

Walking the Tightrope - Five recommendations for charities to engage with Scotland's changing future

July 2014

Bijal Rama, Kate Cranston-Turner, Fiona Wallace and
Tim Harrison



Contents

Section I: Executive summary

Section II: The implications of Scottish independence on charities

- Yes Scotland – stronger, wealthier charities
- Better Together – separation will limit charity activity
- The Scottish Public – uncertainty and unease about the implications for charities

Section III: How to engage with the independence debate – five recommendations

- 1.** Ask the tough questions of politicians
- 2.** Stay impartial
- 3.** Work together
- 4.** Plan for independence, or something different
- 5.** Make policy recommendations

Methodology

Section I - Executive Summary

In this report, we reveal the impact MSPs and the Scottish public believe independence will have on charities. We highlight how MSPs think charities should continue engaging with the independence debate and make five recommendations about how best to do this. Whilst polling suggests that independence is still the more unlikely outcome for Scotland, given the commitment of the main political parties towards greater devolution to Scotland, the recommendations from this report will help charities navigate this uncertain phase.

Implications of Scottish independence for charities

The impact of Scottish independence on the charity sector is highly contested amongst MSPs. In our survey, their views rarely deviated from official campaign lines. Yes Scotland MSPs argued that independence would have a positive impact, while Better Together MSPs argued the opposite:

Yes Scotland – stronger and wealthier charities

- Better focus on Scottish people and Scottish issues
- More access to government ministers and departments
- Less branch mentality and better public giving

Better Together – further restricted charity activity

- Significant reduction in funding pools for charities
- Loss of UK support and resource networks. More parochial sector
- Great demand on charities to provide services

There is uncertainty and unease among the Scottish public about the implications for charities if Scotland becomes independent.

Our top five recommendations on preparing for before and after the referendum:

1. Question MSPs from all parties about how charities will be affected by Scottish independence and other post-referendum scenarios.
2. Do not take a party stance. Engage in the debate, but remain party-neutral.
3. Speak to other charities or stakeholders and discuss possible implications for them and the sector as a whole.
4. Prepare a contingency plan for both independence and greater devolution.

5. Make policy recommendations. Suggest how areas of concern could be addressed.

Section II - The implications of Scottish independence for charities

We asked 50 MSPs what they thought the impact of Scottish independence would be on charities. The views of MSPs on this question are split by the two campaigns; Yes Scotland and Better Together. SNP MSPs support independence and the Yes Scotland campaign, whereas MSPs from the other political parties support the Better Together campaign. Given that the views of MSPs did not deviate from these campaign lines, we have divided the analysis by these opposing groups. This section also contains the views of the public, who were far more unclear and uncertain about the fate of charities in an independent Scotland.

Yes Scotland – stronger, wealthier charities

As expected, SNP MSPs felt that independence would have positive implications for charities. 19 of the 20 MSPs we surveyed believe that Scottish independence would generally have a positive impact.

Better focus on Scotland

The general consensus among SNP MSPs was that independence would mean stronger, wealthier charities with a better focus on Scottish people and their circumstances. They believe that charities would develop more Scottish-orientated targets, approaches and identities. As one SNP MSP summarised, *"Scotland's vast resources would be made to work for all of her people."* Another stated:

- *"Hugely beneficial. They would inevitably become more autonomous and focused on Scotland and the needs of people in Scotland. Overseas aid NGOs would be less compromised by being associated with UK foreign policy."* (SNP, MSP)

Stronger ties with Holyrood

SNP MSPs emphasised that independence would give Scottish people *"a government with the full powers to respond to their issues"*. This would have a positive impact on interactions between charities and the Scottish

Parliament. With more access to government ministers and departments, charities *"should be able to receive more government support"*. SNP MSPs felt the departure from Westminster would mean that charities and ministers would be better able to meet people's needs in Scotland:

- *"Inclusive Scottish Parliament would create a better forum for pressure groups, as opposed to Westminster. Lobbying culture of Westminster not present in Scotland, thankfully. Independence could help to direct additional resources to charities and voluntary groups in Scotland."*
(SNP, MSP)

Less branch mentality and more giving

Independence would also mean there would be less 'branch' mentality regarding Scotland within the charity sector. One SNP MSP felt that *"Scottish people would take on more of a sense of ownership and give better"*, especially as charities would have their head offices in Scotland.

This is supported by just over a quarter of the Scottish population (27%) who feel that they would be more likely to give to a charity working exclusively in Scotland in the event of independence.

Better Together – separation will limit charity activity

On the flipside, Better Together MSPs stated that independence would create a period of uncertainty for UK-wide charities. They argued that as charities became more segmented, there would be more limitations on how and where a charity could operate, while pressure on funding, resources and income would increase.

Flop in funding

Seven out of 15 Labour MSPs have raised concerns about how charity funding would change in an independent Scotland. With the possibility that large UK charities may have to segment and create independent Scottish offices, it is likely that individual charities would have to operate differently in Scotland to the rest of the UK. With *"significant reduction in UK funding, loss of UK partnership"* and an increase in autonomous Scottish charities competing for funding, Labour MSPs worry that there would be less money available to charities, yet they will be asked to provide more services. This view is also echoed by Conservative MSPs:

- *"Resources would be diverted from service users as national bodies would need Scottish specific set up."* (Labour, MSP)
- *"Charities will lose out financially and in terms of support networks available to them."* (Labour, MSP)

- *"The money that will be available to them will reduce but they will be asked to do more."*(Labour, MSP)
- *"It depends on the nature of the charity. Economists estimate there is a £10 billion annual deficit. Closing this gap will inevitably lead to cuts in programme and services. You can't have Scandinavian style welfare and UK style taxation."*(Labour, MSP)
- *"Negative on charities - would lose access to many UK-wide charitable foundations."*(Conservative, MSP)
- *"Reduction in funding and membership."*(Conservative, MSP)

Rise of parochialism

A more autonomous charity sector in Scotland could also make charities *"become more parochial"*(Labour, MSP). The loss of a UK support network would cause charities to become *"limited to or defined by borders and national identity"*. Currently, the UK partnership offers charities an exchange of knowledge and resources. Labour MSPs fear that this relationship could be lost in an independent Scotland and limit the work capacity of charities:

- *"Many organisations operate on a UK level and benefit from the exchange of knowledge and economies of scale."*(Labour, MSP)

The Scottish Public – uncertainty and unease about the implications for charities

People in Scotland are unsure about the impact Scottish independence would have on charities. When asked what the implications of independence would be for charities, 30% responded with 'don't know.' This may be due to the dominance of economic concerns in discussions about independence, as well as the fact that many simply haven't thought about the impact on charities.

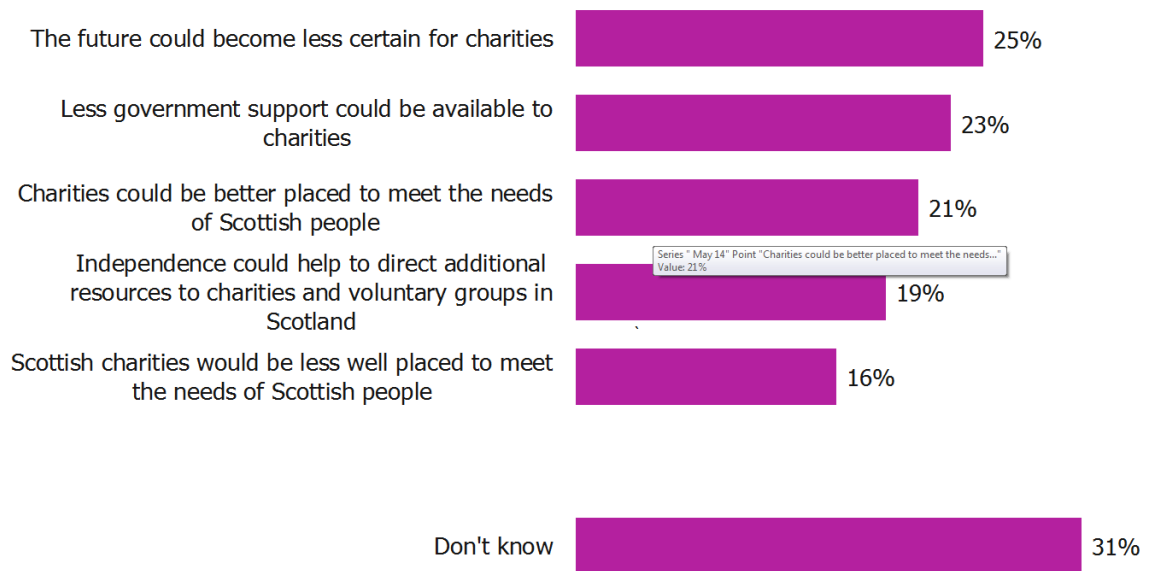
This uncertainty was reflected in the responses to statements in our survey questions. There was no strong sentiment over what independence would mean for charities in Scotland, with both positive and negative outcomes suggested.

A quarter of the Scottish public agreed that 'the future could become less certain for charities' following independence. A similar proportion (23%) felt that there would be less government support available to charities. However, some felt that charities would be more effective in an independent Scotland. 21% of respondents agreed that charities could be

better placed to meet the needs of Scottish people, while 19% felt that 'independence could help to direct additional resources to charities in Scotland'.

Chart 1

The top five implications for charities in an independent Scotland, according to the Scottish public



What do you think would be the implication of Scottish independence on charities, pressure groups or voluntary organisations in Scotland?

Section III – Walking the independence debate tightrope

Given the uncertainty around the outcomes of independence, we asked MSPs and the Scottish public to suggest how they think charities can most effectively engage with the independence debate. With the promise of greater devolution if Scotland remains part of the Union, change looks inevitable. Charities need to be part of these discussions, and given 40% of the Scottish public believe that charities should stay out of the independence debate completely, they need to tread carefully.

We have made our own recommendations on how charities can engage with this debate both before and after the independence vote. We also have some examples of how other charities are approaching this issue. These recommendations are less divided by party affiliation and have thus been grouped by approach.

1. Ask the tough questions of politicians

Question MSPs from all parties about how charities will be affected by independence and what impact this will have on the causes you are working on. The economy has so far dominated the debate, so asking these questions will move charities up the agenda of the independence debate.

Two thirds of SNP MSPs (12 out of 19) and a third of Labour MSPs (five out of 17) encouraged charities to study the facts and engage with the debate by asking questions. MSPs from both parties suggested that this can be done by organising debates and inviting speakers from both campaigns:

- *"Organising events and inviting speakers from Better Together and Yes Scotland."* (Labour, MSP)
- *"Organise debates with a speaker from both the YES and NO."* (SNP, MSP)

Some charities feel that they cannot justify diverting the resources they have to something that may never happen. Indeed, if Scotland does vote for independence in September, there will still be eighteen months to make the transition. But engaging with the debate doesn't have to be

about preparing for independence. It can be used to discuss the issues that matter to your supporters and to ask both the Yes and No campaigns how they will be able to address these issues in the future.

15% of the public agreed charities should engage by organising events and talks to allow their 'service users to discuss the potential outcomes'. 14% believe charities should represent the views of their beneficiaries.

By simply facilitating a debate on the outcomes of independence, a charity can gain an insight into the views of their supporters and beneficiaries. Such a platform will allow beneficiaries, supporters and stakeholders to engage with the discussion and ask the questions which matter to them.

Case Study 1

The Scottish Environment LINK's Referendum Challenge - what can 'Better Together' and 'Yes Scotland' do for the environment?

Scottish Environment LINK is a forum for likeminded environmental organisations working in Scotland. LINK allows around 35 member bodies that cover a wide range of environmental issues to work together and reach the common goal of contributing to a more environmentally sustainable societyⁱ.

With the inevitability of a Scottish independence referendum, LINK researched how each potential constitutional outcome would help towards an environmentally sustainable Scotland. It then provided this information to its 500,000 members to help them decide how to vote.

In 2013, after careful discussion, LINK developed 10 aspirations that they would like to see achieved in Scotland. These aspirations were termed the Referendum Challenge and took the form of a leaflet. The leaflet was sent to both constitutional positions, 'Yes Scotland' and 'Better Together', and challenged them to describe how each campaign would help meet these targets. The Referendum Challenge received replies from both campaigns and allowed LINK to provide their members with information about how environmental issues may be tackled under each constitutional option. To continue the debate, LINK organised a Referendum Challenge debate in Edinburgh where their members were able to further question MSPs on independenceⁱⁱ.

2. Stay impartial

Although SNP and Labour MSPs advocated engagement with the debate, unsurprisingly all those involved in the survey advised charities against taking a party political stance. Overall, Labour, SNP and Liberal Democrat MSPs advised charities to ask questions and be frank and open about how independence will affect them, but highlighted the importance of not being partisan:

- *"Important for them to remain neutral."* (Conservative, MSP)
- *"Probably stay neutral, but ask questions about how their specific organisation will be affected and distribute this".* (Labour, MSP)
- *"Try to stay respectably distanced from both organised campaigns, but don't be afraid to analyse publicly the ups and downs of independence for their charitable aims."* (SNP, MSP)
- *"Keep asking questions, but avoid taking sides."* (Liberal Democrat, MSP)

In a rare instance of agreement, MSPs and the public share that viewpoint. When given a series of options on how charities should engage with the Scottish independence debate, 21% of the Scottish public agreed that they should do so taking a neutral, 'non-party specific' position. This may be due to a belief that charities should not take sides in politics, perhaps particularly over such a highly-charged debate.

Charities are no doubt aware of and are observing guidelines from the Office of the Scottish Charities Regulator (OSCR) on interacting with the independence debate, which highlights that charities should not be seen to advance a political partyⁱⁱⁱ. However, it is interesting to note that so many MSPs advise this neutral stance, suggesting a perception that it is not a position all charities currently occupy.

3. Work together

We are aware that many small charities may not be able to justify spending the time, money and resources they have on the independence debate. Forming partnerships or joining umbrella organisations with other likeminded charities may be a way around this. Not only does this allow you to pool resources and connections, it also provides support and strengthens your voice in the debate.

Working with other charities, partners and stakeholders was seen as

beneficial engagement by Labour and the SNP MSPs. Having a collective voice was seen by one SNP minister as a better way of making charities heard. Labour saw the debate as an opportunity to involve the whole charity, including service users, and therefore to consider wider implications:

- *"Collective voices to make their voices heard – through umbrella organisations and stakeholder events."* (SNP, MSP)

10% of the public agree and feel that charities could work from within a coalition of others to engage with the debate.

Case Study 2

NIDOS – strength in numbers

The Network for International Development Organisations based in Scotland (NIDOS) is an umbrella body with over 100 member organisations^{iv}.

With the likelihood that Scottish foreign policy will be reformed post-referendum, many international development organisations felt that staying out of the independence debate would have been a lost opportunity to influence Scotland's approach to international development in the future. With this in mind, NIDOS set out to produce a report of international development policy recommendations for potential future constitutional scenarios. The report highlights policy recommendations in each post-referendum scenario and who would be responsible and accountable for their delivery, while remaining completely impartial to the outcome of the referendum^v.

Being an umbrella body allowed member organisations to collectively discuss what they would like Scotland's role in international development to be post-referendum. With these priorities in mind, they were able to pool their resources and expertise to produce an informative and credible report outlining the collective objectives of a large proportion of organisations working in the sector. Using an umbrella organisation shows solidarity and strength within the sector and makes your voice harder to ignore.

4. Plan for independence, or something different

SNP MSPs recommend developing a strategic plan for independence:

- *"By thinking through the implications for their own organisations, and more importantly for the causes which they support."* (SNP, MSP)
- *"At board level it is good governance to plan for independence. In campaign terms they need to identify the benefits of independent powers."* (SNP, MSP)

As point three suggested, you may not have the resources to invest in this, but there could be beneficial effects of doing so. With more talk now of further devolved powers going to Holyrood, planning for a different scenario, no matter how the Scottish people vote, seems prudent. However you approach this exercise, we suggest keeping your organisation's aims and objectives at the heart of these discussions.

5. Make policy recommendations

Through implementing some of the above recommendations, a charity should be better placed to propose policy recommendations during any constitutional change and provide advice on how concerns within the sector should be addressed. One SNP MSP would welcome recommendations from charities:

- *"Offering suggestions of how the independence debate should address areas of concern."* (SNP, MSP)

It is important to remember that you are the experts on how charities operate in Scotland and that makes you perfectly placed to suggest future best practice for the sector. Make MSPs meet your demands, rather than reacting to theirs.

Methodology

In October and November 2013, as part of nfpSynergy's Celtic Charity Parliamentary Monitor, we conducted research with 50 MSPs, proportionally representative of Holyrood.

In May 2014, as part of nfpSynergy's Celtic Charity Awareness Monitor, we conducted an online survey with 1,000 adults, proportionally representative of the Scottish public.

nfpSynergy's Celtic Charity Parliamentary Monitor (CCPM) is the effective and affordable way to regularly track how your organisation is viewed by representatives from the devolved institutions. It is an essential tool for charities and organisations that invest time and money in campaigning to influence these audiences.

With CCPM, you will be able inform and evaluate the way you engage with these influential audiences, gaining robust insights, information and ideas through our annual survey of MSPs, MLAs and AMs.

nfpSynergy's Celtic Charity Awareness Monitor (CCAM) is the most comprehensive way to find out how your organisation is viewed by the most important audience of all - the general public. It is the only survey of its kind that gives you regular, up-to-date, extensive data on what the public think of your charity as well as attitudes to, awareness of and engagement with the sector.

About nfpSynergy

nfpSynergy is a research consultancy that aims to provide the ideas, insights and information to help non-profits thrive. We help charities track their profile and engagement amongst their key stakeholder groups through regular, syndicated surveys. We also work with charities on bespoke projects, providing a range of quantitative and qualitative research services.

ⁱ <http://www.scotlink.org/about/>

ⁱⁱ <http://www.scotlink.org/work-areas/referendum-challenge/>

ⁱⁱⁱ http://www.oscr.org.uk/media/433188/2013-07-22_referendum_guidance_for_publication_final.pdf

^{iv} <http://www.nidos.org.uk/about-us>

^v <http://www.nidos.org.uk/news/scotland%E2%80%99s-place-building-just-world>



2-6 Tenter Ground. London E1 7NH
t: 020 7426 8888 e: insight@nfpsynergy.net

www.nfpsynergy.net
www.twitter.com/nfpsynergy
www.linkedin.com/company/nfpsynergy