NPC'S RESPONSE TO CONSULTATION ON THE GOVERNMENT'S DIGITAL STRATEGY

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Patrick Murray and Tris Lumley

Introduction

1. NPC shares the Government's mission to embrace digital technology, which has the potential to transform Britain. The Government has led the way admirably, by: creating the Government Digital Service (GDS) to harness the power of the digital revolution across public services; and focusing on key infrastructure issues such as rolling out super-fast broadband to improve digital access and skills.

2. Access to digital is a key issue. As the Tinder Foundation sets out, the greatest gains in digital transformation are for those furthest from the market:

'Families in poverty, homeless people and people with mental health issues are far more likely to make up some of the 12.6 million people in the UK who aren't online and don't have basic digital skills. Yet these are the same groups who are at a greater risk of poor health and who stand to gain the most from improved digital skills and access to online health resources.'

Many charities work with people who are most digitally excluded. They also have a huge role to play both when involved in public service delivery, and in enabling people to play an active role in their communities. This makes charities well placed to help close the digital divide.

3. In order for any Government policy on digital transformation to be comprehensive in tackling the challenges that state and society face, it must therefore include the voluntary and community sector. However, currently there is progress to be made in the voluntary and community sector itself, as demonstrated by the *Lloyds Business Digital Index 2015*[1], which found that 58% of charities lack basic digital skills. This is holding back the sector from being able to deliver the maximum social impact possible, and from supporting beneficiaries to be able to play their full part in an increasingly digital society.

NPC's role

4. NPC exists to enable funders and charities to achieve the greatest possible impact. We work directly with funders and charities as consultants on strategy and impact measurement. We also operate as a think tank, identifying issues that are preventing the sector from achieving its potential, exploring ways to overcome them, and working with partners to catalyse change.

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[1] Lloyds Bank (2015) *UK business digital index.*

5. Digital is one of these key areas. Our new report, _Tech for Common Good_[2], argues that charities and the broader voluntary sector must embrace digital transformation or risk becoming obsolete. If charities were to fail to adapt, beneficiaries and our wider society would lose out; and the long-standing expertise of charities in supporting people to become active citizens and overcome challenges would be difficult to replicate.

6. _Tech for common good_ argues that charities and others should adopt several key principles to support digital transformation across the charity sector; not least that charities should work collaboratively to build new platforms across sectors, rather than working in isolation. Indeed, the challenges faced in adopting digital can only be overcome by a collective approach, such as that pursued by the Government through the GDS. However as, we identify in _Tech for common good_ there is a lack of resources and skills available within the voluntary sector to do this. There is also a lack of strategic approach from funders, investors, the tech sector, and Government. It seems it is not yet widely recognized that digital is a an opportunity that can only be exploited through a joined-up, strategic approach.

7. In this paper we outline a number of recommendations that will support charities and the voluntary sector to close the skills gap and embrace the potential that digital transformation offers.

Recommendations for Government

Charities should be included in plans to support SMEs

8. The Government has focused much support on enabling small and medium sized enterprises (SMEs) to adapt to the digital world and increase economic growth. However, the voluntary sector also has a critical role to play in supporting economic growth, as well as social progress, and NPC argues that it should be treated in the same way as SMEs. Such a move would enable these similarly-sized organisations to deal with common challenges in a much more strategic way.

The Government should invest in building cross-sector, collaborative platforms

9. NPC recommends that the Government should treat the current gap in digital skills as a market failure. It should provide some up-front investment to enable the building of digital platforms that transform services and allow charities to deliver much greater impact for beneficiaries. This approach has been successful in developing SENDirect—a digital platform that enables people with learning disabilities and their families to access a broad range of services and rate them according to their experience.

10. Furthermore, any platforms and programmes related to the voluntary and community sector funded by the Government should adhere to GDS principles, such as: programmes are open-data and open-source wherever possible; feedback mechanisms are included from the beginning; and principles around co-production and co-creation are embedded throughout.

The Office of Civil Society should take on a convening and coordinating role

11. As we have stated, a collective approach is needed to ensure digital transformation occurs across the charity sector, and not in isolated pockets. The Office of Civil Society can, and should, play a key role in bringing people together to consider common challenges and solutions, support innovation, and spread learning and best practice throughout the sector. This can be achieved in a similar way to its role in the development of the social investment agenda over recent years, and should be supported by a named individual in charge of this agenda.

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[2] Bull, D., et al (2015) _Tech for common good._ New Philanthropy Capital.

Government departments should adopt the use of Data Labs

12. NPC has been instrumental in setting up the Ministry of Justice Data Lab[3]. The initiative enables charities to access annoymised government administrative data, and use it to understand their impact and drive improvements in their services. NPC believes there is more that can be done elsewhere to unleash the power of data to improve services. In our 2015 manifesto, *A vision for change*[4], we called for Data Labs to be set up in every Government department, with an initial focus on Data Labs for Employment, Education, and Health. This would enable charities and others across these sectors to establish which interventions work, thus supporting innovation and continual improvement. Data Labs would be that, at very little, cost we could build more effective services, improve social outcomes for people facing some of the toughest challenges, and potentially save the state money.

The Charity Commission should include advice on digital in its guidance for trustees

13. Digital transformation requires buy-in at the highest level of any organisation. Too many charity boards do not possess digital knowledge and skills; nor do they recognise the potential that digital transformation offers, or the threat presented if charities do not adapt. As part of their digital programme, the Charity Commission should amend their guidance for trustees to reflect the importance of digital transformation, and ensure trustees consider the role of digital and data as part of their strategy.

Conclusion

14. As we have outlined in this paper, NPC believes that it is critical to address the digital skills gap that exists within charities in order to bring about a wider digital transformation in our society. The Government can help charities by providing and encouraging leadership in the digital field, opening up data to improve public services, and supporting the creation of common platforms that empower the sector and its beneficiaries. This combination of actions will enable the community and voluntary sector to embrace the possibilities offered by the digital revolution, and ultimately deliver much greater social impact.

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[3] New Philanthropy Capital website: http://www.thinknpc.org/our-work/projects/data-labs/justice-data-lab/

[4] New Philanthropy Capital (2015) *A vision for change.*

TRANSFORMING THE CHARITY SECTOR

NPC is a charity think tank and consultancy which occupies a unique position at the nexus between charities and funders, helping them achieve the greatest impact. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

Increasing the impact of charities: NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities' money and energy go further, and help them to achieve the greatest impact.

Increasing the impact of funders: NPC's role is to make funders more successful too. We share the passion funders have for helping charities and changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

Strengthening the partnership between charities and funders: NPC's mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact. We can help funders and those they fund to connect and transform the way they work together to achieve their vision.

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