

SUMMARY EDITION

January 2019

A REVIEW OF
THE VOLUNTARY
SECTOR'S OPERATING
ENVIRONMENT

THE ROAD AHEAD

NCVO100

CONTENTS

Introduction

3

The Road Ahead

4

What next for the voluntary sector?

Acknowledgements

7



INTRODUCTION

The Road Ahead is our annual analysis of the changing operating environment for NCVO members and anyone working in the voluntary sector. It identifies and explains forces and trends that are shaping the sector and are likely to have an impact on voluntary organisations in the future.

As in previous years, this report was developed using a PEST analysis to highlight the key drivers shaping the sector in four areas: political, economic, social and technological. We used a wide range of information sources, from official statistics and research to the latest economic forecasts and futures analysis, as well as calling on the expertise of our colleagues at NCVO.

The report begins with a commentary from Elizabeth Chamberlain, NCVO's head of policy and public services. She reflects on the four areas as a whole, and how they might combine to shape the future of voluntary organisations and voluntary action.

All of the issues highlighted in The Road Ahead present opportunities and challenges for voluntary organisations. Trustees and managers can benefit from using the analysis to explore the implications of these issues for their organisations when planning for the short and medium term.

For help and guidance on strategic planning, there is a range of resources available on the NCVO Knowhow website, including guidance on how to do your own PEST analysis and tailor it to your needs:

<https://knowhow.ncvo.org.uk/organisation/strategy>

<https://knowhow.ncvo.org.uk/tools-resources/pest-analysis>

We can also offer in-house support with your strategic planning through our consultancy services. <https://www.ncvo.org.uk/practical-support/consultancy/strategy>

The full edition of The Road Ahead, available exclusively to NCVO members, gives an in-depth analysis of each of the four areas.

NCVO ANNUAL CONFERENCE 2019: LOOKING TO THE FUTURE

On 1 April 2019 we will be holding our Annual Conference in London. This will be an opportunity to discuss the topics raised in The Road Ahead, to reflect upon current issues and to consider how we can collectively shape the future of the sector.

Find out more about the NCVO Annual Conference

[www.ncvo.org.uk/training-and-events/
ncvo-annual-conference](http://www.ncvo.org.uk/training-and-events/ncvo-annual-conference)

THE ROAD AHEAD

WHAT NEXT FOR THE VOLUNTARY SECTOR?

Each year the Road Ahead works with experts across NCVO to identify and analyse the emerging trends that we face, and what they mean for charities. As the pace of change accelerates, and as uncertainties deepen, this year's report highlights the growing importance of planning ahead and being prepared for any scenario, even those that may at first seem the most unlikely.

The Road Ahead 2019 is published at a time of national political instability, with a number of decisions that will have constitutional implications due to take place. While many of us are holding our breath to see what happens next, leaders will not want to squander the space this offers. The urgency of facing up to systemic challenges has intensified over the past year amid proliferating signs of uncertainty, instability and fragility.

This year's report covers more challenges and opportunities than ever, while focusing as usual on four key areas: political, economic, social and technological.

Our analysis has of course focused on the trends that are likely to be most relevant to charities. The aim is to provide a practical analytical framework to measure and prepare for the changes ahead.

But we cannot ignore the changes in global politics over recent years, and the unexpected new dimensions they are creating for individuals and communities – and in turn for the charities that support them. One need only scan the covers of current affairs periodicals, foreign policy journals, and newspaper headlines to get a sense of the deep concern leaders, analysts, and commentators have for the future of the liberal international order, and for each nation's society – including our own.

The sooner charities reflect on these challenges and identify the opportunities ahead, the better prepared they will be to respond.

Getting over the political impasse

For too long, British politics has been an ideas-free zone. Brexit has dominated the news cycle and taken up energy, bandwidth and space. Civil servants and decision makers have admitted that the business of government and the usual search for eye-catching policies has been paralysed by Brexit.

This situation will be ongoing as we start the year. There is still significant uncertainty as to the shape of Brexit, despite there being only a few months until our country is due to leave the EU. And once our departure is resolved, there will then be the even more important issue of building our future relationship with the EU.

Faced with the current state of politics, it would be understandable for charity leaders to throw their arms in the air and give up on policy change. But civil society has a history of responding to the greatest challenges. Looking back, there is not one occasion when charities and their volunteers haven't stepped up.

2019 will be the time for charities, campaigners and funders to refocus their energies on the bigger picture, demonstrating the role that our organisations have in society and the economy, and how much more we can do in building the future of our country.



A gloomy economic outlook

The ongoing political disruption and difficulties in agreeing to a withdrawal deal will continue to create an uncertain economic environment, making it difficult to make accurate economic forecasts. One thing is unfortunately almost certain: the economic outlook is not optimistic, and our country compares unfavourably to our European counterparts.

The key message for charities is therefore to prepare for continued demand for their services and support, as the individuals and communities they serve will struggle to make ends meet.

This year is also likely to be when trends that we have gradually seen developing in past reports really show their effect. In particular, the demise of cash is something that should firmly be on the radar for charities, particularly those that fundraise.



Charities taking the lead in addressing society's major challenges

The ageing population undoubtedly remains one of the biggest challenges of our time. With it there will continue to be many challenges and opportunities for charities – as employers, providers of services, and agents of social care.

The changing demographics of our population raise additional challenges for charities, not least engaging a younger generation of individuals who are more protective of their free time and more demanding about what they get back from giving it away.

Charities are also at the heart of local communities, cutting across class, race and gender divides. So much of their work is about building relationships and social connections, reaching even those who are harder to reach. As such, charities are a huge part of the solution to loneliness and social isolation, both of which are now high on the policy agenda. This is likely to mean that over the next year we will see increasing opportunities for charities, given their long-standing role in engaging people through a range of activities and services, and building trusted relationships.

Increased scrutiny is here to stay

If there is one clear message that the past year has once again sent it is this: the public have high expectations of charities, and want to see a reflection of their values in everything they do. Meeting these expectations and demonstrably raising their standards will continue to be one of the most important steps for charities to take over the coming year. How charities go about making a difference will be just as important as what that difference is.

The narrative about 'charities living their values' is an important one, to be taken seriously and embraced by charities. Our values are what distinguish us and highlight the contribution we make, but they can also act as a reference guide when making difficult decisions or facing ethical dilemmas. The start of the year will see the publication of a set of 'charity ethical principles' developed by NCVO in partnership with a number of charities. These will provide a framework for all charities, and will support them in recognising and resolving ethical issues and conflicts.

The public have high expectations of charities, and want to see a reflection of their values in everything they do

Charities as more than bystanders in the 'fourth industrial revolution'

2019 will continue to see the 'fourth industrial revolution' sweeping the world, with rapid advances in artificial intelligence, mobility and advanced manufacturing.

So far – aside from a few of the larger household-name charities that have started adopting more advanced technologies – our sector has played a limited role in this revolution, whether as a user of technologies, a shaper or an influencer.

This detachment could become increasingly problematic. As the pace of change in technology is accelerating, the technological divide risks becoming more difficult to bridge. Especially as the new technologies emerging in the world today are unprecedented in their scale, complexity and level of connectivity.

On the one hand, big opportunities are being missed out: digital fabrication, drones and robotics in development and humanitarian contexts; artificial intelligence (AI) for supporting collective intelligence to make better, quicker decisions; big data to understand the world in more depth, in real time; use of new online tools to engage people and raise funds.

On the other hand, there are also big threats: fake news, online bullying, unethical uses of AI, pervasive digital surveillance and massive job destruction not matched by job creation.

The Road Ahead summarises some of the current trends, and suggests how charities can build upon them not only to better respond to digital and emerging technologies, but also to help shape this unfolding revolution.

What does all this mean for charities?

Some may have experienced a sense of déjà vu while reading so far. There appears to have been limited concrete progress made on many of the policy questions raised at the start of last year.

And there is still so much we do not know about the impact of Brexit, or our future relationship with the EU. But one thing is for sure: this year there will be some big changes to the regulatory and economic structures affecting charities and their work.

Despite the many challenges identified throughout this year's Road Ahead, and the phase of decided uncertainty that our country enters, the key message for charities is that they will be critical in holding the order together in the short term, and finding solutions to renewing and reforming it to ensure its survival in the long term.

As the pace of change in technology is accelerating, the technological divide risks becoming more difficult to bridge

Authors

Michael Birtwistle
Elizabeth Chamberlain
Lisa Hornung
Véronique Jochum
Chris Walker
Paul Winyard

Acknowledgments

**We would like to thank our colleagues
for their contribution to this report.**

Abir Ahmmed
Rob Brennan
Eleanor Dean
Shaun Delaney
Megan Griffith Gray
Myles Kunzli
Sophie Raeburn
Chloe Stables
James Steele
Andrew Walkey

The full edition of The Road Ahead gives an in-depth analysis of the political, economic, social and technological landscape for charities.

It is only available to members of NCVO.

Find out more about membership and join NCVO at www.ncvo.org.uk/membership

