

NPC'S LETTER TO THE NEW MINISTER



13 May 2015

Dear Minister,

Congratulations on being reappointed as the minister with responsibility for the charity and civil society sector. We worked well together in the past and we look forward to continuing that in the future.

Having worked in government myself for a number of ministers, I know what it is like for a new minister, including a returning one like yourself, and the difficulties of sorting out your priorities in the early days.

I also know that you will be being deluged by correspondence, requests for meetings and 'pitches' from all the membership bodies in the charity sector, as well as a multitude of individual charities, social enterprises and other relevant bodies. Despite the fact that you have already got to know much of the sector, I suspect your officials will have put together a set of people they think you should meet, categorised by urgency.

I expect most of these organisations will be suggesting, in one way or the other, that you give more money to the sector. They will mention new tax breaks, more capacity building payments, more support for social investment.

At NPC, we represent nobody and are beholden to no-one. We are not here to defend and advocate for charities, the funders, and social enterprises, but for the beneficiaries they are there to help. All we care about is making the social sector more effective so that its resources are used to the best effect to support the causes, individuals and families to which they are dedicated.

For us, that means the language of impact: finding out if you really are making a difference (beyond a few good stories, anecdotes and videos of grateful folk); really asking if you could do more in your giving or activities to do even better; sharing with others what you have found works and does not work; and responding to new developments in digital, to the ageing society and to the way government is delivering public services so that you can make the biggest positive impact possible.

So, on the following page of this open letter, I've highlighted the six issues we think should be on your desk right now—issues for which others are unlikely to argue.

We look forward to working with you on these in the months ahead.

Yours faithfully

Dan Corry, Chief Executive, NPC

www.thinknpc.org

NPC is registered charity that works as both a consultancy and an independent think tank for the charity sector, committed to helping charities and funders achieve the greatest impact.

1. Commit to the future of the Office of Civil Society

There have been swirling rumours that the very existence of the OCS is under threat—either to be scrapped, substantially thinned down or to be moved to another department. While neither the OCS nor its predecessor has been perfect, pursuing the wrong option would seriously inhibit the ability of your new administration to work effectively with the charity sector (as discussed at [this event](#) we organised last year). An option worth looking at is to supplement the OCS with small, but powerful units within key departments to liaise with the charity sector, and get the Treasury and BIS to take social investment and social enterprise much more seriously.

2. Free Big Society Capital of its financial target

This will enable it to focus on building the new social investment market around social returns, without being hamstrung by having to hit a financial target. In return, we demand they are much more transparent in ways described in NPC's manifesto [A vision for change](#).

3. Begin a debate on reforming the duties of trustees so they focus more on impact

At present, trustees' duties make them focus on financial sustainability and legal compliance, and much less on whether the organisation is doing everything it can to achieve its mission, have real impact and improve every year. A change to charity law may be needed—we suggested one in [our manifesto](#). But get that debate going fast. You should find support from the Charity Commission CEO, who recently said at *our Leading Impact* conference that if charities are not achieving anything they should seriously [consider closing down](#).

4. Argue with your departmental colleagues to have a target of at least 10% of all contracts going to the non-profit sector

We have argued against crude mechanisms like binding targets or allowing only social organisations to bid for some contracts: that runs the risk of putting the provider interest before that of the beneficiaries. But we do think commissioners at national, local, CCG and other levels must be reviewing the way they construct and tender contracts in ways that tend to exclude charities and social enterprises. Again there are ideas of how to go forward on this in [our manifesto](#).

5. Meet as soon as possible with your Treasury opposite number: future fines on businesses should go to effective charities which work to mitigate the worst effects when those companies break the rules

Recently Libor fines have been given to [emergency services personnel](#) and [armed service charities](#). We believe this is an important precedent in not taking all the money into the consolidated accounts, and one to take advantage of. For instance, fines on payday lenders could be used to help debt advice charities; fines against energy companies could be used to help charities working on fuel poverty.

6. Get behind the impact measurement revolution

It is not for government to tell the charity sector how to operate. But it can help encourage the sector get its act together to help it understand and measure its impact—something desperately important if the sector is to learn and improve.

In the past the Cabinet Office has supported the [Inspiring Impact programme](#), which includes members and funding from across the charity sector. NPC provides the secretariat to this key programme and we hope it continues.

In addition, the Social Value Act Review, completed before the election, suggested—in response to [our advocacy](#), amongst others—that there should be a framework for commissioners on how to assess social impact. Moving that along fast would help a great deal.