

Charities must have a voice in Brexit – for the sake of the disaffected people they help

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*Brexit is causing consternation among charities and the rest of the voluntary sector. But it is happening – and, argues **Stuart Etherington**, they must step up and ensure they, and the marginalised people they help, have a say in government policy. Many social care workers are EU citizens and their rights must be guaranteed. Brexit will take away some sources of funding, but it is also an opportunity to rethink old assumptions and conventions about how money should be distributed and spent.*



For the past ten months we have been thinking about what the referendum vote means: why was leave the preference of the majority? What does it tell us about our communities and our beneficiaries? What does it mean for our organisations? And were all of us close enough to our communities to see what was happening?

We are and should be the voice of the disenfranchised and of those who are most vulnerable in society. We pride ourselves on being able to connect and build relationships with those who are hardest to reach. But the outcome of the referendum told many of us otherwise. For those of us who were shocked at the result, whose colleagues debated for weeks what had happened, there was a difficult message to accept. We were not sufficiently aware of how some people were feeling: disillusioned, frustrated, even angry with the status quo.



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Collectively, we should have been more aware of how people felt. And we should have acted immediately to address the root causes and to help find a solution. We could have provided people with a way to express their fears and frustrations other than voting to leave the EU. It's possible that we would have been in a different situation than the one we are facing today.

The referendum result was a salutary reminder that charity as a model is not perfect: that at worst we can fall into representing communities from afar, citing deficits in skills or voice. We have not always built on the assets in those communities and strengthened people's time and talents so that they are better able to represent themselves. The best charities today are those working with their beneficiaries, not for them. I also believe that we have lost something in civil society – not just charities, but also trade unions and other popular institutions – whereby we traditionally were the training ground for people to become expert citizens and voices, where skills such as debating and public speaking were learned and shared.

For the avoidance of doubt, in an era where trust in our institutions is fragile, it is voluntary organisations that need to help people speak up and feel empowered. Brexit is a real opportunity to make the case for strengthening the voice of communities.

It has always been our role to inform debate and influence policy development, working with all sides of the political spectrum. This role of providing real evidence, whether through rigorous research or experience from the frontline, is increasingly important in today's world where traditional media is on the wane.

I am concerned that our biggest risk is self-policing, not informing the Brexit debate for fear of falling foul of regulators or becoming entangled in ill-tempered debates. This perhaps was most evident in the run up to the referendum. With a few exceptions, charities didn't enter the referendum debate. We could of course discuss at length whether that was right, or whether their right to take a position on the outcome should have been better recognised.

My deepest regret is that charities didn't have the confidence to even inform the debate ahead of polling day. I know of a few colleagues who feel that, had their role in providing a voice been seen as a positive contribution and enabled, the debate itself may have been more informed and civilised. Whether the result would have been different is moot, my point is that our democracy works more effectively when charities are involved and that we should not be afraid to engage as we work through the legislative and policy changes of the coming years.

But there is also a positive to all this. Our neutrality ahead of the referendum means that we are not associated with its outcome. It means we are in a unique position now, and we need to help make it work.

I am particularly concerned about the future rights to remain of those European citizens who have chosen to come to live and work in our country. For those people, and of course their children, the UK is their home. Having these people as colleagues, carers, volunteers, has enriched our heritage and the culture of our society. In my own organisation, I am aware that staff are not just frustrated by the uncertainty in which they find themselves, they are increasingly anxious.

And take a look across our sector, where around 5% of staff are non-UK EEA nationals, with this proportion increasing at a higher rate in recent years than the private or public sectors. Large numbers of voluntary sector organisations are providing services to some of the most marginalised and vulnerable groups in society, including the homeless, disabled people, and the elderly. Around 6% of England's growing social care workforce are EEA migrants and around 90% of them do not have British citizenship. Their right to stay is currently under threat, as is the care of a great many vulnerable people that depend on them. When social care, and public services more broadly, are under pressure, surely now is the time to resolve this uncertainty for a significant number of the people who are making those services run.

It is not just our public services. Our charities are leading innovators in medical research and collaborators in the knowledge economy because of our open culture and diverse workforce.

Like it or not, it's almost certain that there will no longer be freedom of movement of people. We must therefore work together and with government to develop simple and effective visa requirements are in place to enable the continued flow of skilled workers from outside of the UK into sectors that rely on their expertise, especially in sectors that society depends on. **This must also mean giving EEA nationals who already reside in the UK the right to stay.**

We heard much in the referendum debate about the cost of the EU to the UK, but sadly there were no buses to explain how much the EU co-funds and leverages money for activities from medical research to helping people to become employment-ready.

It's true that for many years, a meaningful proportion of our sector's funding has come from the EU. Our estimates tell us that we will lose between £350m – £450m – and this doesn't include the match funding that is required. But

this is not a call to cling on to EU funding: this is a call to focus on future aims and objectives and to ensure that funding is available to meet them. In a period where public funding remains scarce, there will be an inevitable temptation to shift any funds that are repatriated to issues where the political pressure to act is greater.

Now is the time for government to step up its support for disadvantaged communities and to learn from the charities and voluntary organisations who delivered EU programmes about what is worth preserving and what is not.

I am not suggesting we simply replace old programmes such as ESF or ERDF. **It is the time to think anew, to genuinely focus on the local and the social, to move on from the bureaucracy and jargon so characteristic of structural funds, and to think about how government and voluntary organisations can focus on outcomes for communities, not tick boxes for auditors.**

For the government's vision of a shared society to succeed, it must build on its promise of guaranteeing European funding until 2020 by providing new, improved funding streams that are equivalent in size and scope, and more efficient, less bureaucratic and more strategic.

For instance, at a time when our economy will need to adapt and evolve to meet new challenges and a changing economic context, the need for funding to help people find employment and develop their skills is going to be even greater. Programmes such as Working Well – which has helped get 4,000 benefits claimants with mental health problems back to work, and has recently been expanded to help another 15,000 – must be able to continue. And we need more like them.

That is not to rule out future funding collaboration with the EU altogether, where such an arrangement is logical and politically feasible. For programmes that are inherently international in scope, or that benefit from European collaboration – such as those within the Horizon 2020 programmes – it may make sense for the UK to continue to pay into those pots or to match fund against them, so UK organisations can continue to access them. Such arrangements could be mutually beneficial to the UK and the EU. Indeed, while paying large sums into EU structural funds is clearly off the table, Theresa May very much left the door open to the UK paying into specific programmes.

Ultimately the voluntary sector must demonstrate the value of the funding it wants, and it must seek to do so from the government's perspective. What is the return on any investment that we're asking the government to make? Different departments have different priorities and we must show how we meet them. DCMS and No.10 will want to see the bigger picture, while the Treasury will deal in cold hard numbers. If we do not define this agenda, others will.

Finally, I wish to turn to the issue of regulation. For a characteristically dull topic, regulation produces some vivid reactions. Images of small businesses and indeed charities smothered in red tape are a popular and evergreen tabloid story. And I have yet to meet anyone with a good word to say about the monitoring frameworks that accompany any EU funding.

But there is another side to this story, one of hard-won rights and protections. **EU legislation has done a fantastic job of safeguarding vulnerable people, and protecting the environment.** Many of NCVO's members are now concerned that in the name of competition and economic success we may be about to row back on these protections. As things currently stand much EU legislation has been transposed into UK law as secondary legislation, meaning it could be amended without parliamentary scrutiny.

Such a scenario would be unacceptable and any material changes to important laws must be subject to proper democratic scrutiny. The Great Repeal bill must put in place mechanisms to ensure this happens. The voluntary sector is standing ready to help the government work through the implications of the Great Repeal bill across all aspects of our social and economic sphere.

Amid the challenges we face, **we can also find comfort in potential opportunities to improve EU legislation that might not have been possible if we remained in the EU.** This includes the welcome opportunity to reset VAT and its reliefs, which currently prevent charities from passing on VAT in the same way that private sector companies

can. This currently costs the voluntary sector an astonishing £1.5bn a year. The government must also take the opportunity to make procurement rules more beneficial for charities and others, such as by expanding the Social Value Act and amending state aid rules which can affect the ability of charities to receive public funding and take on the delivery of public services.

Likewise, there are many sector-specific EU policies that some among our members would like to see the back of: the Common Agricultural Policy springs to mind. Now is our chance to identify the bureaucracies and burdensome requirements that are preventing us from unleashing our full potential.

Rather than simply maintain EU programmes and policies under a different name, we must look to the future and see how change can also be a force for good, an opportunity to inject new thinking and find new answers to old problems. Government is undoubtedly looking for those new answers: so we must start from the position that the best critique is a better solution. We are leaving the EU. And where once it provided us with some of the answers, the responsibility is now ours alone.

This post represents the views of the author and not those of the Brexit blog, nor the LSE. It is an edited extract from a [speech](#) given on 13 March.

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