



# Maximising the potential of civil society in Northern Ireland

November 2022



# Introducing the Law Family Commission on Civil Society

- Two-year programme of research, consultation and policy development
- 17 Commissioners from charities, public policy, business, philanthropy
- Examining how to unleash the full potential of civil society
  - Including getting policy-makers, business & civil society working effectively together
  - And tackling constraints on civil society in relation to finance & capacity building
- Aims to:
  - Make it received wisdom among senior decision makers that the UK cannot succeed without a strong civil society sector to complement the public and private sectors
  - Construct a strong case for investment in civil society
  - Land a range of policy proposals to enable civil society to unleash its full potential in the 2020s: both incremental and more ambitious proposals

# What holds civil society back from even greater impact?

1. Lack of timely, accessible data and robust evidence about the sector: value, what it does, its impact, its shape and health.
2. Weaknesses and gaps in relationships with policymakers.
3. Too few links between businesses and the sector.
4. Challenges in relation to productivity and organisational effectiveness.
5. The finance landscape: not just the level of funding but its nature and distribution.

# Policymaker relationships

- Research at a UK level suggests....
  - Strong bedrock of mutual respect and engagement between charities & policymakers.
  - Vast majority of MPs and councillors have contact with charities & value them highly.
  - Lack of contact between nearly half UK civil servants & charities.
  - Knowledge gap: charities & policymakers don't' understand enough about each other.
  - Some scepticism about efficiency, value for money, quality of campaigning and evidence.
  - Appetite to increase engagement and deepen links with charities.
- Emerging solutions....
  - Increasing volunteering, secondments & training civil servants with & about the sector.
  - Annual meeting between Permanent Secretaries & sector leaders.
  - Liaison posts within departments which lack them.
  - Local authority councillors, officers & local charities co-design information and joint-working approaches
  - Funding to ensure every local authority has staff facilitating local charity engagement & support t
  - 'Bake in' to local devolution deals.

# Business links

- Business leaders increasingly interested in purpose as well as profit, driven by pressure from customers, investors, shareholders and employees.
- Many partnerships with charities and communities, but not happening at sufficient scale or depth.
- In 2019, businesses donated services & funds to charities worth £2.4 billion: 0.06% of turnover, with an average business donation of £450 a year to small social sector organisations.
- Business links tend to miss smaller organisations serving people in rural areas, older people and ethnic minority communities.
- Emerging solutions:
  - Business & charity infrastructure bodies work together to raise awareness of benefits of links and create opportunities to meet.
  - Improve measurement of business' social impact & value of civil society partnerships.
  - Charities, business & investors campaign to drive take up of opportunities.

# Productivity and effectiveness

- Four factors help organisations maximise effectiveness & impact:
  - Innovation. Skills & people. Awareness of performance compared to peers. 'Diffusion infrastructure' to spread evidence and ideas.
- Social sector tends to lack:
  - Finance which enables investment in people, skills, capabilities, improvements.
  - Awareness of performance compared to peers + data to support it.
  - Access to specialist skills from trusted providers.
  - Infrastructure to generate robust evidence & spread evidence and good ideas.
- Emerging solutions:
  - Expand/replicate government programmes aimed at helping small businesses improve productivity.
  - New evidence infrastructure, e.g. national Civil Society Evidence Organisation.
  - Local diffusion architecture, in places which need it.
  - Specialist charity support infrastructure e.g. free/not-for-profit support on data, digital, legal, HR.
  - Finance: longer term, core funding, to invest in people, processes & organisational development.

# Funding

- Charitable income suppressed due to pandemic & cost of living crisis.
- Longer term trends: fewer people donate, high earners donate less, UK behind Canada & New Zealand.
- Lack of core & long-term funding, sector too dependent on contracts + short-term grants.
- Geographical distribution of philanthropic funding exacerbates other inequalities.
- Some very effective grant-making but too many have inefficient systems creating high costs.
- Little government capacity to support philanthropy or develop partnerships to achieve shared goals.
- Emerging solutions....
  - UK Philanthropy Champion, local/devolved Philanthropy champions, local match-funding schemes.
  - Financial Conduct Authority boost charitable giving among wealthy through financial advice.
  - Charity Commission/s + sector bodies influence more funders to adopt better grant-making practices.
  - Improved government grant-making: longer-term, core funding, efficient processes, expand access for underserved parts of the sector (e.g. small charities & those led by black and minority ethnic people).
  - Greater use of social value in contracting & powers for public sector commissions to reserve contracts for charities.

# Data and evidence

- We need more, better, faster data on:
  - Demography: size, scope, composition of the social sector.
  - Capacity: resources deployed by the sector & where they're spent.
  - Sector health: sustainability & resilience.
  - Contribution: the value and impact of the sector.
  - Volunteering, staffing and participation
- Emerging solutions at a UK level:
  - New civil society 'satellite account' to sit alongside national accounts
  - Civil Society data strategy developed between government and the sector.
  - Unlock data held in ONS business surveys + admin datasets such as HMRC PAYE data & create regular statistical outputs about the sector.
  - Expand datalabs to support evaluations of impact, effectiveness and value for money

# Questions for small group discussions...



# Relationships with policymakers

- Thinking about relationships between the voluntary and community sector and policymakers in Northern Ireland:
  - How would you characterise these, how do they vary with people at different levels of government and with politicians and civil servants?
  - What are the strengths and weaknesses
  - How could they best be improved?

# Other relationships

- What about relationships with:
  - Businesses?
  - Trusts & Foundations?
- How much interaction is there between charities and businesses?
- What about between charities and trusts & foundations?
- What are the barriers to more and better relationships?
  - What would help to increase the number of businesses with links to charities, and the quality of relationships?
  - What would improve relationships with trusts & foundations?

# Productivity and effectiveness

- Do the issues and challenges highlighted in research so far ring true for charities in Northern Ireland?
- What would help to overcome these?
- How useful do these potential solutions sound?
  - Access to productivity schemes provided for businesses.
  - New/improved infrastructure.
  - Longer term funding aimed at capacity building.

Over to you...

