

## AGC Chairman's Statement 2017

So to begin with thank you for coming tonight ladies & gentlemen. It is customary to highlight the work of the AGC over the past year and I do hope you continue to find your membership of value, that we genuinely assist your charity in achieving its goals, and properly represent you in our dealings with the authorities, the Registry, The States and the media.

We now have 296 active members and Paula will give you some statistics on the membership shortly

So, this is my last address to you as Chairman, my three-year term expires today, and there are a few things I want to reflect on, so this may last a few minutes longer than usual, but not much more.

So, I'll start with Lottery Grants.

### Lottery Grants

We have just released the Christmas 2016 Lottery Grants, which amounted to £212,000, down about 10% over last year. As those who apply for Grants know, we publish Guidelines by which we make those decisions, two of the more important factors being broadly that Grants should benefit the disadvantaged, or should benefit the wider community; we also try to make sure that every sector gets something (Conservation, Animal Welfare, the Arts, Sports and the like), and there are several other things to bear in mind. We don't give money to spend outside the Bailiwick, that is a condition imposed by the States. These conditions are not mutually exclusive, and with applications this year at a record level, for over 4 times the amount we had to give out, clearly 75%, almost all, of your applications were bound to be unsuccessful. So, I am truly sorry if we were unable to help you with Lottery money. What was slightly alarming with this year's lottery grant applications was the number of you that are looking for help to meet operational costs, in particular, salary bills, and I think the level of over-subscription reflects the current economic times and possibly the fact that the States Financial Transformation project is really starting to bite as more things are loaded onto you.

We did talk last year with the transfer of responsibility for the Lottery to the States' Trading Board, about whether the balance of reward is right, particularly with more going to those organising the

game, and selling tickets, than comes to Bailiwick charities. Apparently, it was too late to change this for the Christmas 2016 lottery, but we are told that both the game and sales contracts are up for renewal in August, so we do hope to make some headway on this for the Christmas 2017 lottery. It is not exactly straightforward; we don't want to kill the golden goose, and we also have Jersey to negotiate with as it is a pan-island game.

However, you may have seen a couple of weeks ago that Jersey renegotiated terms with its agents and was able to give £1.25m to the AJC this year. That's 6 times as much as we get. No fanfare, they just did it. It didn't involve any pushing from the AJC either, the States of Jersey just got on with it. So, we need to do much better here. I'll talk about the States of Guernsey's commitment to charities in a moment.

### AGC Events

Moving on to the Events we ran during the year, you'll recall that we re-ran the members survey over the summer to inform the programme and as a result, we held another Forum on Governance in September which was very well attended. You told us not to overdo the Forums, and that one a year was enough so the next one will be after the summer holidays, either on Fundraising or on Volunteering. We are also mindful that there are new Charity laws on Governance coming in to effect at the end of 2018 and we will be putting on a session about these, and how to comply. The new rules are not particularly difficult, they just need a bit of thought. More on that later in the year.

For 2017, we are also organising a Government House fete at the end of July and around 15 of you will be participating. This came out of a very generous offer from His Excellency and we look forward to this in a couple of months. The Government House grounds can cope with more of you and there is still time to take part, so please contact me after the meeting if you would like to join in and raise some money. As well as charity stalls we will have entertainment from The Boys Brigade, the Grammar School Swing Band, the Island Dog Training Club and Swingalong (another Jazz group). So, it should be a fun afternoon.

### AGC Projects

Moving on to the projects the AGC has been running, this time last year we had revamped [www.charity.org.gg](http://www.charity.org.gg) and integrated [www.volunteer.gg](http://www.volunteer.gg) with it so that each of you had a single point of login for your internet needs. We now have 140 registered volunteers who get a regular newsletter reminding them of current volunteer opportunities.

We developed the website further in mid-June last year, when we launched our Online Giving application [www.giving.gg](http://www.giving.gg). Those of you who use it, some 94 of you, know that it is designed to help you raise funds online without all the costs associated with the commercial platforms that some of you use. Giving was designed and built by volunteers, and is run by volunteers so that everything that comes into the bank account goes out, without charges. The only charges are those deducted by merchant services providers on debit and credit cards, and if donors pledge donations on Giving and then use their own e-banking to donate, there are no deductions at all, everything will go to charity. So far Giving has raised around £35,000 for you, and if you are not a participating charity, you really have nothing to lose by signing up. There is a simple declaration you need to sign and let us have your bank account details.

### The States

Moving on now ... to politics. In case there is any misunderstanding, we are NOT a political organisation. But we do have to speak up for you when the environmental, or the legal, or the regulatory, or the economic landscapes jeopardise your ability to carry out your missions for the benefit of the community. Mostly we work quietly in the background to get things done, just as you do. We do expect the States to pull their weight too and I'll talk about that shortly.

So, we continue to meet regularly with the States through a committee called the Third Sector Development Group, and we work with them on new Social Policy such as the Children & Young People Plan, the Supported Living and Ageing Well Strategy, and the Disability and Inclusion Strategy.

On Regulation, I explained at the Governance Forum last November some of the changes we expect to see in Charity Law over the next year, and we have been closely involved in developing these so that they are commensurate with risk, but meet the Bailiwick's international obligations for Anti-Money Laundering. These proposed changes will be out for full public consultation very shortly and

will go to a States Billet probably in September or October. Hot off the Press though is something new on Regulation that will affect you later this year, connected with the “Register of Beneficial Ownership” demanded of us by the UK government which we didn’t think would affect you, but apparently, it does. It shouldn’t be difficult for most of you and I won’t go into much detail tonight and I will send you more information very shortly. All it really means for most of you is that you will have to provide addresses, and dates of birth for members of your committee when you complete your Annual Return to the Registry in January next year. If you have an LBG or a Foundation you’ll have slightly more to do.

One thing I will say here, to the States members present, particularly, is about the Guernsey Registry. They are a very conscientious and hard-working bunch of people trying their best to do the right thing and not to make life difficult for our members. You, the States, landed the Charity and NPO Register on them a couple of years ago, and it was the right thing to do, but for goodness sake give them some money to build the Register properly. They’re running it on the back of a fag packet, and sooner or later something will go horribly wrong, and we’ll all end up looking silly. It is not difficult to build a robust system on modern technology and it won’t cost a fortune; we did it for free with the AGC databases just using volunteers, and it’s only going to get more complicated for the Registry. It is part of your commitment to help develop the Third Sector, which I’ll talk more about in a minute. So please sort this out, and quickly.

### BSIC

One brand new initiative we proposed to the States at the start of this year, and which has apparently found support within Policy & Resources is the idea of a Bailiwick Social Investment Commission. The story of this is simple. The States accepts that charities do some things better (meaning more effectively and/or cheaper) than it can, and the States would dearly love to reduce its footprint. But we, the charities, have been starved of cash by really, some of the meanest Government policies towards the Third Sector (I’ll support this characterisation in a moment), over many years, so we really have no resources to help, however much we would like to.

Can we connect the two?

Well, as it happens, there actually is some unused money knocking around in the system that could be used to capitalise existing (or new) charities to undertake these services for Government, provided the money is repaid. And that money can get repaid to these sources because the States will save that money if we do some of these things for them; after the capital has been repaid, those cost savings become permanent. So, everybody wins. The Social Investment Commission would provide that capital, and help grow existing charities, or establish new charities, and monitor their progress to make sure things stay on track. It is still largely just an idea, but one with legs I hope. It is the only way I can see that the wider context of the Social Compact can get any traction. So, let's just talk about the Social Compact.

### The Social Compact

Just after I became AGC Chairman I was persuaded to sign The Social Compact. For those of you who don't remember what this was about, there was a copy in your pack; it was an agreement between the AGC on your behalf, and the States of Guernsey. It is a formal commitment, intended to define the relationship between Government and the Third Sector, a shared vision of working together effectively. Ultimately it is designed to lead to a better, more caring, probably (but not necessarily) cheaper service, with greater satisfaction, and a lower government footprint. The initiative was largely driven by the States of Guernsey from their 2013 States Plan.

There is within it a commitment to review its effectiveness every year but we've never done that because, frankly, from the viewpoint of your Council, although it formed the blueprint for some of the things we (the AGC on behalf of the Third Sector) have done over the past three years, on the part of the States there's never been any measureable progress to talk about. There's been a lot of talk, but action? No, no, not really.

So, this being the third year of the Social Compact, and my departure as your Chairman, let me give you our Report Card on the Social Compact. I'm not going to do this commitment by commitment tonight because that would take too long, but I will just give you some highlights.

Just to properly set the context, this is a three year backwards-looking review, and, of course, there has been an election and complete change of actual people at the States both at the Political level and the Civil Service level, but that shouldn't have mattered if it was working properly, so I'm not

going to make allowances; the States of Guernsey was the States of Guernsey throughout the period. Continuity is a problem that cannot happen again in three years' time please.

So, for our part, we, the charities, have 6 obligations which you'll see in the paper. Overall I think the Third Sector does pretty well, but there is one commitment where we need to pay more attention, collectively, namely the commitment to work with other voluntary and charitable sector organisations. There is still a problem with charities doing similar things who don't want to work together. On the other hand, recent developments with sector focussed charities such as the Youth Commission, and Dementia Friendly Guernsey, for example, are starting to bring co-operation and co-ordination within sectors, which must be a good thing.

Now, let's turn to the States of Guernsey's performance. The one commitment I want to talk about particularly, is the commitment *To foster and encourage development of the Third Sector*.

Now before I talk about how they have done with this commitment let me set the scene. I said earlier that the States of Guernsey had some of the meanest Government policies towards charities. I don't say this to criticise, but to inform why we think it is so important to change. We are where we are, no one deliberately made things this way. But consider these comparisons and facts:

- there is no meaningful form of Gift Aid here, what we do have is claimed in respect of only 350 of our 32,000 taxpayers. It rebates tax of around £11 per taxpayer, compared to 4 times that amount per head in Jersey and the UK
- we have no Payroll Giving; the UK does – it collects around £5 per tax payer each year in the UK, and Jersey brought it in without being asked around 2 years ago.
- in the UK and Jersey, charities, voluntary organisations and good causes get the whole proceeds of their Lotteries, in Guernsey it is only the Christmas Lottery, the States keeps the lion's share of the program for itself. Last year Jersey charities got £1.25m, here we got £212,000
- The accounts of the States of Guernsey for 2015 show Grants of £29m or so, and out of this some £9.8m goes to charities, which sounds like a lot. But £3m is Overseas Aid and a further £5.4m goes to pay for the Ambulance Service, the Libraries, and the Youth, Sports and Arts Commissions, so the remaining charities share between them £1.5m, which I think is pretty small. And if you look at the detail of who gets that £1.5m or so in Guernsey I think you will be shocked, as I was, to see which charities are not on the list, those who get nothing. Charities which you would think were an

essential part of the fabric of our community, but who get nothing from the States, who rely exclusively on public support, whose UK and Jersey counterparts get significant contributions from their Governments. I do have serious concerns about sustainability of some important household names and we would all rather not find out the hard way that they are not sustainable. Sustainability generally is something I believe we should all be far more concerned about.

- Overseas Aid is another one, a very big one. I know this is not everyone's cup of tea, but the OECD expects wealthy economies like ours to contribute 0.7% of GDP, say £20m here. In fact, we only give a little over £3m, or 0.12% of GDP, around 1/6<sup>th</sup> of what is expected of us. Jersey? They give 0.3% of GDP, twice as much per taxpayer as we do. On one hand, we bend over backwards to impress the OECD with massive efforts on Tax Co-operation, but does our lack of generosity on Overseas Aid undo all that good work, do they really believe that we are a good global citizen if we don't pull our weight on Overseas Aid?

Some of you will say, ah, well, we're a low-tax jurisdiction, we'd rather donate to charity directly than pay tax, but that argument really doesn't hold any water. We are not a low tax jurisdiction for most people who actually live here. Our level of social inequality is no better, our need for funds to help with social inequality no less. I don't say this to criticise or embarrass anyone in Government, just to inform how we compare. I don't think there is enough awareness of the extent to which we fall short; I wasn't aware of this before I dug out the numbers.

So my point in the context of the Social Compact commitment "to foster and encourage development of the Third Sector" is that it's an awfully low base to start from, not hard, you would have thought, to do something to show an improvement.

But with the best will in the world, we can't come up with a single thing the States has done towards this obligation over the past three years. The commitment speaks to developing a favourable economic and regulatory landscape for Third Sector organisations that enables us to do more for the causes we all care about. But the reality is that in the past three years, despite the talk, the States really has done nothing measurable for the sector, as a whole.

I'll give you four examples where the States could have done something but hasn't ... yet.

- Straight off the bat, the States didn't review and introduce proper Gift Aid for 2017 despite

their promise to do so. I was very critical at the time, but I get that the new States wanted to balance the books from the outset, and didn't want any distractions, and actually, they did rather more than that with a £15m surplus. So they've now done that and we now need to do something genuinely constructive for the Third Sector next time round, especially with that unexpected windfall.

- second example, immediately after we signed the Compact in 2014 we asked the States for a review of the existing grant arrangements with charities (as the basis for working out how to commission new services). We didn't really understand a marked reluctance by the States to engage on this. Neither of us knew how many grant arrangements there were even. That impasse was ended when the Community Foundation stepped forward with some money, and carried out the review for them, but it identified some serious issues on around 20 of the 28 contracts, yes – most of them are deficient in some form. So, the States is now working on these, three years after we asked for the review. Again, I don't criticise the people who are now trying to fix this, they were not responsible for it, but it does need to be done and with enough resource to conclude quickly. I do criticise the regime that did not give this enough priority or resources, and declined to fund it.

- third example, following my remarks last year, the States made encouraging noises about changing the way the Lottery runs, for the benefit of Bailiwick charities, but, we've had no tangible action yet. We had meetings that resulted in our being told that it was too late for last year, although that was clearly not the case in Jersey where the States of Jersey just got on with it without fiddling about. Let's not miss the boat again for this year's Lottery please.

- my final example, is the extent to which the States is prepared to engage with our proposal 4 months ago for establishing a Bailiwick Social Investment Commission which hasn't yet had an opening discussion meeting. I know people are busy, but is this important or not? We think it is. If it's not then please tell us.

So the States has a great deal of ground to make up. I will summarise in a minute, what they need to do to get on track, to try to provide them a clear road map that we can refer to next year so that we can measure actual progress.

Now, they have 7 other Social Compact commitments; their performance is better than the first one, but it's a bit patchy, and completely overshadowed by abject failure on the most important one.

Now, before everyone jumps to the wrong conclusions from what I have just said, can I say in defence of the States of Guernsey that there appears to be the will, under Deputy Stephens' leadership of the Third Sector Development Group for the past 12 months, and with Steve Wakelin's

impetus, to do much better. I know they dread hearing my opinions at Third Sector Development Group meetings; but they do take them with good grace and I wish I didn't have to put them on the defensive all the time. If they can start delivering on some of the things that we have been talking about for the past three years, I won't have to.

Now, I know that some States members think this is all just the AGC making a fuss, trying to get a better deal for its members. If that is genuinely the case, then they just don't get how important the Third Sector is. It would be a view that is narrow minded and completely unrepresentative of the people of Guernsey. Guernsey people are not the sad old man sitting in the corner of the pub who shuffles off to the loo when the collecting box comes around. The States would do us all a grave disservice if that was their characterisation of the will of Guernsey people, and it entirely misses the point, that we will get more out than we put in and we will all benefit. All the empirical evidence show this to be the case

And, I am sure that, faced, rather bluntly perhaps, with these facts, most members of the States of Guernsey will agree that they do, in fact, want it to do better under their commitment to us, so I'll just reiterate what needs to be done in case there is any doubt.

1 Bring in Gift Aid as we have asked for, with no lower threshold, and easy administration. The upper threshold and introducing Payroll Giving are probably less important for the first year but should follow pretty soon thereafter. Don't chisel it or fiddle around, we're already 15 years behind the UK. In the context of the unexpectedly favourable States budget out-turn for last year, that £15m would pay for Gift Aid and payroll giving for the next 20 years. We don't think it is a terribly challenging decision that needs to be taken, particularly in relation to the value for money it gives to the Bailiwick.

2 Change attitudes towards charities away from a focus on providing value for money and cutting cost. That's not what the Social Compact is about. It's about getting a better, improved, more caring service which reduces the footprint of Government. It may save money too, but that is not its objective.

3 Help us to change the way the Lottery works so that the rewards are more tilted towards charities, and do it without any more delay and prevarication. They've done it in Jersey, we can do it here.

4 Bend over to be more flexible, when we ask for things that make life difficult for us. For example, the £50 private lottery licence is nothing to the States but it can be a big proportion of the money we raise individually from a private charity lottery. Two years ago, the States agreed to change the law to eliminate this fee but nothing has happened yet and the Home Department point blank refused our request to waive it in the interim. So they've had about £2,500 from us over the past year alone and we need that far more than they do.

5 There are grant arrangements to 20 or so charities, that have deficiencies with their governance. You cannot expect a charity to provide the same service for 10 years without increasing the Grant. You cannot expect a charity to perform properly if they don't know from year to year if the contract will be renewed. Sort out them out please, and quickly.

6 Let's get a Bailiwick Social Investment Commission implemented, and without excessive bureaucracy. It will save money in the long run and it will lead to better service or care.

7 And when we've got a Bailiwick Social Investment Commission, and not before (otherwise we'll be wasting our time), let's go back to basics on how the States commissions services and let's get something workable

8 And before I forget, give the Registry some money to build the Charity and NPO Register properly

So, some important things for the States to work on, and we'll report back next year one way or the other. Rest assured that we're not writing a critical report, slipping it under the door and running off. We are working as constructively as we can to push the States in the right direction and will continue to do so. At present the talk is all in the right direction, but action and results are elusive. I come from a business background where you are judged on results alone. And bear in mind that, like you, we really only make a fuss when we absolutely have to.

Now, before I close, a few words about you, the charities and voluntary organisations who work to improve lives within the Bailiwick, and also outside the Bailiwick. You know that I worked in finance until I retired, and I looked on at the Third Sector from the periphery, a bit dispassionately and without any understanding of how it all worked.

I can honestly say that, with the little knowledge I now have, I am simply stunned by your passion and commitment to your causes, the breath-taking amount of work that is done here, mainly by volunteers, and the extent to which it adds to the quality of life in the Bailiwick. The Bailiwick would simply not work without you. There would be deprivation, poverty, loneliness, cruelty and dysfunctionality the like of which we cannot imagine. The fabric of Bailiwick life as we know it would simply not exist. And we would all pay a lot more in tax.

And you do all this on a shoestring. Compared to everywhere else, the engine of the Third Sector here runs on fumes. Charity accounts are not public documents but from what I can see, many of you are not sustainable, and yet somehow you do manage to continue to exist. I still don't really know how you do it. I salute you all.

#### Thanks to AGC Council members

Finally, can I record my thanks to all members of the AGC Council for their efforts during the past three years. You have all been a pleasure to work with and I hope, following the elections that will follow in a few minutes that I can continue to do so. Can I particularly thank Kate Raleigh and Richard Lowe who are both standing down, and Wendy Beaven who left Council in December.

Wendy was a fountain of knowledge in her role as Sector rep for Health, and has returned to the UK with her husband.

Richard has worked tirelessly on some of the smaller sector Groups, Animal Welfare, Arts, Sports and Overseas Aid; the Overseas Aid sector in particular has benefitted from the work he has done bringing these members in touch with Guernsey's Overseas Aid Commission where there are now record levels of Overseas Aid Commission grants going to Guernsey based charities working overseas.

Finally, Kate Raleigh, my predecessor as AGC Chair, has worked tirelessly for almost 10 years and was extremely kind and patient while I learned how the AGC worked. She gently stopped me being stupid on several occasions and I am very grateful for that. More recently her work on the Elderly sector has been enormously valuable with her contribution to the Supported Living and Ageing Well strategy.

The work on AGC council is not inconsiderable and their time is given freely and reliably. The ethos of the AGC is that it, like you, the members, we are a volunteer-led organisation. We don't pay anyone, we don't charge you for being a member, and we, and you, are clear that this is how it should be. We do have some more volunteers ready to take the place of those leaving Council today, fortunately.

So that's it from me. Sorry if I have offended anyone with what I consider to be a necessarily frank assessment. I do hope that the States will take this as constructive criticism. It's been my pleasure to Chair the AGC for the past three years. Thank you for giving me this opportunity, and for listening to me tonight. And good luck to your new Chairman.