that we, among many others both before us and since have held up as the crucial value that cannot be abandoned. Because it is so fundamentally important, this is an area of strain that requires constant vigilance – where those

who speak either for the sector as a whole or for different interests within it have a responsibility to address.

However, it is important to go beyond declarations cast in general terms. I believe that we are seeing a move away from monolithic (“State”: voluntary “sector”) relations to something much more complicated – different actors with different powers and responsibilities coming together in different contexts and forming a whole range of different relationships with different objectives and timespans.

Such complexities reflect the greater diversity within the sector itself, to which I’ve already referred. Once again we are hearing questions about whether there is sufficient common ground to justify talking in terms of a “sector” – and at the very least, it is important to recognise tensions between interest groups, special issue campaigners, national bodies with six figure memberships, local community based groups, professionally-run service delivery organisations and informal voluntary activity.

And there’s an added problem in the more active role that central government has progressively assumed over the past decade. It is sometimes difficult to see whether it is setting an agenda (as with David Blunkett’s campaign for civil renewal), controlling and commanding, delegating, devolving – even shedding responsibilities or simply responding to pressures coming from civil society. The manner in which particular Ministerial agendas have been translated into action, with the attendant trappings of targets, performance measures and complex managerial structures all thrown together in the search for visible outputs have also often been problematic. The overlap on the ground between different initiatives – sometimes launched simultaneously – also reflects the failure of this government, at least in its earlier terms, to practice the “joined-up government” that it preached.

All in all, the sector’s new exposed position in the policy limelight offers rewards but also increases the likelihood of tensions breaking surface.

By way of illustration, let me offer three examples of areas where we may see developments that will offer opportunities for further **gains** but are also likely to expose new **strains**....

- Devolution of power/ decentralisation: back to the ‘hood. A reaction to the “Tsarism” of New Labour’s first phase, when important strains on relationships became particularly evident. This has coincided with the return of faith groups to the public policy agenda; and alongside that
- The rapid decline in the front-line role of political parties and the implications that this may have for the future of voluntary *action*. Finally,
- “Social enterprise”; the emergence of new ideas along the frontier between voluntarism and commercial undertakings and the potential for generating new models of action.

That’s a mixed bag of issues; I have chosen them because they represent different facets of the part that voluntary action is, by reputation at least, particularly well qualified to perform. In the neighbourhood, there’s the community sector’s contribution to promoting cohesion. In the space being abandoned by conventional party politics, there’s providing the alternative voice. And in social enterprise, expanding the opportunities for innovation by making new alliances.

What they all have in common is the challenge they pose to the capacity of both the voluntary sector and its potential partners to change and adapt – that famous flexibility that’s another quality we like to think the VCS possesses.

I’ll take these three areas in turn.

### *Devolution and locality*

An essential component of the rhetoric of voluntary action that it is in the locality that true essence of voluntarism can be found: community groups incarnate the constructive role, creating social capital or giving expression for the aspirations of individuals through volunteering and above all, providing voice for the voiceless. Here is the real seedbed for innovation; here, too, the scope for new enterprise.

A series of success stories sustain that argument, as Community Links' impressive values exercise<sup>3</sup> – or my own experience on a Millennium Commission grants programme - shows.

But there is another side to this picture:

Neighbourhood is often defensive: the battles fought there can be self interested; the leadership it throws up self-selected and often far from representative. The “communities” that some leaders claim to represent are sometimes imaginary (imaginative) constructs. They often depend for their successes on a rhetorical style that grossly exaggerates the realities (the figure Saul Alinsky called “Uncle Thoughtalk”).

Some of these issues emerge in a particularly acute form through another, linked issue : the (re) emergence of faith groups as a significant factor in “civil society dialogue” . This is quintessentially a neighbourhood phenomenon which has forced its way through on to the national agenda as a result of events in particular localities.

Contrary to what is sometimes asserted, faith groups have also remained significantly engaged in fundraising and service delivery at national level. (as recent figures from the from NCVO on Christian, Jewish and Muslim national charities show).<sup>4</sup> Yet it's fair to say that they had taken a back seat in policy making: civil society as we saw it in 1996 seemed predominantly secular (though Hilary Russell from the Churches Urban Fund was round the table with us, to remind us of the impact of “Faith in the City”).<sup>5</sup>

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<sup>3</sup> Blake, G., Robinson D. and Smerdon M. (2006) *Living values: a report encouraging boldness in third sector organisations*. London: Community Links.

<sup>4</sup> NCVO (2006) *The UK Voluntary Sector Almanac*. London: NCVO.

<sup>5</sup> Archbishop's Commission on Urban Priority Areas (1985) *Faith in the City*. London: Church House Publishing.

The government's stress on neighbourhood renewal and the intensive efforts to bring faith groups into local policy making have changed that picture. It has also served as a reminder that in many important areas of policy – notably education – they have always retained a strong presence. And religious bodies have, of course, retained their charity law privileges.

But this enthusiastic embrace of faith-based organisations poses some awkward issues. The level of commitment such groups embody often impressive (though claims that they invariably attract higher levels of volunteering and undertake more locality-based activity are difficult to substantiate).

But what's more important is not the level of activity but its nature. Some of it helps to sustain communities and their own members; it looks inwards – the “quiet care” that Margaret Harris talks about in her already classic work.<sup>6</sup> Some of it – evangelical Christianity – looks outwards. In so doing it may seek to propagate views hostile to values now clearly accepted in secular society (on sexuality, role of women). Some faith-based activity challenges certainties and helps the powerful to rethink their priorities (‘bias to the poor’) some is conventional, seeking to sustain existing structures and the chronic imbalances of power built into them. Some bring previously excluded groups (ethnic as well as religious) to the decision taking table: others themselves exclude important interests by legitimating only religious forms of representation.

Experience in the US has shown that basing large areas of social provision on the contribution of faith groups is often not good either for the groups themselves or the users of their services. Here, I believe that the state should be a critical friend of the faith “sector”, and not privilege religious groups either in representation or in funding policy. In his recent speech the Prime Minister talks of mistakes made in too freely funding groups ‘tightly bonded around religious, racial or ethnic identities’. This seems right: I hope that principle will be extended to the terms of public funding for faith-based educational establishments.

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<sup>6</sup> Harris, M. (1998) *Organising God's Work: Challenges for Churches and Synagogues*. London: Macmillan.

An alternative approach which seems to me more promising is what is sometimes labelled “interculturality” – a search for what links different cultures rather than what divides them. This suggests that public policy should reinforce connections between them rather than recognise claims that lead to greater separation, and encourage exchanges that help to promote change.

One practical illustration of such an approach would be the search for the ‘common spaces’ in which people - especially young people – can mix on equal terms and interact without communal pressures and stereotypes. If not schools (alas), then sports arenas and clubs; workplaces; GP surgeries; libraries; museums; parks and other public open spaces; allotments, even.

Building upwards from these encounters – events that are often modest in themselves but reinforcing our multiple identities as (for example) parent, patient, participant rather than confining us to a single and potentially divisive one.

And above all we should resist the cynicism of those politicians – the so-called “TheoCons” – who seek to use faith groups as a convenient means of social control, regardless of their origins or values. Buddhist or Baptists, Scientology or Sikhism – never mind what material goes into the mix as long as it keeps the pesky kids and those troublesome neighbourhood quiet. “Faiths teach charity, respect, obedience and morality” says one protagonist of this approach. So did the Hitler Youth.

*Double devolution?*

Sometimes often lost in all this rhetoric that surrounds neighbourhood and community is the role of local elected government and the crucial issue of accountability.

Local government has become acutely conscious of the challenges to its legitimacy; and in particular the prominent place given to the Third Sector (sic) in the government’s latest proposals for reform, which calls for the sector to be more actively engaged with all Local Strategic Partnerships to help shape local areas. The danger that lurks here is of being bypassed as “the community” is installed as a rival

player ‘with stronger local leadership, greater resident participation in decisions and an enhanced role for community groups’.

Such an approach is likely to leave local authorities exposed to competing claims for attention and resources. Balancing rival bids, adjudicating on them and reaching decisions that reflect the common interest is one of the hardest tasks local government has to perform. The pressure from all sides for a wider distribution of resources and greater devolution of responsibilities is bound to increase these pressures,

An additional problematic issue is risk; it’s all very well for politicians to exhort public funding bodies to take risks to support innovation (and ‘cut through red tape’); but where does that risk finally come to rest on the event of failure?

In essence, all these issues are political, in the sense that they should be resolved by decision-takers with a clear line of responsibility through which to account for their decisions. But this raises another set of problems.

### *Decline of mass political parties*

There was once another important common space in which citizens could meet: the political arena. But it is an easily observable fact that membership numbers of political parties in England are in free fall. What held them together in the past (the *glue* in the ghastly image too often employed in these discussions) was a coherent ideology, distinguishable from that of their rivals. This no longer applies. Heroic attempts to dress up the current tactical differences between the parties as a substantial divide have no real substance. The small staters on the right and the all staters on the left are no longer represented in the inner councils of their parties – we are all “slightly left of centre” now. Read recent speeches at all levels of the political system anonymised and I defy you to identify the party the speaker represents. And that has been especially true of debate and discussion on third sector.

But what may be more important in the long term than this homogenisation of views is the eclipse of the role of political parties in incubating new policies and as a means for getting important issues on to the agenda, first locally and then nationally.

Alongside that role ran a social and cultural and indeed educational function, performed on one side of politics by what the Conservatives call ‘the voluntary party’ (as incarnated in “villa conservatism”) and on the left by the “Labour family” (or ‘This Great Movement of Ours’).

The politicisation of local government in England after the Second World War provided a point of entry for enthusiasts nurtured in these cultures: an opportunity for the energetic to learn political skills, to argue for policies and learn what the obstacles are in the way of implementation of those policies. (And often master a repertoire of dirty tricks, too)

Now

Nationally, parties are becoming mere vehicles for the ambitious or means for purchase of influence. They have been stripped down to their remaining core purpose, capturing and retaining power: expensive, highly tuned instruments for winning elections, dubiously financed and so heavily in debt (both financially and to the need to satisfy the demands of the media).

When it comes to membership, there are a dozen large voluntary organisations that could see off the political parties – both in terms of numbers and the energy and commitment of their membership, even their internal democracy.

No reforms of the structure of local governance are going to resurrect mainstream, traditional local parties: in most urban areas they are now husks, providing little more than flags of convenience for candidates. Their capacity to attract voluntary workers has collapsed. Public participation in local elections remains scandalously low, especially among the young – and there’s no sign that new voting devices will change that.. And when new structures are put in place (like directly elected mayors) the parties are easily outflanked by populist candidates.

So where do the local activists go now, given that they do still emerge – and recent work funded by the Joseph Rowntree Foundation strongly suggest that they do.<sup>7</sup>

They take up environmental questions, short-lived campaigns on planning issues (location of supermarkets) or single issue groups seeking to save hospitals or football grounds. In middle class areas, it's parking and tree planting. In working class areas, vigilantism or the effects of gun crime.

And where do bright graduates go now to generate and develop ideas? (Answer, to Think Tanks, mostly “very slightly left of centre”).

And what will happen in the space that is being vacated by traditional political parties?

Here is both an opportunity and a responsibility for voluntarism.

Parties may wither but the bureaucracy of the local state continues and extends far beyond the range of local elected government, where accountability, in the absence of genuinely independent political voices, is stretched to breaking point. Technocratic governance may be less, not more responsive to the claims of the third sector. Procurement and commissioning policies may increasingly reflect economic, not social priorities – and business bidders may be preferred for the value for money they appear to offer.

What role is there for voluntarism here? Promoting alternatives – coproduction – and taking up the interests and needs of users is one obvious task. Providing an effective means of representing citizen interests, not only within the formal structures being created (those Local Strategic Partnerships) but helping to call non-elected local bodies to account through scrutinising their activities. And in so doing creating partnerships that are chosen rather than imposed.

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<sup>7</sup> Power Inquiry (2006) *Power to the People: The report of Power: An Independent Inquiry into Britain's Democracy*. York: The Power Inquiry.

I've come to feel that there is a strong case for revisiting Paul Hirst's ideas about associative democracy in his book of that name.<sup>8</sup> His model of citizen collaboration and coalition to reconcile and represent interests outside the official machinery (the often over-complex structures set up by New Labour) and provide other means of accountable service delivery offers a thoughtful alternative model for action.

Meanwhile, there is the voice function – especially where the traditional local campaigning role of the local political parties risks going by default with their decline or disappearance. Here, there are already many morbid symptoms: confessional parties or worse still racists running on local issues which conventional politics won't address.

So we come back to vital role of campaigning and independent voice – not just government-sanctioned or party promoted but genuinely independent.

Back finally to innovation, the Third Sector's other major (self-proclaimed) distinguishing virtue. One of the striking cultural changes that have taken place since '96 has been the way in which career patterns now reflect individuals taking the initiative in creating their own pathways and structures. In the younger generation, careers that cross sectoral boundaries between business, the voluntary world and the much changed public sector have become normal, not exceptional. Easier methods of rapid communication (the internet, Email) means that ideas can be shared more quickly and developed imaginatively. A convenient label for this bundle of activities is.

### *Social Enterprise*

Here, above all is where the push for change is coming. Advances in this area are portrayed as forging an essential link between idealists and the hard headed world of market-led action. The prescription (much applauded on both sides of politics) is for entrepreneurial skills to be tuned to social purposes by adapting business models (as Gordon Brown did, launching the government's new action plan).

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<sup>8</sup> Hirst, P. (1994) *Associative Democracy: New Forms of Economic and Social Governance*. Cambridge: Polity.

Geoff Mulgan's thoughtful contribution to the debate (*Social Innovation*), based on a review of recent experience, shows that the position is more complicated than that.<sup>9</sup> He argues that most important innovations in this field are hybrids. They depend on cooperation across sectoral boundaries and use networks to mobilise resources. It is the linking institutions that facilitate these connections that are important in moving ideas forward: these are the **brokers of change**.

Models from business can be helpful in defining possible ways forward but most social innovations function in a different context: the values they represent, the resources they can usually expect to mobilise and the tests of their success are not those of traditional businesses.

### *The New Philanthropy*

Brokering change is the kind of activity that should be attractive to the new brand of philanthropist, first emerging in the US but rapidly gaining hold here: the so-called "philanthropreneurs". These are: ..'young billionaires who have reaped the benefits of capitalism [and] are evidently finding that the techniques that have made them rich can also be applied in the service of charity' (*New York Times* 13.11.06). As the *Financial Times* puts it , breathlessly, we are now entering "a Third Golden Age of Philanthropy" .

The underlying notion is apparently that traditional models of charity (dismissed as "Charity 1.0") are ineffective: there is a pressing need to harness the speed and reach of capitalism in order to do good better. As a result, a number of individuals and organisations have begun to operate on the margins between business and charity –a formula that the looser structure of American charity law permits.

Google, for example. Their choice of "for profit" status for their new Foundation will apparently 'greatly increase philanthropy's range and flexibility: operating for profit will allow funding start-up companies, partnerships with venture capitalists and

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<sup>9</sup> Mulgan, G. with Tucker, S., Ali, R. and Sanders, B. (2006) *Social Innovation*. London: The Young Foundation.

lobbying of Congress'. Or Richard Branson. His venture capital charitable unit functions as a "for benefit business": as an example of such activities Branson cites the setting up of his new airline, Virgin Nigeria.

But you have to ask: why is this hybrid model necessary at all? Why not simply do whatever you've decided to do (and remembering I Corinthians 13, perhaps not advertise it quite so strenuously,). As the American commentator Mark Rosenman puts it: "Though I have no problem with philanthropy and socially responsible business being joined, I do have one with a for-profit enterprise being called philanthropy".

Yet the new generation of activist businessmen are clearly bringing something important to the debate. Their money, obviously; but also fresh ideas about how that money can be used most effectively to serve the common good.

Mulgan's menu of ways in which social enterprises can be helped to develop, not by mimicking market practices but by extending the range of networks and by bringing in new and powerful players offers one obvious example of a way in which they could make a constructive contribution.

Remembering that at the centre of all social innovations lie the interests of the end users: and that key areas for development in the twenty-first century are likely to be those that will be the main growth areas in the domestic economy – health services, education and social care, that are likely to account for 30% of GDP. Here, the relationship with government at all levels is going to be fundamental in determining where opportunities for innovation will arise. Here, too, is where the pressures arising from the persistence of gross inequalities and discrimination in our society is likely to become acute.

But the new philanthropists also represent a challenge to those who continue to work within the traditional parameters of charity – and still see merit in a not-for-profit approach and in the trustee model of governance.

Foundations in the UK have come under criticism recently – for exhibiting ‘paternalism, idiosyncratic funding and exercising power without responsibility’ (Anheier and Leat).<sup>10</sup> And recent work by the SMART Company for the Cabinet Office demonstrates that on the whole large corporate foundations (an important growth sector) are not showing sufficient enterprise with their funding.<sup>11</sup>

Strategic grant giving by foundations, as Julia Unwin has shown, can play an important role in framing a practical response to these criticisms.<sup>12</sup> They can address the issue of possible over-dependence on state funding by diversifying the range of funding sources. They can help set objectives and road-test different ways of doing things that preserve charitable values but deploy them in innovative ways. In so doing, they can also help organisations to address the causes and consequences of change.

#### *Baring Foundation's role*

I said earlier that I had become a little impatient with abstract arguments about the virtues of independence and the presumed theoretical risks to independence.

Which is why I've welcomed the opportunity I've had as a trustee of the Baring Foundation to try to do something practical about the pressures under which different organisations are working and help devise better means of addressing them.

The Foundation's Strengthening the Voluntary Sector (STVS) Independence programme was launched earlier this year, and the Foundation is about to announce the allocation of £1.8 m in grants to organisations across the country with a brief to

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<sup>10</sup> Anheier, H. and Leat, D. (2006) *Creative Philanthropy: Toward a New Philanthropy For The Twenty-First Century*. London: Routledge.

<sup>11</sup> The SMART Company (2006) *Revealing the Foundations - a guide to corporate foundations in England and Wales*. London: The SMART Company.

<sup>12</sup> Unwin, J. (2004) *The Grantmaking Tango: Issues for funders*. London: Baring Foundation.

‘support organisations to maintain or increase their independence from government by carrying out organisational development activities that strengthen core strategies structures systems and skills, leading to a significant and lasting improvement in effectiveness’.

The full rationale for the programme is contained in a briefing paper by Matthew Smerdon, who is responsible for the programme and which the Foundation has posted on the web.<sup>13</sup>

What is especially striking to me, in reviewing the cases put by organisations seeking grants under this programme is the practical significance they attach to independence and the nature of the obstacles they have identified in the way of functioning independently. These are mostly local and specific, not generic. There is no conspiracy here by the Great Leviathan to take over the sector or impose an excessively limited set of objectives and ways of functioning. The problems are substantial, but they can be addressed on a case by case basis. Experience can be shared (and we intend to do it) but we do not expect to produce uniform solutions or prescribe a set of rules of behaviour that will guarantee that independence is safeguarded. Rather, we hope to learn lessons about how ingenuity and the use of resources (not just financial) can be used to address specific problems posed by the challenge to independent operation, find solutions and open up new opportunities. In so doing, we hope to demonstrate that independence is a functional, not a rhetorical virtue, which can lead to greater efficiency and practical benefits for members and users.

### *Conclusion*

The 1996 Commission was one step on a journey that continues. (and I am glad to welcome others – the Commission created by the Carnegie Foundation UK – who are setting out on a similar expedition). Since 1996, voluntary and community bodies have travelled further and faster beyond that point than I could possibly have anticipated. In doing so they have made substantial gains and not just for themselves – the whole landscape has changed dramatically. They have also entered new territory

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<sup>13</sup> Smerdon, M. (2006) *Allies not servants*. Available at [www.baringfoundation.org.uk](http://www.baringfoundation.org.uk)

with attendant risks, as well as new opportunities. In this new environment, where political and public attention is a constant factor, reiterating sweeping commitments to broad principles are not always the best way of proceeding. Nor is cluttering the landscape with a sequence of well-meaning initiatives devised at the centre or cramping voluntary action into the procrustean bed of a public service delivery agenda. Rather, the focus should be on the locality, on variety in the range of solutions on offer and a willingness to learn from experience.. As William Blake has it, we should seek to do good ‘in minute particulars’, watering the green shoots of growth but taking care not to empty the whole can over a few well-publicised schemes. This approach means that progress will be uneven, sometimes hard to measure and take time to achieve (not tuned to political timetables). But it should bring real and lasting benefits – or so we at Baring Foundation hope to demonstrate.

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