



HM TREASURY



CabinetOffice
Office of the **Third Sector**

The future role of the third sector in social and economic regeneration



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The third sector is a term to describe organisations that:

- are independent of us, the Government
- work to achieve social, environmental or cultural aims
- mainly reinvest any profits they make to help achieve those social, environmental or cultural aims.

This includes community groups, co-operatives and mutuals, voluntary groups, charities and social enterprises.

From May 2006 until now, we have been examining the role of these organisations in society and how we work with organisations to make changes and reach out to people across all parts of society. This has included the largest consultation we have ever carried out with third-sector organisations, and included over 90 consultation events all over England.

Hearing the views of thousands of organisations has helped us to develop a new strategy for working with third-sector organisations. From 2008 to 2011 we will start a programme of work to build on the relationship we have with the third sector, summarised here and set out in detail in *The future role of the third sector in social and economic regeneration: final report*.

A full report is available at the following websites:

www.hm-treasury.gov.uk

www.cabinetoffice.gov.uk/thirdsector

This strategy builds on previous investments we have made in third-sector organisations. However, over the next 10 years we want to develop our partnership with third-sector organisations by:

- supporting a wider range of activities by the third sector, particularly community action and campaigning
- focusing more on investing in the long-term future of the third sector's work
- focusing more on improving local partnerships.

Campaigning and helping third-sector organisations give people a voice

We recognise the role of third-sector organisations in representing the voices of different groups and campaigning to achieve change for individuals and communities.

We will:

- revise our methods for consulting people and invest in research to better understand the most effective methods of consulting with a range of organisations
- work to understand how we are making sure organisations have a right to campaign for change
- invest in capacity-building support for organisations that carry out campaigning work
- update guidance on political activities and campaigning by charities
- provide funding for partner organisations to allow them to have an influence on how we make policies
- create a new advisory structure for Ministers to hear the views of third-sector organisations on policy issues.




Strengthening communities

We recognise the role of community organisations in bringing people together and providing essential local services. We will:

- invest £30 million to give communities the resources to develop community-owned buildings
- work to build relationships between local authorities and local organisations
- provide £80 million in small grants to community groups, through local grant funders, to allow people and groups to make a difference in their local areas
- invest £50 million in endowments for community foundations to make sure that they can provide grants in the future for community groups
- provide resources to help community organisations support themselves in the future by developing assets or bringing in income
- promote volunteering to a wide range of groups and continue to invest in the national framework for youth volunteering run by 'v', the organisation that provides thousands of opportunities for young people to get involved in their communities.

Transforming public services

We recognise the vital role that some organisations play in designing and delivering public services. We will:

- invest in training for the people that pay for and arrange public services so they are aware of the different providers available to them
 - identify the main opportunities for third-sector organisations to deliver more and better public services
 - invest an extra £65 million in the Futurebuilders Fund, which provides loans and grants to organisations looking to deliver public services in all areas.
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Encouraging social enterprise

We recognise the possibilities for businesses that want to combine making profit with achieving social and environmental aims (called 'social enterprise').

We will:

- invest in raising awareness of the social-enterprise business model so that new audiences are aware of the choices they can make in setting up a business or buying from one
- make sure that young people know about social enterprise, through their enterprise and business studies education
- work to improve the business support that is available for people who want to start and develop social enterprises
- work to improve social enterprises' access to finance
- work with government departments to investigate how social-enterprise business models can improve how they carry out policies and the outcomes from them.

To order a copy of this leaflet, please call 0845 015 0010 and quote URN 07/Z4 and the title of the publication.

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Supporting the environment for a healthy third sector

We want to improve the environment that all third-sector organisations work in.

We will:

- make sure there are appropriate regulations for different types of organisations
- work to improve financial relationships between organisations and all parts of the Government, including promoting three-year periods of funding where possible
- continue to support and improve the 'one-stop-shop' funding information website
- invest over £80 million in support organisations that help front-line groups (groups that deal direct with the public) through the organisation Capacitybuilders
- develop a strategy to boost the skills of people working and volunteering in the third sector
- create a new centre with responsibility for collecting evidence on the effects and nature of third-sector organisations
- further support the Compact – a statement of the principles of good relations between the third sector and all levels of the Government.

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