

#VCSFutures: Looking ahead to 2024

Here are two versions of the UK in 2024 and some thoughts on what both could mean for the VCS...

	FUTURE 1: Protective centralism The state invests heavily in the economy and society, commissions bigger charities to help deliver 'the big reconstruction' – but does that mean local difference and innovation is being squeezed out?	FUTURE 2: Chaotic localism Times are tough and the government is struggling to respond. Amid all its challenges, can the VCS to show leadership and harness growing energy for social change?
Setting the scene	<ul style="list-style-type: none"> • There's a huge global recession, but massive government spending helps to cushion the blow in the UK as in other wealthy nations. Flare-ups of the virus continue throughout 2020-21, however, hampering social and economic recovery. • Lots of people in the UK need support and government is trying to meet this need with big investment in services. Need in poorer countries is even greater. 	<ul style="list-style-type: none"> • The global recession is prolonged and deep. • Government is unable to keep up with the growing demand for support but prioritises some issues (e.g. youth opportunity and joblessness) whilst wider wellbeing – mental health, loneliness etc – loses ground and inequalities widen. • With government slow to respond, the most impactful and innovative activity is often at the local level.
Local / national collaboration	<ul style="list-style-type: none"> • What has become an increasingly paternalistic, interventionist government is keen to protect the most vulnerable, but this is squeezing out variation, innovation and local leadership – and that's undermining impact. • 'Communities boards' in every local authority area bring the VCS and statutory bodies together to plan and drive positive outcomes for the most vulnerable, but organisations complain these spend their time data-gathering against proscriptive targets and a monitoring regime which central government has built in return for financial support. 	<ul style="list-style-type: none"> • In this very tough financial climate, government always seems reactive and playing catch-up on big social challenges – existing and emerging. This has left the VCS to do the heavy lifting but with little support. We're seeing very mixed outcomes around country as a result, but some amazing examples of charities, councils and small groups locally taking radical action on specific issues / in specific localities. • One legacy of mutual aid groups forged during the pandemic is new, diverse and social media-driven forms of charity and community activism

		which make some established charities look out-dated and out of touch.
Partnerships	<ul style="list-style-type: none"> • Partnership working has been weakened by competition for resources as government roles out big contracts in the sector at speed with little time and energy for local variation that involves smaller organisations. Moreover, in the rush to issue contracts quickly there has been increasing use of big commercial providers with even some established players in the VCS getting side-lined. • There is some good collaboration happening locally and regionally but too many local partnerships feel they're fighting centralisation and mindless 'up-scaling', so it's an uphill struggle to shape nuanced local responses. 	<ul style="list-style-type: none"> • Partnerships are now defined by greater cooperation between big/small and national/local, with more bottom-up leadership from communities – a legacy of the best mutual aid organising during Covid and its aftermath. • The sector feels fragile, however – many organisations haven't survived. There have been tough choices for local authorities as to what to support and how. The sector has a real sense of being under siege and it's sink or swim. Nationally, government is resorting more to the private sector than to the VCS for big contracts.
Funding	<ul style="list-style-type: none"> • Local government resources have been even more stretched since 2020, with central government support helping but still failing to make up the shortfall. This impacts their ability to fund and commission locally. • Big central government contracts help to keep the bigger charities in reasonable financial health (where corporates haven't hoovered up the work), though they complain that they are treated very much as contracted providers rather than delivery partners able to shape and influence. • Whilst some charities are successful in reducing their physical retail footprint and moving those sales online, some are slow to adapt and are left with burdensome high street rents and dwindling incomes from sales. 	<ul style="list-style-type: none"> • Public sector spending cuts at the centre and in localities leaves slim pickings for the much of the VCS. Health-related and skills-related organisations in the sector are best able to maintain income-generation, either through fundraising or public sector contracts. • Increasingly, local authorities are establishing more trusting, mature delivery partnerships which grant-fund a core team of organisations but work closely with them to direct that funding – collectively as a 'whole system' – as challenges and priorities change. Competition for that very limited local funding is high, however. • Whilst some charities are successful in reducing their physical retail footprint and moving those sales online, some are slow to adapt and are left

		with burdensome high street rents and dwindling incomes from sales.
Digital / ways of working	<ul style="list-style-type: none"> • The VCS, like other sectors, is radically changes its operating models. Big charities have downsized office space and relinquished expensive city centre HQs. • Government support helps the sector invest in online service provision, though face-to-face contact remains important for most. 	<ul style="list-style-type: none"> • The VCS, like other sectors, radically changes its operating models – big charities have downsized office space and relinquished expensive city centre HQs. • Many organisations beyond the most well-funded struggle to make the most of digital technology as they lack the resources to invest in developing new approaches.
Volunteering	<ul style="list-style-type: none"> • Continued outbreaks of the virus until the end of 2021 confine over-70s and more vulnerable people to their homes for long periods. This takes large numbers of the nation's volunteer force out of action, hitting the VCS. • There is government investment in building up the nation's 'volunteer bank' – aided by the 'Four Day Week' movement, which is backed by some big private firms and even some public sector organisations. • Increasing diversity of volunteers is evident nationally, and more structured routes for the unemployed through volunteering and into paid work. Some smaller VCS groups don't get access to this volunteer pool as they lack the admin capacity to be part of the national scheme. 	<ul style="list-style-type: none"> • We've seen a mass 're-evaluation' of lifestyle choices – more people are home-working, and thus are more invested in neighbourhood and have more time to be involved in their community. • Some mutual aid and volunteering that emerged during pandemic continues to support people through the recession, some morphs into more activist and 'deliberative democracy' role, in the best cases mobilising whole communities to work with local councils and businesses to affect change on big issues. Meanwhile traditional volunteering relied on by the big VCS organisations sees a decline as support infrastructure creaks.
And finally...	<ul style="list-style-type: none"> • The idea of a 'local' organisation is changing – with no physical office space, no charity shop and services largely delivered online in some parts of the sector, there have been opportunities for previously localised organisations to stretch their wings and grow their coverage, securing contracts in other areas. At the same time, other organisations have lost out, finding it hard to maintain a profile and niche on what was 'their patch'. 	