

VOLUNTARY AND COMMUNITY SECTOR REVIEW 2004

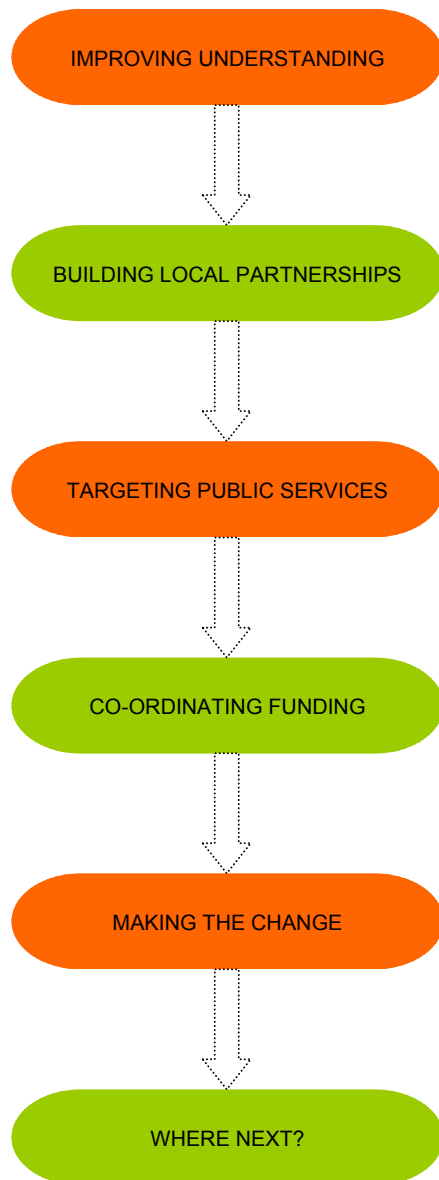
WORKING TOGETHER, BETTER TOGETHER



HM TREASURY

NOVEMBER 2004

INTRODUCTION



FOREWORD

Two years ago I chaired a cross-cutting review of the role of the voluntary and community sector (VCS) in service delivery. This laid the foundation for a new and exciting phase in the relationship between Government and the VCS.

We have made much progress – from the £125 million *futurebuilders* fund, to the £80 million invested in the ChangeUp programme to build capacity and infrastructure – but it would be wrong to say we have yet fully implemented this vision.

This is why I asked officials to carry-out a second review – to explore what more we could do to support the implementation of the cross-cutting review, by building understanding, strengthening local partnerships, and pressing for progress in particular service areas.

I am pleased to present this short pamphlet which both summarises the work of this second review and signposts to other published work from the review. I hope this further contribution will both deepen and reinforce the future foundations between Government and the sector.

I am particularly grateful to Neil Kinghan for chairing the review, to the official steering group, and to those voluntary and community organisations for their invaluable contributions to the work.

Rt Hon Paul Boateng MP, Chief Secretary to the Treasury

IMPROVING UNDERSTANDING

WHAT DID THE REVIEW FIND?

The review explored levels of understanding of the sector and found:

- Continuing confusion of how best to define the sector in a practical way that allows application and analysis
- A lack of co-ordinated and easily accessible evidence about the 'added value' or impact of the sector beyond qualitative case studies
- Poor levels of understanding of the scale of the Government's ambition for the sector's role in public service delivery
- Little in the way of tools for policy-makers to approach the sector with sufficient understanding and confidence
- Difficulty in differentiating between the direct benefits of the sector to public service delivery, and the wider benefits that may accrue to society and the economy

WHAT DID THE REVIEW DO?

- Explored the legal forms, history and statistics of the sector
- Developed a **method for defining the sector** as a whole, whilst also being able to describe the inherent diversity within the sector
- Set-out a **clear view of the generic advantages and limitations** of the sector to public service delivery
- Examined the **wider benefits to society and the economy** that result from sector delivery of public services
- Developed a series of **analytical tools for policy-makers** to use to approach the sector in a considered and confident manner
- Raised a series of questions for discussion with the sector about **implications for policy**

The report '*Exploring the role of the Third Sector in Public Service Delivery and Reform: a discussion document*' can be found at www.hm-treasury.gov.uk

BUILDING LOCAL PARTNERSHIPS

WHAT DID THE REVIEW FIND?

The review explored the state of local partnerships with the sector and found:

- Almost universal recognition of the benefits of working with the sector
- Extreme variety across local areas in the extent to which the sector was involved in public service delivery or community engagement activities
- Whilst the incidence of local compacts was high, the impact of these compacts was highly variable – from real change at best, to tokenistic or one-sided compacts at worst
- Barriers continue to exist for the sector in the form of lack of capacity and ineffective and short-term funding practices that reduce stability
- There are sometimes unrealistic expectations and a lack of understanding in the sector about the realities and priorities of working in the public sector
- All of the above combine to create ongoing difficulties with partnership working between the public and voluntary and community sectors

WHAT DID THE REVIEW DO?

- Established a **taskforce of local practitioners** from the public and the voluntary sectors to explore how to strengthen local partnerships
- Developed a **checklist** for local practitioners to consider when entering into partnership arrangements of any kind between the sectors
- The checklist is supported by a series of **key actions** – including new guidance to funders on full cost recovery, the development of a funding ‘toolkit’, and involvement in the 10 year vision for local government
- This is further supported by **signposting** to existing information, support and guidance available to those operating locally
- The output is designed to fully support and complement the **local compact** process

The checklist ‘*The Public and Third Sectors Working Together: A Checklist for Local Practitioners*’ can be found at www.hm-treasury.gov.uk

TARGETING PUBLIC SERVICES

WHAT DID THE REVIEW FIND?

The review asked departments to explore the potential for greater or more effective involvement of the sector in public services by targeting a number of priority areas:

- Ethnic minority employment
- Health and social care for older people
- Homeless hostel provision
- Correctional Services and the National Offender Management Service
- Children and young peoples' services

The review found that there was significant potential for gains to be made by closer working with the sector – ranging from more effective outreach to certain groups in society, joining-up provision across service areas, bringing a 'personal touch' to services, creating contestability amongst providers, campaigning for rights, to effective preventative services for vulnerable people in society.

WHAT DID THE REVIEW DO?

- Ran a **series of seminars** with policy-makers and voluntary and community groups in many of the priority areas
- **Developed action plans** for capitalising on the gains to be made from closer and more effective working with the sector in these targeted service areas

These actions plans can be found in the following places:

- Ethnic minority employment at www.emetaskforce.gov.uk
- Health and social care for older people at Health and social care for older people, within the forthcoming Green Paper on the Future of Adult Social Care, at www.dh.gov.uk
- Homeless hostel provision at www.odpm.gov.uk
- Correctional services and National Offender Management Service at www.hmps.gov.uk
- Children and young people's services at www.dfes.gov.uk

CO-ORDINATING FUNDING

WHAT DID THE REVIEW FIND?

The review explored the combined impact on the sector of the wind-down of the Single Regeneration Budget (SRB) and reforms to EU Structural and Cohesion Funds (SCFs) resulting from EU enlargement. The review found:

- Grass roots activity most at risk includes programmes of community involvement and capacity building, early prevention projects, crime reduction and community safety programmes, and initiatives designed to join-up local services
- Estimates calculated on a variety of methods indicate a *potential* funding displacement of around £120 million resulting from the wind-down of the Single Regeneration Budget
- There are lessons to learn from SRB experience of partnership working
- Estimates shows that reforms to EU Structural and Cohesion Funds resulting from EU enlargement could indicate a *potential* funding displacement of around £50 million from 2006

WHAT DID THE REVIEW DO?

- Developed a more **robust evidence base** indicating the scale of the issue and allowing a more informed policy debate about what happens next
- Committed in Spending Review 2004 to **continued investment** in the *futurebuilders* fund, Local Area Agreements, the Neighbourhood Renewal Fund
- Committed to increased flexibilities for the Regional Development Agencies to support both social and economic outcomes, supported by the development of **regional compacts** with the sector
- Committed to the establishment of a **Local Community Taskforce** with a remit to ensure that central, regional and local government put in place a framework which allows neighbourhood and community groups to manage the wind-down of the SRB and to ensure there are opportunities for them to access the range of substantial sums of Government investment available.

MAKING THE CHANGE

INVEST TO SAVE – INCLUSIVE COMMUNITIES

The Invest to Save Budget (ISB) encourages new and joined-up ways of working by funding projects that develop innovative ideas, bringing together organisations in partnership to deliver more efficient and effective public services.

Round 7 of the ISB set-out a new emphasis on local projects, focusing on **local partnerships** that strengthen local communities, with the **voluntary and community sector** playing an increasingly prominent role. Priority areas for the round were defined as:

- **Health and social care for older people**
- **Employment for people from ethnic minorities**
- **Correctional services**
- **Hostel provision for homeless people**
- **Support for parents and learning service for adults; and**
- **Integration for refugees and migrants**

As such, this round of the ISB supports the work and the findings of the Voluntary and Community Sector Review 2004.

Up to **£90 million** has been made available for projects in 2005-06, with resource available for projects continuing into 2006-07 and 2007-08 where appropriate.

Information on the ISB can be found at www.isb.gov.uk

LOCAL AREA AGREEMENTS

Whilst the ISB will help initiate change in the short term, there is a need to support change in the longer-term.

Local Area Agreements (LAAs) – currently being **piloted in twenty-one areas** across the country, and **supported by an aggregate fund** – will provide the basis for strengthened partnership working and greater co-ordination between central government, local authorities and their partners, working through the **Local Strategic Partnership**.

This should help **simplify funding streams** from central government going into an area, helping to join-up public services and allowing local authorities and their partners **greater flexibility** for local solutions for local circumstances.

More information on LAAs can be found at <http://www.odpm.gov.uk>

WHERE NEXT?

LOOKING TO THE FUTURE:

This review will have succeeded if it results in real change in behaviours. This will depend on everyone working together effectively and with a real commitment to building solid and strong partnerships with the voluntary and community sector – both locally and centrally. There are three direct ‘measures’ we will use to monitor progress:

- Progress against the Public Service Agreement to *Increase voluntary and community engagement, especially amongst those at risk of social exclusion*
- Progress against the specific actions set-out in the various publications resulting from this review; and
- Discussion at the Compact Annual Meetings.

WHO WAS INVOLVED IN THE REVIEW?

Government:

HM Treasury, ODPM, DfES, Dept of Health, Home Office, DWP, DTI, Government Office East Midlands

Voluntary and Community Sector:

The review involved around 200 voluntary and community organisations, who were involved in three main ways: (a) the Home Office VCS Advisory Group; (b) the Local Partnerships Taskforce; and (c) the seminar series.

Other:

Local Government Association (LGA), South Yorks Strategic Health Authority, National Audit Office (NAO), North Cornwall District Council, Essex County Council, Audit Commission, Improvement and Development Agency (IDeA), Kirklees Primary Care Trust, East of England Learning and Skills Council