

Consultation feedback on the future role of the third sector in social and economic regeneration

June 2007



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FOREWORD VOICE OF THE THIRD SECTOR

The third sector contributes significantly to supporting a vibrant and diverse society by working towards positive change. We want to thank you for your enormous energy, enterprise and commitment that makes a huge difference to millions of people many of whom are often at the margins of our society.

Over the past year, it has been a pleasure and a privilege for us to listen to such a variety of voices from small grass-root community groups, to large national organisations. In follow-up to these conversations we promised to bring together your comments and suggestions about what we as Government could do to help sustain and further develop a vital third sector.

This document aims to do just that. It captures common thoughts and ideas, and expands on what you told us in the first stage of the third sector policy review – which was summarised in December's interim report. The availability of funding to small community organisations, and its' often short-term nature, were recurring themes as areas where the Government needs to provide greater support.

In response, at the Pre-Budget Report we announced that from 2008, Government departments and their agencies will be expected to pass on the flexibility and certainty of three year funding to third sector organisations that they fund as the norm rather than the exception. We hope this will bring a measure of sustainability to the sector, allowing it to invest fully in its staff and its initiatives.

In addition, in the 2007 Budget the Chancellor of the Exchequer announced a new £80 million fund, spread over four years, to provide core funding to grass-roots community organisations. This reflects the vital contribution these groups make to society and neighbourhoods – responding to issues as varied as improving the local environment and housing, to supporting young people. Such groups strengthen our communities by drawing people together, often enabling many of them to demonstrate a greater voice in local decision making.

The third sector review will draw to a close later in the year, and final conclusions will be informed by this document and your responses to the interim report. This will build on the commitments made both in *Partnership in Public Services: An action plan for third sector delivery*, and the *Social enterprise action plan: Scaling new heights*, which we believe will make a lasting difference to the sector.

The third sector's vital contribution to achieving a more equal, progressive, and just society is unquestionable. Looking ahead, a strong and enduring partnership between government and the sector will help us all address the global challenges we face.

Dawn Primarolo, Paymaster General, HM Treasury

Ed Miliband, Minister for the Third Sector, Cabinet Office

INTRODUCTION

1.1 At the 2006 Budget, the Government announced that it would be carrying out the largest ever consultation with the third sector to help:

- assess the current landscape with regard to what has been achieved so far and what remains to be done;
- begin to clarify and define the role of the sector, identify how Government interacts with the sector and how this should be structured; and
- identify how Government and the sector can best work together and what more it should do to achieve the long-term goals of building a more cohesive society in the context of demographic change in the global economy.

1.2 This third sector review is one of a series of detailed reviews informing the 2007 Comprehensive Spending Review (CSR2007) through evidence and analysis. CSR2007 will set departmental spending plans and priorities for the years 2008-09, 2009-10 and 2010-11, and identify further steps needed to meet the longer-term challenges and opportunities over the coming decade. The third sector review is overseen by a cross-departmental ministerial group, and is advised by an independent advisory panel drawn from representatives across the third sector.

Consultation events

1.3 Following the formal launch of the review on 15 May 2006, ninety-three consultation events were held across England: nine regional, and eighty four sub-regional. These were carried out with the support of national, regional and local third sector networks, Government Departments and Government Offices. Specific events were held with corporates, social enterprises, credit unions, mutuals and cooperatives, young people's organisations, faith groups, disability groups, black and minority ethnic organisations, Lesbian, gay, bisexual and transgender communities (LGBT), and other equalities groups. Local events were designed by local organisations taking into account the diversity and size of the groups that attended.

Review interim report

1.4 On 6 December 2006, the Government published its *Interim report on the future role of the third sector in social and economic regeneration*. This included a summary of the feedback received from the sector, and an initial Government response. The report set out five key policy areas for focus as part of the second stage: voice and campaigning; communities; public services; social enterprise; and supporting the environment for a healthy third sector. The Government listened to the sector's most pressing issue of short term funding and made the following announcements:

- when Government departments and their agencies receive their 2008-09 to 2010-11 budgets through CSR 2007, they will be expected to pass on the flexibility and certainty of three year funding to third sector organisations that they fund as the norm rather than the exception;
- the Government will establish a Community Assets Fund of £30million to make it easier for communities and community groups to take on the management and ownership of assets;

- for 2007-2008, Communities and Local Government Department (CLG) will allocate an extra £6.5 million within the Safer and Stronger Communities (SSC) block of Local Area Agreements. Those Local Authorities in receipt of the SSC neighbourhood element will get an additional £65,000 on top of their existing £516,000 allocation for 2007-08.

1.5 Alongside the interim report, the Government published *Partnership in Public Services: An action plan for third sector delivery*, and the *Social enterprise action plan: Scaling new heights*; both plans take account of the feedback received from the sector during the review.

Purpose of this report

1.6 The interim review report summarised feedback from the first stage of the review. The range and depth of the feedback from all parts of the sector has been enormous. This report builds on this, and sets out common messages received during face-to-face consultation events, written submissions, and advice from the independent advisory panel in the five key policy areas – with the addition of volunteering and mentoring. Although this report is not a statement of Government policy, it will help shape final outcomes of the review, to be concluded later in the year.

2

STRONGER AND CONNECTED COMMUNITIES

INTRODUCTION

2.1 Society is made of many diverse and vibrant communities living alongside one another in both urban and rural areas. Addressing how to maintain stronger and connected communities is more important than ever. There is a need to legitimise the distinct and positive contributions these individual communities can make to society as a whole, as well as to strengthen the connections made between one another.

2.2 The active involvement of communities of place or interest, in improving the quality of life is critical to achieving the best outcomes in civil renewal and neighbourhood regeneration. Community cohesion can help tackle both social exclusion and the deprivation faced by marginalised groups. The Government's objective is to ensure that communities have the capacity to participate and to work with one another. However, the Government's interim report acknowledged that, "the wrong type of government intervention can stifle and interfere with the innovation and work of individuals and communities, but too little support can leave communities cut adrift."

THE CONSULTATION

Building the evidence base

2.3 The third sector suggested that the Government needs to undertake and facilitate better research into what works in building stronger communities. A bank of ideas could be established – for example a simple, easily accessible database of approaches, models, and socially innovative ideas, together with an honest account of what was difficult. This would provide a valuable learning resource both for Government and the sector and encourage the spread of good practice. Some attempts at this already existed but are not well enough known, or made sufficient use of, to generate the fast rate of change required.

A viable resource mix

2.4 One of the most consistent messages from the review consultation was the need to continue grant funding - particularly for small community based organisations. With the right sort of flexible funding in place, more people would be attracted to develop creative ideas into full-scale projects. Whereas instead, a lack of resources and support for capacity within the third sector can act as a barrier towards efforts to establish stronger and more connected communities. One specific suggestion, was to establish a new national funding stream to support community capacity building at the neighbourhood level and with communities of interest. By working through Community Foundations it could perhaps mirror the strategic priorities of Capacitybuilders at the district, borough and city level. Community anchor organisations could also play a greater strategic role in local planning and implementation.

Sources and access to funding 2.5 Many third sector organisations were especially concerned at efforts towards greater contracting particularly in service delivery, as well as the wind-down of popular and flexible funding streams – most notably community chest, the Single Regeneration Budget (SRB), and the European Social Fund (ESF). Meanwhile, some faith groups suggested that access to funding could often be difficult for them due to the misconception that public funds might be used for proselytising. As a response, they suggested developing a ‘faith standard’ (or charter) that would articulate the responsibilities (such as non-discrimination), as well as the rights of faith groups. Government could then recognise and fund work that was consistent within the standard.

Recognising identity 2.6 The consultation emphasised the importance by Government of acknowledging the diversity that exists within communities, and that group identities need to be respected if strong and cohesive communities are to be built. For example, people should be allowed to practice their faith openly, that is wear the clothes they feel comfortable in including their religious clothing; while others in the same communities should be free from facing barriers based on prejudice and discrimination.

Supporting ‘multiple’ identities 2.7 But at the same time the sector recognised that the biggest barrier to the development of a cohesive community was the self-interest of individual groups to the exclusion of all others. Multiple identities within and across communities do exist, for example a person belonging to more than one of the following: Lesbian Gay Bisexual Transgender Communities, Black Minority Ethnic Communities, faith communities, different ages, disabled people. The sector pointed out that having to fit all these identities without proper support into formal public sector structures can cause tensions that then serve to undermine individual efforts. It was suggested that the Commission for Equality and Human rights (CEHR) adopt a strategy to effectively tackle this. The LGBT community, in particular, said that it had valuable experience on how to reconcile multiple identities, which authorities would be welcome to tap into.

2.8 Looking towards the future landscape, some in the sector proposed that diverse groups should work more effectively together through forums under one umbrella, instead of frequently being single issue-based. This would enable communities to be better represented in democratic institutions. It was essential, however, that all identities within that forum should feel they have an adequate ‘voice’. In addition the sector said that there was a need for greater understanding of each other’s identities by adopting a sustained information campaign which addressed prejudices and assumptions that all sectors make about one another. Early intervention in schools, for example, would help to celebrate and communicate difference and commonality.

Local partnerships 2.9 The sector particularly emphasised that action should continue to strengthen the relationship between Government, the private and the third sector – especially at the local level. Trust between all parties is fundamental. This would be helped by greater understanding of the role and value of democratically elected representatives at community level, with encouragement made to increased participation in community affairs and of community well-being. Full representation of smaller groups in local decision-making arenas was an area of ongoing concern. More face-to-face contact at a community level would be welcome, and consultation exercises had to be meaningful – not just an opportunity to enable the relevant boxes to be ticked. Local Authority funding needs to be flexible to better support central agencies in distributing resources to regional/local priorities.

Community leaders **2.10** More community leaders are needed. Public sector bodies can do more to encourage them to come forward through advertising, training and better targeting where this is a particular problem, for example among young people. Schools especially are major stakeholders, and have a key contribution to make working alongside third sector organisations to build stronger communities. Some suggested launching a community leadership programme, developed and managed by the community sector, and which would include full participation from the public, private and third sectors. This could seek to define and develop good models of leadership suited to strengthening community based action, and to inform emerging community capacity building programmes.

Effective terminology **2.11** Effective communication helps to enable real partnership. Awkward terminology and language barriers prevent some minority ethnic groups in particular from working together or with government. “Jargon” on third sector issues is especially problematic. Diversity and religious sensitivities can often go unrecognised by the public sector, while many in the third sector need better to understand the language of government itself.

Public service delivery **2.12** On public service delivery, third sector organisations demonstrated that there needs to be a better understanding of the role they can play in community regeneration as well as provision. Many welcomed the contribution and involvement the sector can make on behalf of statutory agencies. This can often bring an ‘added value’ to efforts already under way through the modernising and transformative agenda of the government. However, recognition still must be given to the universal and non-discriminatory nature of public services if delivered outside the public sector.

Skills **2.13** There are many skilled people in refugee and asylum communities, for example, that could be engaged more effectively to improve the economy. The Government needs to support those who want to be further involved in mainstream society and employment, through effective training and education. Those who are training or going into paid work or even volunteering are likely to integrate more rapidly into local and national community life. Simplifying training and support mechanisms, alongside greater monitoring of sector training needs, will help support appropriate skills to facilitate stronger communities.

Sport & recreation **2.14** Sport and recreation can be important contributors towards building stronger and connected communities. The Olympics especially presents a valuable opportunity. An overwhelming majority of sports clubs serve specific geographic communities, and as well as improving physical and mental health, they can contribute to improved behaviour and attainment in school pupils, and positively engage excluded or at-risk individuals. Sport also provides a remarkable mix of both bonding and bridging social capital, and the ability to support the identity of particular groups whilst providing opportunities for integration.

3

ENABLING VOICE AND CAMPAIGNING

INTRODUCTION

3.1 The third sector is clear that it regards campaigning, empowerment, advocacy and challenge as its core activities, and the key to its ability to play a role in shaping economic and social regeneration. The review interim report acknowledges the diversity of third sector organisations that campaign and provide voice on behalf of citizens. The Government is interested in the way it can work with the third sector to further improve consultation and engagement – by adopting innovative approaches, and through new technology. The report makes explicit the Government’s wish to ensure that everyone has an equal opportunity to campaign, and to be heard.

THE CONSULTATION

3.2 The third sector feels it is not always listened to by government. There is particular frustration with decision-making bodies. The voices within communities made up of black and minority ethnic (BME), women, the disabled, lesbian, gay, bisexual, and transgender (LGBT), faith and young people often feel they are the most marginalised. There needs to be flexibility, innovation and adaptability by Government to ensure these groups are fully engaged in both consultation and representation.

Decision making forums **3.3** This could be addressed by ensuring that disadvantaged groups are properly represented on key decision-making bodies – such as Local Area Agreements (LAAs), Crime and Disorder Reduction Partnerships (CDRPs), and Local Strategic Partnerships (LSPs). Diversity monitoring, pro-active and targeted recruitment, skills development and awareness campaigns might also help. Statutory agencies need to develop a greater awareness of how these different communities are set up and structured – and ensure they are comfortable within models of participation.

Formal & informal consultation exercises **3.4** Formal consultations are a welcome way to get feedback to Government. However, they can often be new to some small community based organisations, while leading to ‘fatigue’ amongst other organisations. It needs to be recognised by government that it often involves a huge commitment from third sector organisations (capacity and resource) simply to attend seminars and influence thinking.

3.5 More still needs to be done to engage with ‘hard to reach’ sections of the third sector, especially BME, faith and equality groups. Government should not be afraid to adopt innovative approaches in consultation – for example, arranging informal gatherings; visiting places where different communities congregate; on-site open invitation events; citizen surveys; and even door-to-door leafleting. Enabling local communities or third tier local government (parish/ward/town) to ‘take risk’ in innovative practice and encouraging enterprise is challenging. Yet, the consultation process can do more to encourage third sector organisations to explore ‘blue sky’ thinking or creative options.

3.6 The Government already provides clear guidance on the requirement to engage with relevant third sector organisations – indeed the principles are set down in the Compact’s *Code on Consultation*. Another good example highlighted funding provision for statutory bodies dependent on engagement with local Women’s Aid and other women’s organisations. This was done with the criteria for the development of the Specialist Domestic Violence Courts (funded by the Home Office), and which required effective third sector involvement. All levels of government could, for example, be assessed on how they involve and consult the full range of third sector organisations (not just standard generic bodies), and in particular excluded groups - building 360 degree feedback into the process.

Voice versus public services

3.7 There is also concern that many are being led to change their focus too far towards delivering public services in order to secure government funding. The tension was highlighted between maintaining organisational or ‘sector’ independence, and seeking funding from statutory bodies when challenging on behalf of marginalised citizens without a voice. The notion of an ‘active citizen’ must be a broad one, not limited to participation in ‘top down’ forms of governance but also embracing citizens’ right to protest, dissent and articulate their own needs.

Funding

3.8 A consistent message to support voice is over funding. Third sector organisations are often close to the ground and first to know what is happening at the local level. A micro-grant scheme for local small community-based organisations was urgently needed to provide support, and ensure that their voice can continue to be expressed and heard. Small grants schemes can often be an extremely cost-effective method of community engagement, and assist public bodies in developing effective relationships with a range of stakeholders and organisations including equalities groups.

Skills

3.9 The skills needs of both the public and third sector need to be identified and addressed – often at a local level. This might include improving training and skills within local communities for paid workers and volunteers in areas such as organising and running meetings, effective partnership, and consultation. Third sector representatives might have more regular access to the training already led on by other public sector partners (for example IDEA, and the Government Leadership schools). The Planning Delivery Grant might also be better used to improve skills of local authority staff to engage with local communities in planning consultations. Moreover, encouragement of secondments across private, public and the third sector could help improve understanding and empathy more generally, as well as lead to organisational improvements.

Citizenship

3.10 All schools need to be enabled to raise the profile of citizenship, and more can be done to ensure that they develop effective partnerships to collaborate with third sector organisations. This would create opportunities to learn about and embed citizenship through practice, and in the process build young people’s skills and motivation to make their voices heard in the campaign for positive change.

Equalities and faith

3.11 Government structures encouraging sector participation and engagement must be flexible. The Third Sector is diverse, and any approach which simply seeks to channel communities to play a part in the third sector will fall short if it fails to recognise their scale, variety and often unique nature. If approached correctly, then a better enabling of voice, and even campaigning, can have a constructive contribution to social policy. Improved social capital could, in itself, have a positive impact for example on crime levels or healthy living.

3.12 The Government needs to ensure that core funding is available to enable agencies dealing with women's rights to participate in local, regional and national processes. LGBT communities, meanwhile, feel that they carry a huge responsibility to get across their message to policy makers and wider stakeholders, and often fail to be listened to and involved in a meaningful way – not least in learning the lessons from working with other diversity strands and using it for the LGBT community. Many faith communities do, on the other hand, already deal directly with government through charitable work, running schools, international agencies, social enterprise and limited companies.

Local strategic partnerships **3.13** The potential of the Local Government Bill to support engagement and empower the voice of local communities and the third sector to contribute across local issues needs to be realised. Local Area Agreements (LAA), together with more focussed Local Strategic Partnership (LSP) arrangements, offer a potentially strong platform for more coherent engagement with the sector.

3.14 However, if LAAs are to become the main local delivery mechanism, then LSPs will need to ensure they are “fit for purpose” and the third sector will have a crucial role to play in helping LSPs reach diverse communities - shaping policy based on user needs, developing innovative solutions to local issues, as well as delivering LAA outcomes. For LSPs to rise to this challenge and be the major focus of “double devolution”, central government needs to give local authorities the power to operate LSPs in the best way for each locality and reduce the number of centrally imposed targets. Only then can this freedom and reduced monitoring be passed on to the third sector, which will allow it to continue its key role in campaigning, acting as a challenge agent on government, and providing voice for the communities it represents.

Local area agreements **3.15** A requirement for public bodies to invest in community capacity building in each LAA, coupled with more effective Government Office scrutiny, could empower the third sector in a meaningful way. Further progress could be made if each LAA described how, for example, it might contribute towards sustaining a healthy community sector. Some forms of community engagement need to be led from within the third sector if they are to reach and involve communities cautious or intimidated by statutory bodies or government more widely. Government Offices should explore with LSPs the opportunities for involving the third sector in the delivery of LAA outcomes. This is particularly significant where the wind-down of SRB or European funding threatens the continuation of significant community sector activity. The LAAs should identify desired outcomes that will subsequently be monitored.

4

VOLUNTEERING AND MENTORING

INTRODUCTION

4.1 Volunteering is a positive aspiration that meets real needs and is intrinsically worthwhile. Volunteering contributes to building social capital, it is also integral to citizenship, encourages involvement and demonstrates engagement in society. Volunteering also contributes to the quality of life of individuals and communities, giving a sense of satisfaction to the individual and increasing community cohesion.

4.2 The Government's aim is to create a culture of volunteering across society, enabling as many people to volunteer as possible – building a society in which it is the norm to volunteer and everyone has an opportunity to contribute to their local community. People should all be free to consider volunteering in any field of human activity and be given the appropriate support to enable them to volunteer. Innovative new opportunities should be continually developed to meet the aspirations and expectations of potential and existing volunteers. The sector should agree standards to enable accessible, responsive and high quality opportunities to be available when individuals are ready, and barriers (actual or perceived) to volunteering should be reduced.

CONSULTATION

4.3 The consultation highlighted that there was a need to continue to promote volunteering and ensure its accessibility; that a number of public policy barriers to increased volunteering still remained; that a more modern and effective volunteering infrastructure would lead to better information in the community around volunteering opportunities, and a more diverse volunteer base; and that the Government should be an exemplar of good practice in employee volunteering.

Promoting volunteering

4.4 Nationally there could be a promotion and awareness-raising strategy to highlight the benefits of volunteering for both individual and wider community and organisations, including refugee communities, asylum seekers, unemployed, young people, faith groups, disabled people, older people, women, parents, prisoners, and those with mental health problems. However, different approaches should be used for the different groups, for example, some groups may be able to be reached through the internet, others may prefer the use of community media. Places of interest, religious, education and employment establishments can also be used. Also, good direct targeted marketing should enable an increase in the diversity of volunteers.

4.5 Changing the way volunteering and volunteers were viewed should also be a priority. It should be stressed that voluntary does not automatically mean amateur and volunteers need to be treated with more respect, rather than as cheap labour. Additional resources and structures must be put in place to support volunteering including training, management, expenses, childcare, and accreditation. Everything that volunteers achieve needs to be recognised, especially its contribution to the economy. This could be done through, for example, local heroes awards ceremonies and mayoral events. Equally volunteers need to be managed well in the roles they fill and their development.

4.6 One way of getting people to volunteer is to encourage them to get involved in issues close to them, that they are comfortable with and are in harmony with their lifestyles. Another way could be to include an optional national accreditation standards system for volunteering, which is recognised by employers.

Making a difference **4.7** Local communities need to know about existing opportunities for volunteering, what is on offer, how flexible opportunities are and what support will be provided. They also need to know that they are making a difference through their volunteering - both in terms of the support they give to organisations and to gain feedback on their own personal and social development.

4.8 Some organisations already demonstrated good practice in support for their volunteer involvement. Such good practice should be more widely communicated and adopted, and organisations should be rewarded for their achievements in this area.

4.9 Government should concentrate some funding on supportive volunteering, that is, for those who take on volunteers who have special needs. There should also be increased access to specialist support such as disability adaptations and interpreters. There is also a need to reassess grant-aiding process to ensure that marginalised groups play a greater role in providing support and training in recruiting, training and retaining volunteers and developing mentoring programmes.

Young people **4.10** In the case of young people, volunteering within education should lead to heightened awareness. Perhaps students should have a 'volunteering qualification' so they get to do some voluntary work. Government should also consider how the volunteering element in the citizenship lessons in the national curriculum could be better utilised. Also, whilst undertaking work experience young people also should be sent to third sector organisations along with the private sector.

Inter-generational volunteering **4.11** Intergenerational volunteering can be a good way to bring the generations together and break down misconceptions and barriers. Real investment in training, particularly around perceptions of the young by the old and vice versa would be needed to ensure success. Older volunteers are an increasingly important resource for the sector to attract. Their skills and experience are valuable and their involvement in socially valuable work can be beneficial to both sides.

Volunteering in diverse communities **4.12** There needs to be an appreciation of the differences surrounding volunteering in disadvantaged communities, particularly regarding the terminology and different lifestyles that exist within the volunteering agenda. Black and Minority Ethnic (BME) third sector organisations are enriched with a large pool of volunteers, yet groups report that they attract fewer funds from the 'grant-aiding' regimes. Women's organisations have also led the way in having committed, well supported volunteers. Often, service users become volunteers for the organisation, and some later take paid jobs there or elsewhere. Faith communities often have a high level of committed volunteers because people are motivated to give their time as part of their faith commitment. However, even though there is a rich resource base in these communities, the majority of projects are limited by having small numbers of paid staff to co ordinate and organise the volunteer support.

Sports volunteering **4.13** The contribution the third sector sports organisations can make to social and economic regeneration needs to be recognised. Sport has the capacity to engage, inspire, and embrace young volunteers more than any other. In particular, disengaged youngsters lacking basic skills may not feel able to engage in some forms of volunteering. Many however, will enjoy and understand sport or physical activity and thus this is a valuable avenue into volunteering and community engagement for such individuals. Volunteering is likely to be increased and sustained through the activities of the London 2012 Olympic and Paralympics Games and other major sporting events. Sports Clubs and Governing Bodies of Sport, with adequate resources could further grow the potential of volunteering and mentoring.

Barriers to volunteering – individual and sector based **4.14** The consultation also highlighted that there are barriers to individual participation and barriers to organisations building their volunteer base. The barriers to volunteering on a regular basis come more from societal and demographic pressures with increasingly busy lifestyles affecting many potential volunteers. They also include financial barriers (including inability to access expenses), timeframes for CRB checks, economic disadvantage, rules for benefit entitlements, and lack of a national voluntary strategy. Government should work with the sector and society at large to address these barriers.

4.15 Government rules on volunteering while on benefits should be communicated more effectively, and public sector staff should be better trained in their understanding of the rules. The sector believe that the culture in Government needs to shift towards a more positive view of volunteering as a route into paid employment, and its value to the economy and society as a whole. There seemed to be some misunderstanding in the sector as to the fact that volunteers were entitled to be paid expenses, without it affecting their benefits. Therefore, better promotion of this message will allay the fears of volunteers.

4.16 Short term funding is a real difficulty for organisations trying to build trust, confidence and volunteering capacity in disadvantaged communities. Such communities are likely to have difficulty in developing their own funding resources, and the impact of unreliable funding streams and stop-go project delivery can be very negative.

Infrastructure **4.17** Throughout the consultation the sector stated that for volunteering to flourish it needs a strong infrastructure, as access to advice, information and brokerage remains inconsistent. Volunteers and volunteer involving organisations wanted accredited and branded ‘one-stop’ shop services where relevant and accessible good practice and training was proactively available to all.

4.18 There should also be close links between job centres and volunteer centres particularly in the interests of the unemployed. Volunteer centres and others who signpost should consider a skills bank, where people could register interests and skills and be drawn down for short activities, rather than ongoing commitments.

4.19 The sector suggested that there would be substantial value in developing an access to volunteering programme. This programme should be person centred and celebrate diversity. It should focus on overcoming barriers to volunteering and increasing access to opportunities for people who have previously faced barriers or lacked support. Such a programme would be facilitating, enabling, empowering and engaging.

Employee volunteering 4.20 Employers in all sectors should also be incentivised to encourage their employees to volunteer. For employers in the private sector this could be in the form of tax incentives; in the public and third sectors reward could be in the form of finance for achieving stretch targets. Similarly, financial rewards could be offered to organisations, especially small third sector organisations, for creating and filling opportunities for employer supported volunteers.

4.21 Government should promote a stronger corporate volunteering/community involvement ethos in the business world, as there is in the United States. Partnerships with the private sector can enhance service delivery of projects. Contributions can range from one-off assistance to specialist advice on finance, management, and business development. There is also an opportunity for business to offer secondments into their companies and through trustees who can bring their business experience to the organisations.

4.22 Individuals need to be sure that their employer will be supportive if the activity cuts into the working day and that they will not be disadvantaged in their career because they take on responsibilities outside of the work place. Employers could also be encouraged to build in periods of volunteering into training schemes and, in particular, into preparation for retirement schemes, where a gradual reduction in working hours could be matched by a regular involvement in volunteering.

4.23 Public sector as a whole should support and recognise the value of volunteering activity. The contribution and support of volunteering should be integrated across government agendas and throughout governance structures. Enforced volunteering week within jobs would be one way of supporting volunteering, for example, provide five days paid leave a year so that staff can go and volunteer.

Skills 4.24 Access to training and development were regarded as very important. Skills and knowledge for volunteers to fulfill their role and for people managing volunteers was an area that needed to be explored further. Volunteers and volunteer involving organisations and other relevant infrastructure organisations should be educated about the law and associated risks of volunteering exercises.

4.25 It was suggested that the Learning and Skills Council extends access to free training to volunteers. Developing the skills of practitioners and volunteers was critical to developing the sustainability of projects and the professionalism of the support that they could offer. This was particularly the case with mentoring where volunteers are providing support to the most vulnerable groups in society. There was a need to create meaningful accreditation opportunities for volunteer roles. A more powerful standard setting body was needed for the third sector, one that supported the development of standards across different employment sectors.

Future 4.26 The sector hopes that the culture of volunteering, in future, will be better embedded at the local level in all communities and that more people will be able to access a greater range of truly accessible and relevant volunteering opportunities. Probably more volunteers will come from less traditional sources – e.g. short term volunteers, people with mental health problems, learning difficulties, disabilities, and much older people than previously. These volunteers will need support, both to get into volunteering and to stay there.

MENTORING

4.27 Mentoring is also a voluntary activity that seeks to benefit others. It normally takes the form of one-to-one relationships based upon trust, confidentiality and mutual involvement, and usually has the goal of providing practical assistance, ranging from broad youth development programmes to increasing academic performance. Mentoring focuses on goal setting and is time limited work. It has also demonstrated to provide a highly successful and cost-effective tool in addressing the needs of members of society and making a difference to their lives.

4.28 The consultation demonstrated that mentoring is a skilled area that should receive greater consideration by statutory bodies and skills councils. Government could assist in encouraging this process, ensuring that mentors and their coordinators would be properly skilled. There should also possibly be nationally recognised qualification structures. Support to mentors should include properly coordinating their assignments, providing supervision and relevant support and training. Feedback from the sector suggested that without all this being in place it would be difficult to recruit and retain mentors.

4.29 There are many different forms of mentoring that can contribute to and are effective in achieving social cohesion, for example; peer mentoring was an effective means by which to bind school communities together and address a range of individual issues; inter-generational mentoring has been successfully introduced in a number of areas, where young people are mentored by people from an older generation. Adult mentors can act as role models for young people; and mentoring can be used to support young people to take a more active part in civic and community development.

4.30 In the longer term the sector expected to see mentors working across a range of rehabilitative settings – offenders, drug users, mental health, health, parenting and see growth of peer mentoring in certain contexts, for example in higher education and for those who are refugees and unaccompanied children.

5

PROMOTING ENTERPRISING SOLUTIONS

INTRODUCTION

5.1 The Government definition of a social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business of the community, rather than being driven by the need to maximise profit for shareholders and owners. Social enterprises are part of the third sector but characterised by being more entrepreneurial and self-financing¹. The most recent data, from the Annual Small Business Survey, suggests that there are 55,000 social enterprises with a combined turnover of £27 billion. Social enterprises are active in various sectors across all parts of the UK. They contribute to multiple social, economic and environmental outcomes and attract diverse groups into the business population.

THE CONSULTATION

5.2 Overall, the consultation demonstrated the clear diversity of organisations delivering social and environmental benefits through a variety of business solutions, with different stages of development and needs along those stages.

5.3 Feedback from the consultation, has indicated some nervousness that the trends towards organisations competing for public service contracts or looking to generate trading income may detract from other important roles the third sector plays in society, such as promoting the voice of citizens or advocacy on behalf of underrepresented groups.

5.4 Third sector organisations should be allowed space to make informed choices on whether to become a social enterprise, as running along this model may not always be appropriate or achievable for a lot of them, especially diverse organisations from faith, Black and Minority Ethnic (BME), women's, Lesbian, Gay, Bisexual and Transgender (LGBT) and disability communities. Nevertheless, some of these groups felt that there was still a need to foster innovation and social enterprise amongst their communities, as this may increase their capacity to help themselves develop away from dependence on the state. One of the ways this could be achieved was by nurturing joint ventures and closer cross-sector co-operation. Those that wanted to become a social enterprise would need dedicated and specific capacity building through information, networking, mentoring, access to specialist services such as marketing and IT, and training on working as a social enterprise.

5.5 Particular issues were raised around; a lack of awareness and understanding of social enterprises among procurement professionals, wider Government and the general public, a lack of flexible financing options for the sector and financing for start-ups, and the need to improve skills within the social enterprise sector.

¹ Value Led Market Driven: Social enterprise solutions to public policy goals. Andrea Westall 2001.

Fostering enterprise **5.6** Government should make clear it values innovation but not novelty for its own sake. Real and valuable innovation is not just about coming up with a totally new concept (or even an old one in an impressive new package) but the continuous process of improving what is being done and being alert to changes in needs. Funders should ask searching questions about how the organisation finds out what its clients/customers/community wants, and how they have responded, so they can assess genuine innovation in delivery.

Business support **5.7** There must be comprehensive support for the full spectrum of enterprise activity undertaken by the third sector, including greater collaboration and coherence with government support for businesses and dedicated support to third sector organisations that wish to commence or expand enterprise activity. Also, development workers, road shows, training events, access to marketing and IT services, training in financial management and advice lines, amongst others, could be incorporated into a national strategy and act as incentives for the development of social enterprises. Other forms of support should include high quality business support advice, high quality training and apprenticeships both for those managing social enterprises and for those providing enterprise support to community enterprises, and research and development².

5.8 In terms of financial support, receiving start-up grants and capital investment would be very helpful both at the initial stage and subsequently to support growth. Any funding should be flexible - groups felt that conditions accompanying some Government funding severely restricted their abilities to innovate. However, any income earned should not affect grant funding, as this would detract from the incentive to be enterprising and move towards financial sustainability. There should be tax breaks for social enterprise that return profits back into the community.

5.9 The capital requirements in entering some industries (some forms of renewable energy, manufacturing, recycling) were a barrier to organisations. However, groups felt that if overcome, through some sort of equity support, there was huge potential to deliver not just social and economic benefits, but also environmental targets around sustainable energy supplies.

5.10 Another idea suggested by the sector was to create a centre for social enterprises for training and information regarding other social enterprises, and to create a network or federation of organisations to provide support to organisations wanting to become social enterprises.

Relationship with Government **5.11** Government should ensure that Local Authorities have a role in ensuring that they have appropriate structure to support and promote innovation and partnership locally. Local Authorities should also consider establishing parts of its functions as social enterprises collaboratively with communities and communities of interest.

5.12 Current commissioning and procurement processes make it very difficult for the sector to translate innovative ideas into sustainable services. More flexible procurement arrangements by Local Authorities would allow social enterprises to compete effectively for contracts. They should also consider tendering out smaller contracts, which are suitable for social enterprises rather than amalgamating contracts.

² Many community enterprises are small and are concentrated in the low cost entry/low margins areas of business, which do not yield enough surplus to research and develop new products and services. Consequently it can be difficult for a community enterprise to make the leap to increased profitability yielding sufficient surpluses for the business to grow and to contribute to its own development and that of its community.

5.13 There is a need for Government to change the existing local and regional ‘risk adverse’ culture, by promoting the benefits of social enterprising, actively providing incentives to partnership development and joined-up ventures as well as encouraging the dissemination and sharing of best practice. Innovation and enterprise are more likely to be stimulated if there is room for experimentation and the capacity to develop activities organically. There must, of course, be proper accountability but restrictive outcome based targets may not only discourage any risk taking resulting in innovation but may also discourage organisations from working with the hardest to help.

Private Sector 5.14 The private sector can help the third sector not only to develop business skills but also work in partnership to develop social enterprises. Government should explore how to better support small and medium-sized enterprises to undertake community involvement work, and form partnerships with the third sector. Commercial and social enterprises can learn a lot from each other. Each model may have valuable lessons for the other and that any learning should be mutual; not an attempt to make social enterprise conform to commercial norms.

Impact of enterprise 5.15 Government should work with social enterprises and commissioning organisations to develop robust but practical methodologies to assess economic and social impacts of social enterprise activity, and to define an acceptable evaluation tool that can be used in public or private procurement in assessing “value for money”. While, performance management and the improvement agenda would encourage people to focus on targets and the achievement of those targets, it could also discourage innovation and social enterprise. If performance outcomes are exceeded then there should be the ability for the sector to receive extra money (a performance bonus) as an incentive to be innovative.

Risk 5.16 In some cases, Local Authorities deal with risk by simply abdicating responsibility for it. One example is that projects of an innovative nature are sometimes funded on an output basis, with the third sector delivery partner losing funding if output targets are not achieved. This transfers the whole financial risk to the third sector organisation, even though the local authority may be learning valuable lessons from their innovation. Where a Local Authority requires an element of innovation as part of its third sector funding criteria, it could also offer to share the risks involved.

5.17 Sometimes the desire to avoid risk is actually counter-productive. Usually the risk that is feared is waste of taxpayers' money. In order to cover for this, local authorities may require layer upon layer of reporting, inspection and audit. The sector's experience is that monitoring reports are sometimes not read, but simply filed and often then forgotten. This kind of risk management may waste more time and taxpayers money than if the risk were simply ignored.

5.18 Public sector should be less risk averse in investing in the third sector. It should look to build investment programmes alongside grant regimes. Government should take an investment approach where they might get a return from successful social enterprise rather than giving grants expecting nil financial return. This would allow a funding to be recycled and risk to be seen as part of the process. Look to develop approaches, which encourage risk, longer term partnership and ways to recycle government and charitable funds. Develop incentives for private bodies and stock market listed companies to invest a proportion of their profits in ethical and social enterprise.

Future 5.19 In the future innovation will probably still be about new products and services but in an increasingly service oriented economy it will also be about new ways of doing current activities. Further, innovation is about taking appropriate risks and this entails exploring risk management strategies to ensure that, whilst proper safeguards are in place, innovation has not been squeezed out as a consequence.

6

TRANSFORMING PUBLIC SERVICES

INTRODUCTION

6.1 The third sector has always played an important role with regard to public services – delivering and developing innovative solutions, as well as identifying needs, and campaigning for change. The Government wants to continue supporting third sector organisations so their contribution to the ongoing transformation of public services is recognised and valued, while protecting their independence. As well as being a major deliverer of public services, the third sector need also be used as consultants in their design, delivery and development.

CONSULTATION

6.2 The consultation process revealed a number of concerns from third sector organisations around effective implementation of the Government’s strategy for increasing the role in public service delivery. There was a clear message that the high aspirations set had not yet been met across the board, and that in some cases the Government had still to get the basics right. There was particular feeling that public sector contracts should not replace the provision of grants, which are often so vital for smaller organisations.

Independence **6.3** Arguments were made for maintaining as well as developing the delivery of public services by third sector organisations of all types. The third sector’s experience in delivery, alongside its independence, combine to enable it to speak with an authority that can be harnessed in the development and improvement of services. The sector must be free, however, to influence and lobby on services regardless of any actual contracting relationship with statutory bodies.

6.4 The ideal model for public services is one that meets the public’s needs, especially different lifestyles, and is able to respond to those needs quickly and effectively. There is a real sense that the sector has a huge amount to contribute to the design and the delivery of public services, but not at the cost of becoming mirror images of the public or private sector. Work needs to be undertaken to explore further how the sector can deliver public services or alternatively ‘add significant strategic value’ to the delivery of these services, whilst maintaining its independence and creativity.

Shaping and delivering services **6.5** Government should particularly ensure that marginalised groups have an equal opportunity to shape and deliver public services, and also that these groups receive appropriate services, sensitive to their lifestyles, from the statutory sector. There is considerable experience amongst certain minority communities of delivering services in the areas of education, youth provision, care for older people, housing and health. Local authorities and other public services should be encouraged to procure and invest in services from equalities organisations. All agencies commissioned to carry out public sector functions, including the private sector and faith groups, must however be required to comply fully with equality duties - recognising the universal nature and principle of public services.

LAAs and LSPs **6.6** Generally the concept of the third sector contributing to the shape of public services was welcomed. However, the sector felt that were various reasons why this was difficult to achieve, for example, the structures that are created such as Local Area Agreements (LAAs) and Local Strategic Partnerships (LSPs) were not good at engaging with the third sector strategically. Some communities groups were unfamiliar with the concepts of LAAs and LSPs. Therefore, the sector felt there was a need for targeted awareness programmes to inform these communities of these structures, how the public sector works and what the opportunities for delivering public services were.

Establishing a better evidence base **6.7** More evidence is needed to understand the interaction in the relationship between the public and third sector; the value of engagement with the citizen and in solving complex problems; and the nature and contribution of innovative practice. Government and the sector must also clearly articulate what they want to achieve through this exercise - the empowerment of individuals to take decisions themselves.

6.8 Government also needs to define what it wants the third sector to measure, and be measured by, so that information can be collected systematically. Otherwise each organisation will simply collect data on the basis of differing terminology. In addition the evidence that is already being collected for Government through monitoring arrangements must be better used - there is no systematic feedback to providers. The community may be able to offer advice on connecting issues and introduce flexibility if they are given this feedback. LAAs may also offer an opportunity to collect evidence on the contribution of the third sector, as they already do on volunteering.

'Social' outcomes **6.9** More thought needs particularly to be given to the part the sector can play in shaping services. Frameworks should be restructured to permit a better focus on outcomes wider than narrow economic value. Such evidence might be developed around the areas hardest to quantify in economic terms, but where it is difficult to see a direct relationship between projects and outcome – often due to benefits accruing over the long-term. Commissioners need to acknowledge and understand this - recognising the wider social gains, and acknowledging the broader outcomes. All levels of Government also need to better understand the nature of preventative care so that it can be effectively invested in, thereby freeing up resources from acute care. The third sector must also be honest - if there are no positive outcomes from a project then it needs to be open about this.

Commissioning and procurement **6.10** Whilst all public contracts must be procured by means that are transparently fair, if the third sector is to be sustainable actions to improve practices in the following familiar areas are needed: clear and appropriate selection criteria, especially when price is not the prime consideration in the procurement; full cost recovery, including an appropriate overhead; fair employee terms and conditions; payment in advance; prompt payment of invoices; clear feedback on unsuccessful contract bids; longer contracts - for example, rolling three year contracts; rational monitoring of outputs and more intelligent flexibility in the application of 'best value' procedures; clearer and more appropriate standard contract forms; and the allocation of risk to the organisation best placed to bear it.

Cross-sector partnership **6.11** Polarisation between the public, third and private sectors should be avoided. Privately owned prisons can produce good outcomes for example, but often because they've worked with third sector groups. There is a need to acknowledge that sometimes on its own parts of the third sector have not the capacity nor the scale to complete big-scale projects – they will need therefore to work in partnership in order to effectively deliver. Bigger contracts may present a problem or an opportunity – depending on how they are approached. More work needs to be done on sub-contracting, with acknowledgment that organisations act in a competitive market, but with consideration on how risk and burdens are shared between parties.

Local Authorities **6.12** One way may be to enable local authorities to join together to increase their buying power and be more creative in how they contract. The Government might stipulate perhaps that a set percentage of contracts be offered to the third sector, and be more transparent about the procurement process. Central Government should also consider setting targets for local authorities expenditure on the third sector and encourage greater scrutiny of local authority services to provide true value for money. Stability in local authorities should be maintained, as constant reorganisations have resulted in relationships and expertise being lost. Often organisations do not know whom they are then dealing with at the local authority and vice versa.

6.13 There should be local authority employees dedicated to third sector enquiries to offer support and signposting. These staff should preferably have experience (through induction/placement, or being/becoming a trustee/steering group member) of the sector. Independent audits might be carried out to determine whether the third sector was being given fair access to public service delivery contracts. Contracts also need to be publicised better. Perhaps a dedicated public sector website might help groups in the sector find out about advertised contracts, and everything related to the process.

Guidance and dialogue **6.14** Clearer guidance is needed from Government to Local Authorities and other public bodies on procurement. Many procurement officers are contracted on a large scale with single suppliers, in order to generate efficiency savings. This will squeeze out small and specialist suppliers including many from the third sector. However, in many cases, it is often possible to achieve better quality of service and value for money through breaking down contracts into smaller elements, when niche services, or personalised connections at neighbourhood level, are desirable. Where appropriate and practical, Government could include in procurement documents a statement to private sector contractors that it would look favourably on tenders which either provided for third sector involvement in service delivery or offered some practical support to appropriate third sector bodies.

Excessive monitoring **6.15** Many in the sector feel that there remains was still a great imbalance of power in the relationship between public sector contractor and the third sector, demonstrated, for example, by the need to report on and return surpluses in contracts. The sector felt that this would not be required from the private sector. Also, this would not encourage efficiencies in service delivery. The sector also felt that local commissioners took a much more 'hands on' approach when they procured services from the third sector, and they may question the level of overheads and delivery methods in a way they would not do with the private sector. Government needs to consider the skills base required by those in the public sector who are commissioning services and purchasing services from the third sector, and the skills base needed by those in the sector who are negotiating and managing public service contracts.

The changing public service delivery environment

6.16 Over the next ten years, the third sector should be like any other provider with the necessary skills to compete with the private and other large not-for-profit organisations. They should be able to develop contracts with commissioners through tendering or meaningful partnership arrangements. There would be local pride in the services available, and they would be accessible to all communities on the basis of need. Issues of public accountability and the relationship with donors, will become crucial for the third sector if it is to deliver more services. There needs, however, also to be space for the sector to support the design of services without necessarily wanting to deliver them.

7

CREATING AN ENVIRONMENT FOR A HEALTHY THIRD SECTOR

INTRODUCTION

7.1 Public trust and confidence in the third sector is vital to the health of the sector. The more that can be done to increase understanding and subsequently trust and confidence, the more sustainable the sector is likely to be. Government can help with providing evidence that the sector does good work – that third sector organisations can be trusted to make a positive difference, delivering services that are value-for-money and with added value. A key contribution from Government would be to support a campaign that educates and raises awareness amongst the public about some of the most important, but misunderstood aspects of how the sector works.

7.2 The third sector has been working in partnership with other sectors and each other for many years. Toolkits have been produced, frameworks such as Compact have been developed and thousands of partnership initiatives and projects have been successfully created and delivered.

CONSULTATION

7.3 Throughout the consultation Government heard that there needed to be better understanding of the third sector across the public sector. Especially, the work that equalities organisations and some faith groups do in support of positive change, and the contribution and difference they bring to their communities. The issue of sustainable funding was the most prominently raised throughout the first and second stages of the consultation.

7.4 In addition, issues around, amongst others, building capacity of organisations through asset transfer and infrastructure support; enabling effective, equal and transparent partnerships across and between sectors; ensuring the right skills mix in the sector; better communication of policies, funding and initiatives by Government; full implementation of compact principles across the public sector; and simple and proportionate legislation were raised.

Resources

Community Assets **7.5** Community ownership of buildings and land, and the development of independent income streams lead to community transformation. They energise local people and provide a long term foundation for enterprise and renewal. There are many examples of leased or owned assets which are used to develop a sustainable resource base for community beneficiaries, for example community shops/cafes where income generated is reinvested into local community groups, and community halls where rent from rooms provides an income for groups. Also, most faith communities have the use of sizeable buildings, most of which are situated in the heart of communities. However, they often lack the funds to develop them into facilities suitable for their community work. With more emphasis on the strategic and creative redevelopment of these buildings, they have the potential for use by the wider community. There needs to be guidance from Government on how, or whether public bodies can hand over ownership of buildings to the third sector.

7.6 Government should enable democratically controlled local community organisations to own assets by encouraging public bodies to either hand over ownership of buildings (genuine worthy assets) or provide longer lease terms/reduced rent on condition that the assets are retained for public benefit in perpetuity. Community asset transfer and creation should be accompanied by full resources and support for all that this entails, not just handing over the asset. Also, the transfer should be on the basis that is beneficial to third sector organisations and not merely a way of exporting maintenance risk. Often poorly maintained assets cause an overhead that can ‘cripple’ organisations, before they even get started.

Community Right to Buy 7.7 One option is for Government to support the adoption of a community 'right to buy' in both urban and rural areas, with clear sources of funding to support such asset acquisition. This will reduce the amount of ‘wasted’ buildings and land in local authority (and other) control and will give third sector organisations an asset base from which they can grow through the opening up of other sources of income and finance and help them become embedded in their community. There should also be an end to ‘clawback’ – third sector organisations need to be able to borrow against their assets. High levels of clawback restrict the effective use of the asset to regenerate the community.

Funding 7.8 Three to five year funding should be offered on all public sector funding in order to see organisations remaining viable in the future. It should be the rule rather than the exception as it is now. Government guidance should make clear that third sector organisations are expected to make modest surpluses on publicly funded work. Being not for profit organisations, such surpluses will provide for contingencies and development.

7.9 There should be more funding and support to the third sector, including grants as well as contracts. Payments should be made upfront so as to avoid organisations struggling with cash flow problems (caused by the gap between start of project and receipt of payment, which is usually at the end of the project). Grant funding allows for a greater degree of innovation and flexibility when third sector organisations, especially the local small groups, often comprising of volunteers only, are responding to the needs of the community they are part of. The sector should be allowed to build up reserves, but there does need to be a change of culture on how reserves are viewed by the charity commission, funders and others. Simple but effective projects should not be overlooked in favour of grand schemes. There should be more funding for preventative intervention from mainstream funding streams as it reduces costs down the line.

7.10 The consultation also suggested that funding processes - based on excessive bidding, administration and auditing - take up too much time and resources for third sector organisations, which could be better deployed elsewhere. There should be a streamlining of funding streams and monitoring data and applications should be made easier to complete. Principles of Full cost recovery needs to be better understood by public sector and other funders and needs to be promoted further.

7.11 The sector also wanted to see the competitive nature of funding removed and projects funded on its merits instead of how well the form was filled in. The sector suggested setting up a one-stop funding service so groups spent less time looking for funding and spent more time delivering services direct to local communities. There was also a need to scrutinise funding awards through the implementation of ethnic, gender, sexuality, faith and disability monitoring. Many women's organisations, like other small and marginalised groups, were worried that the perceived move from grant giving to contracts was further marginalising their organisations because often their activities were not recognised as important.

Short term funding 7.12 Short-term funding has a major impact on staff retention and act as a deterrent to third sector organisations to invest in expansion of their activities. All too often, employees leave the sector because they cannot afford to continue to work with the insecurity and inferior conditions. The sector wanted Government to address this issue in order to give the sector the stability that it needed. There were suggestions with regards to developing a sector pension scheme to enable workers to build up a pension which would be transferable between different employers. Also, stop-go project delivery fractures relationships with communities and undermines confidence and capacity.

Small Grants 7.13 A small grant scheme (£500-5,000), with simple reporting requirements and very little bureaucracy, funded consistently from central government would have a huge impact on the sector. The recipient organisations would be the ones that do not have the capacity to become involved in procurement but play an essential role in social and economic regeneration at a local level. There were many suggestions as to who should distribute this funding. For example, national lottery, local authorities, community anchor organisations, or community foundations. This grant should fund specific types of activity, such as: participation and voice; engaging service users; research and development; campaigning and advocacy; organisational development (including strengthening the focus on values). Capacitybuilders is a useful model but a wider focus and funds that are directly accessible by local organisations are needed.

Individual giving 7.14 The recent increase in the number of newly wealthy individuals represents a new and potentially significant income source for the third sector, one which will grow over time. While more should be done to encourage individuals to give more, more people should be encouraged to give. Individual donors can provide charities with crucial unrestricted income, enabling third sector organisations to invest in their capacity and infrastructure for the longer-term, and improving sustainability.

7.15 Government should explore mechanisms to incentivise giving amongst more affluent individuals, including measures to allow commitment of assets as well as capital. Individual giving will also be encouraged if the local community is seen to benefit directly from what is given and accountability for resultant action is thorough. The provision of information, guidance and support for potential donors needs to be better. The Government should work with the sector to develop and support a donor management education programme for charities. Diligent and thoughtful donor care is crucial to promoting recurring giving. A higher profile for Payroll Giving would also help, targeting those in work, as it would provide a regular income for chosen charities.

Legacies 7.16 Legacies are the largest and most efficient source of new funding. They are unique in the potential they have to fund the sector over the next decade. Government should do more to ensure that charities gain access to the funds left to them as legacy gifts by their supporters but lost in the form of unclaimed financial assets.

Tax effective fundraising **7.17** Many donors and third sector organisations alike were not aware of the range of tax-effective donation mechanisms that are available. Many groups also found the whole system complex. They were unaware of how those mechanisms could boost the income of their organisation and enhance their relationships with donors. Many groups, particularly those that are small to medium sized, struggle to deliver as much of their fundraising as tax-effectively as they might, as they lack the resource and the skill base in their organisations to do so. Whilst the Gift Aid Scheme has undoubtedly been a great benefit to the third sector, there are several specific improvements that could increase the scheme's effectiveness. These are to enable gift aid claims on cash donations, promote the benefits of gift aid to higher rate taxpayers, and simplify administration. Enhanced consistent information, support and advice to the sector to assist in the Gift Aid claiming would also remove some of the barriers that result in a significant number of charities unwilling to take the risk to participate in tax-effective fundraising.

Capacity

Capacity building **7.18** There is an important and ongoing need for capacity building of community based organisations, including rural groups, to enable them to contribute to the full range of community life, not just service delivery. Equalities and faith groups, as well as the wider sector, wanted specific capacity building support within their communities so that they could access more effectively partnership initiatives and funding. To build capacity inclusively requires an empowering, community development approach that recognises different starting points of individuals and different solutions to their problems. While the Firm Foundations³ report set out an excellent framework for community capacity building the sector thought that there was no or little statutory funding dedicated to achieving its vision. The sector felt that ChangeUp and Futurebuilders funding had not built community-level capacity and those resources that did, such as the Single Community Programme in neighbourhood renewal areas, were being greatly reduced with the advent of Local Area Agreements (LAAs).

7.19 The consultation also highlighted that sustainable capacity building support for smaller third sector organisations was crucial for the future viability of these groups. There was wide support for shared service provision. For example, infrastructure organisations, or social enterprises could provide 'backroom' services for a number of small organisations at the same time. Areas of support could include, personnel, finance, IT, payroll, accounting, and legal advice, amongst others. Having ready access to these resources, and others such as funding, devising policies, marketing, governance, communication, and the other aspects of running small organisations would be very helpful. Furthermore, any profit made can be used to continue to expand services available to third sector organisations. Government should also draft consolidated general guidance for third sector organisations on all aspects relevant to them, for example, managing the group, legal aspects, fundraising, and others.

³ Firm Foundations, the Government's Framework for Community Capacity Building, Home Office 2004

7.20 The consultation also floated the idea of a single body in each region with responsibility for development of the third sector. This body would take charge of all appropriate funding pots within the region, and develop an allocation package that reflected the priorities of the region and enabled enough flexibility within the services offered to meet the needs of individual organisations. There could also be a network of high quality accredited consultants that can mentor organisations on a 'one to one' basis during various stages in an organisation's life cycle. On the other hand, there could be community ambassadors, who visit groups to offer support and signpost to relevant workers and agencies.

Skills and Training

7.21 The third sector often lacks the specialist skills found in the business world. It is these skills that need to be used to provide the support needed to develop third sector organisations and build sustainability. The government should invest in the sector's ability to meet the skills standards that are required. All too often funders are reluctant to pay for staff training and development, seeing this as an overhead that absorbs money that could (in their view) be better spent on direct project outputs. It would be helpful if government at all levels could ensure that strategic decisions on skills requirements in the sector were matched with strategic commitments to investing in skills development.

7.22 The development of the third sector workforce should be a key focus for investment in the future. The sector will continue to need a flexible, committed and skilled workforce and one whose skills are readily transferable to other sectors. The sector should be in a position to recruit staff from the public sector. That means that those organisations within the sector who are able to employ staff can offer competitive terms and conditions including proper pension provision. Terms and conditions in parts of the sector are currently some of the worst in the economy and this has a knock on effect on service users. Management training for staff and trustees would also improve operational and strategic working and resource management.

7.23 There was an urgent need to address skills shortages among marginalised groups so that they can ensure effective running of their organisations, and are able to access board and decision-making positions. A wider range of relevant educational/training courses should be made available to facilitate this. Ensure the participation of third sector organisations in Regional Skills Partnerships and the integration of third sector needs into Regional Skills Strategies. The third sector should also have its own national 'virtual university'. The Government should also encourage third sector organisations to participate in cross-sectoral leadership and skills programmes so they may exchange learning and experience, increase mutual understanding.

7.24 Government should also consider the skills base needed by those in the public sector who are commissioning services and purchasing services from the third sector. Third sector organisations must also have access to adequate information, peer support, good practice materials and tools to overcome problems in the contractual relationship and to skill themselves up to compete on an equal basis. Diversity training should also be an integral part of the makeup of public sector agencies and funding bodies. Local councillors should also be up-skilled to enable them to understand the issues facing the third sector.

7.25 Public sector could also support the third sector in skills development through employee supported volunteering schemes. Development of skills in the sector could be improved by more linkage between community colleges and centres of adult education. Evening class programmes could be planned to link the education and training opportunities offered to the needs of the third sector, for example, training to be an adviser for a citizens advice bureau or other body and all the skills it develops could be part of an adult education programme by a local authority.

Evidence

7.26 There should be continuous mapping of the third sector by Government, which is widely available to inform strategies and commissioning.

7.27 The consultation highlighted the need to think about how the contributions and benefits of the third sector makes to all areas are measured. Government should build up evidence base in this regard. There needs to be flexibility about what success looks like, as sometimes third sector outcomes do not match public sector outcomes. The value of the sector should be clearly defined and quantified and targets need to recognise quality, not just quantity, and social and environmental goals as well as economic. Government should also support the sector to promote the use of quality standards, peer review, and an intelligent approach to the use of strategic and business planning, outputs, outcomes and impact.

7.28 There should be new ways to monitor and evaluate the work of local authorities in the way they work with the third sector, especially with regards to implementing principles of Compact and how they support organisations achieve nationally recognised performance standards. Beacon Council Awards for best practice in dealings with the third sector are a good model for recognising this.

Partnership

Compact 7.29 The development of the Compact is generally welcomed across the whole of the third sector. However, amongst some groups not enough was known about the concept, its purpose and usefulness. Therefore, there should be better promotion of Compact.

7.30 The sector was of the view that Compact was not being implemented fully at all levels of the public sector. It wanted all policies, initiatives and funding streams to be “Compact proofed” to ensure that they complied with the letter and spirit of the Compact both from the outset and in subsequent implementation. Compact principles should be agreed at the local levels and embedded in all aspects of the public sector’s dealings with the third sector in order to have an effective future. A programme of support is needed for better implementation, including training, dedicated funding and advice for both sides of the relationship. This will help to ensure that agreements translate into action and genuine improvements in the relationship at local level.

7.31 There should be an independent examination of the Compact to understand better why it has not worked in some areas, what the issues were and how they could be overcome. It needs to be strengthened as a concept and agreements need to be shorter, sharper and smarter. Also, it should be revised to include guidelines on payment for involvement in consultations and procurement and commissioning. Analysis should be carried out on Compact codes to ensure that they are relevant to the local level to encourage greater implementation. In addition, the principles should be considered when policy is being developed.

7.32 The national compact should be more realistic about resourcing equality and diversity. Currently, there's a responsibility for the third sector to follow good equality and diversity practice and make their work, for example, disability accessible but no responsibility on funders to cover the costs of good practice and accessibility.

7.33 Research should be carried out to assess how well the Compact and Compact Working Group meet the needs of women's, Black and Minority Ethnic (BME), and refugee, Lesbian, Gay, Bisexual and Transgender (LGBT), faith and disabled peoples organisations, and produce an action plan to address Compact issues for these marginalised groups.

Compact in the future **7.34** It is hoped that in the future both the local and national compact will have universal understanding across all the sectors. The third sector would like to see a Compact Plus with a clear focus and effective authority to ensure that the public sector at all levels adheres to its obligations to the third sector. However, this will only be achieved if statutory authorities are in some way accountable for not following agreed principles. The third sector would also like to see Compact Plus work as a facilitator for greater collaboration in building partnerships at all levels, that the role of the Compact Commissioner can provide the sector with recourse when statutory bodies do not deliver their side of the Compact.

Partnership working **7.35** Partnership working needs commitment from all parties within the partnership and the aspirations or shared goals need to be explicit if there is to be any degree of success. The government should ensure that third sector organisations, especially equalities and faith groups, are represented in all areas of partnership working at all levels. Resources must be put in place to ensure that the sector has the relevant knowledge and skills to be involved in partnerships and decision-making. The public sector should value the additional outcomes provided by the third sector when working in partnership. However, partnership working arrangements should allow the small third sector organisations to contribute without drowning them in bureaucracy and time frames that detract from the desired outcomes. Effective partnerships have real and lasting effects; they enhance diversity, bring about social change and empower citizens.

7.36 Partnership working can be cost effective. There needs to be better assessment of what partnership working has achieved both in terms of outcomes and in terms of reallocation of resources to the third sector. Existing good practice in cross sector partnership working on multiple needs should be developed and promoted in services and areas where there is unmet need. Partnership working can be hindered by tensions and unnecessary competitiveness between third sector organisations. These tensions may be fuelled by, for example, limited funding and opportunities for influence, assumptions about levels of knowledge and understanding of other diverse, different, groups, lack of resources and structure within marginalised groups, and language barriers. If needs assessments are used and targeting is transparently based on this some problems can be resolved, but others based on inherent conflicts of ideas and interests cannot be readily resolved in the short term.

7.37 Funding often clouds the ability to work effectively in partnership, for example sector partners can feel that they are at the mercy of other ‘partners’ who are the purse holders, usually the local authority. Where government explicitly seeks collaboration amongst third sector organisations, this must be accompanied by sufficient time and resources for genuine partnerships to emerge and for these partnerships to be fruitful.

7.38 There is a need to encourage and support private sector organisations to work more closely with third sector counterparts. This will ensure they work more as allies rather than competitors. Private sector could offer additional benefits, such as access to buildings, and services of specialist professionals. There will be need to support the third sector in becoming an equal partner, since it is likely to have fewer available resources than other partners. There needs to be education for the private sector so they understand the environment and reporting requirements of the third sector.

7.39 Imposed framework such as LSPs often require huge commitment from the third sector which cannot be matched with the equivalent resources and capacity. This has been particularly difficult in the LAA process as pace of change, the need to bring financial resources and a lack of capacity leave the sector repeatedly disadvantaged and under represented.

7.40 Stability in local authorities should be maintained, as constant reorganisations have resulted in relationships and expertise being lost. Often organisations do not know whom they are then dealing with at the local authority and vice versa. Furthermore, constant organisational change within the public sector makes it extremely difficult for Third Sector organisations to develop meaningful relationships.

Communication

7.41 Public sector bodies need to be much better at communicating initiatives, news, funding information, and any other relevant changes to all levels of the third sector. The language used should be made simpler in order to ensure that it is understood by all sections of the society, especially diverse communities. Individuals can only be empowered if the flow of information is smooth and less confusing. The current excess of bureaucracy when dealing with the sector, for example delays in informing of policies, funding, and deadlines is a great hindrance.

7.42 Alternatively, the Government should explore further the possibility of developing a ‘one stop shop’ website which lists, amongst others, all regulatory requirements for various activities, contain information/ideas from different organisations, and information on funding streams and latest news. The website must be updated regularly and should be easy to use for all diverse groups, for example, disabled friendly.

7.43 The consultation also highlighted that there were too many jargons, initiatives and structures generating confusion. A lot of organisations, especially the smaller and diverse ones, expressed difficulties in understanding concepts such as Compact, ChangeUP and Local Strategic Partnerships, LAAs, and how this affected their organisations.

Regulation

7.44 Government should closely monitor regulatory requirements placed on third sector organisations to ensure regulation is proportionate and not excessive. The needs of the sector should be taken into account before new legislation is put into effect. This could be done by carrying out timely and proper consultation, and providing clearer and consistent communication. It would also help the sector if all regulatory requirements for common sorts of activities or events were listed on a central website.

7.45 The consultation urged Government to implement the recommendations from the Better Regulation Task Force report, *Better Regulation for Civil Society*, which will improve the way that the third sector is regulated. It should also ensure that recommendations from the Hampton review on regulatory inspections and enforcement (2005) are implemented and adhered to by statutory bodies in their dealings with the third sector.

Monitoring 7.46 Monitoring needs to be simple and flexible. It could include regular contact, including visits, to see what is going on and how the funding is being spent. There needs to be better follow up on funded projects by funders as there is often a real lack of interest and accountability on what third sector does. Also, that reports provided by the service deliverer are read and commented upon.

7.47 The selection and awarding processes must of course meet appropriate tests of probity. Local authorities and others must be able to explain why one organisation rather than another has been supported. There are reservations about the level of openness and transparency of the local authorities in their decisions about distribution and utilisation of funding at their disposal for the third sector. There must be some feedback on funding decisions. As the money is often allocated at the last minute funders to not inform the reasons for an unsuccessful bid.

A

FIRST STAGE CONSULTATION - REGIONAL AND SUB-REGIONAL EVENTS

A.1 As part of the first stage consultation process (May – November 2006), there were 93 separate consultation events in total held throughout England: 9 regional, and 84 sub-regional and sub-sectoral; with targeted conferences for equalities groups, faith groups, social enterprises, and the private sector.

A.2 The first-stage consultation events are listed below. In addition, over 200 written submissions were received from individuals and third sector organisations. A full list of these is included separately at Annex B.

A.3 At the 2006 Compact Annual Review, Compact Voice recognised the breadth, depth, and quality of the consultation by awarding HM Treasury and the Cabinet Office a joint Compact Commendation for Excellence.

- **15th May: London – launch event, HM Treasury**
- **5th June: Guildford - South East regional event**
- **7th June: Bristol - South West regional event**
- **12th June: Newcastle-upon-Tyne - North East regional event**
- **19th June: Cambridge - East of England regional event**
- **26th June: Nottingham - East Midlands regional event**
- **3rd July: Leeds - Yorkshire and Humberside regional event**
- **11th July: Bedfordshire - Sub-regional event, held in partnership with East Mentoring Forum**
- **17th July: London - Sub-regional event, held in partnership with the Third Sector Alliance**
- **18th July: Wokingham - Sub-regional event, held in partnership with Regional Action and Involvement South East (RAISE)**
- **19th July: Birmingham - West Midlands regional event**
- **24th July: London – Social enterprise sub-sectoral event held in partnership with the Social Enterprise Coalition (SEC)**
- **25th July: London - Department for Communities and Local Government (DCLG) and Faith Communities Consultative Council (FCCC) meeting**
- **26th July: Kent - Sub-regional event, held in partnership with Kent Community Alliance of Networks (Kent CAN) and RAISE**
- **26th July: Manchester - North West regional event**
- **1st August: Sussex - Sub-regional event, held in partnership with the Equalities Group of West Sussex County Council and RAISE**
- **9th August: Sussex - Sub-regional event, held in partnership with RAISE**
- **16th August: Middlesbrough - Sub-regional event, held in partnership with Tees Valley Voluntary and Community Sector Forum**

- 21st August: Bulwell (Nottingham) - Sub-regional event held in partnership with Nottingham Council for Voluntary Service (CVS)
- 29th August: Newcastle-upon-Tyne - Sub-regional event, held in partnership with the Pentagon Partnership
- 30th August: Plymouth - Sub-regional event, held in partnership with Government Office South West (GOSW) and Plymouth Community Partnership
- 31st August: Cambridge - Sub-regional event, held in partnership with the Commission for Racial Equality (CRE)
- 1st September: Southampton - Sub-regional event, held in partnership with Southampton Voluntary Service
- 2nd September: Southall (London) - Community Media Association (CMA) event
- 4th September: London - Corporate Community Involvement event
- 4th September: London - Local Government Association (LGA) event
- 5th September: Gloucester - Sub-regional event, held in partnership with GOSW and Gloucester CVS
- 5th September: York - Sub-regional event, held in partnership with the National Association for Voluntary and Community Action (NAVCA) and York CVS
- 5th September: London - Community Sector Coalition (CSC) event
- 5th September: Sussex - Sub-regional event, held in partnership with RAISE
- 6th September: London - Sub-regional event, held in partnership with the Association of Chief Executives of Voluntary Organisations (ACEVO)
- 6th September: London - Sub-regional event held in partnership with the Confederation of Indian Organisations (CIO)
- 6th September: Bournemouth and Poole - Sub-regional event, held in partnership with GOSW and Bournemouth and Poole CVS
- 6th September: Kings Lynn - Sub-regional event, held in partnership with NAVCA and West Norfolk Voluntary and Community Action
- 6th September: Oxfordshire - Sub-regional event, held in partnership with South Oxon Voluntary Sector Forum and RAISE
- 7th September: Bolton - Sub-regional event, held in partnership with NAVCA and Bolton CVS
- 7th September: Manchester - Association of British Credit Unions Limited (ABCUL) event
- 8th September: Cowes (Isle of Wight) - Sub-regional event, held in partnership with the Rural Community Council

- 8th September: Portsmouth - Sub-regional event, held in partnership with Portsmouth Council of Community Services
- 8th September: Luton - Sub-regional event, Luton Council Meeting
- 11th September: Taunton - Sub-regional event, held in partnership with GOSW and Equality South West
- 11th September: Yeovil - Sub-regional event, held in partnership with UpStart Services
- 11th September: Merseyside - Sub-regional event, held in partnership with Merseyside Network for Europe and Liverpool CVS
- 12th September: Wiltshire and Swindon - Sub-regional event, held in partnership with GOSW and Salisbury CVS
- 12th September: Teesdale and Wear Valley - Sub-regional event, held in partnership with NAVCA and 2D (Teesdale and Wear Valley CVS)
- 13th September: Birmingham - Sub-regional event, held in partnership with Women Acting in Today's Society
- 14th September: London - Regional Development Agency (RDA) event
- 14th September: Leicester - Sub-regional event, held in partnership with CIO, Leicester Ethnic Minority Partnership and Voice East Midlands
- 14th September: Hampshire - Sub-regional event, held in partnership with Clubs for Young People (CYP) and Hampshire and Isle of Wight Youth Options
- 14th/15th September: Newquay - Sub-regional event, held in partnership with Cornwall Voluntary Sector Forum
- 15th September: Lancashire - Sub-regional event, held in partnership with West Lancashire CVS
- 15th September: Newcastle-upon-Tyne - Sub-regional event, held in partnership with the Institute for Public Policy Research North
- **18th September: London - Greater London regional event**
- 20th September: Surrey - Sub-regional event, held in partnership with Surrey Community Action
- 20th September: Tower Hamlets (London) - Sub-regional event, held in partnership with the Tower Hamlets Community Empowerment Network
- 20th September: Chester - Directory of Social Change event
- 20th September: Nottinghamshire - Sub-regional event, held in partnership with Voice East Midlands and Nottingham Black Partnership (NBP)
- 21st September: Exeter - Sub-regional event, held in partnership with NAVCA and Exeter CVS
- 21st September: Derby - Sub-regional event, held in partnership with Voice East Midlands and Derby Millennium Network

- 21st September: Hyde - Sub-regional event, held in partnership with Thameside Third Sector Coalition (T3SC)
- 21st September: Manchester - Sub-regional event, held in partnership with the CIO
- 21st September: Kent - Voluntary Action West Kent annual conference
- 21st September: Oxfordshire - Sub-regional event, held in partnership with the Vale of White Horse Voluntary Sector Forum
- 22nd September: Basingstoke - Sub-regional event, held in partnership with RAISE and Test Valley Community Services
- 22nd September: Lincolnshire - Sub-regional event, held in partnership with East Midland Cooperative Council
- 22nd September: Lincolnshire - Sub-regional event, held in partnership with R3N & Voice East Midlands
- 22nd September: Faithworks consultation event
- 25th September: Derby - Sub-regional event, held in partnership with NAVCA, Derby CVS and Jobs Education and Training (JET)
- 25th September: Workington, Cumbria - Sub-regional event, held in partnership with Cooperative and Mutual Solutions Ltd
- 26th September: Oxfordshire - Sub-regional event, held in partnership with South Oxfordshire Voluntary Sector Forum and RAISE
- 26th September: London - Sub-regional events, held in partnership with CYP
- 27th September: Herefordshire - Sub-regional event, held in partnership with NAVCA and Herefordshire Voluntary Action
- 27th September: London - Sub-regional event, held in partnership with Voluntary Action Westminster
- 28th September: Halifax - Sub-regional event, held in partnership with Action Halifax
- 28th September: Essex - Sub-regional event, held in partnership with CYP and Essex Association of Boys' Clubs
- 29th September: Kent - Sub-regional event, held in partnership with RAISE and Southern Association of Voluntary Action Groups for Europe (SAVAGE)
- 29th September: Waltham Forest (London) - Sub-regional event, held in partnership with Waltham Forest BME Alliance
- 2nd October: Greater Manchester - Sub-regional event, held in partnership with North West Network
- 2nd October: Stoke Newington (London) - Sub-regional event, held in partnership with Newington Green Black Senior Citizens Group
- 2nd October: London - National Housing Federation event

- 3rd October: Cambourne (Cambridgeshire) - Sub-regional event, held in partnership with Space East
- 3rd October: London - Sub-regional event, held in partnership with the Women's Resource Centre
- 4th October: London - Black Training and Enterprise Group (BTEG) event
- 4th October: Rotherham - Sub-regional event, held in partnership with South Yorkshire Open Forum
- 5th October: London – Sub-sectoral faith event, held in partnership with Faithworks, FCCC and DCLG
- 6th October: Congleton - Sub-regional event, held in partnership with Congleton District CVS and Volunteer Centre
- 9th October: Leicester - Sub-regional event, held in partnership with Voluntary Action Leicester
- 9th October: Leicester - Sub-regional event, held in partnership with Leicester North West Community Forum
- 11th October: Manchester - Community Transport Association (CTA) event
- 12th October: London - Charities' Tax Reform Group event
- 12th October: Worcester - Sub-regional event, held in partnership with West Midlands Region Churches Forum
- 25th October: London – Sub-sectoral disability groups event, held in partnership with the Office of Disability Issues, Department for Work and Pensions (DWP)
- 26th October: London - Aston Mansfield event
- 30th October: London – Sub-sectoral lesbian, gay, bisexual and transgender (LGBT) event, held in partnership with the LGBT Consortium
- 1st November: London - Sub-regional event, held in partnership with Voluntary Organisations Disability Group (VODG)
- 8th November: Luton - Sub-regional event, held in partnership with Luton Assembly
- 9th November: Birmingham - Sub-regional event, held in partnership with ACEVO

B

FIRST STAGE CONSULTATION - WRITTEN SUBMISSIONS

ORGANISATIONS

- 4Children
- ACEVO
- ACRE
- Agency for Culture and Change Management
- Allens Croft Project
- Amicus
- Anchor Trust
- Aporia
- Archdiocese of Birmingham
- Association of British Credit Unions Limited (ABCUL)
- Association of Charitable Foundations
- Association of Charity Shops
- Association of Directors of Social Services (ADSS)
- Association of Greater London Older Women (AGLOW)
- Baptist Union of Great Britain & Yorkshire Baptist Association
- Barnardo's
- Barnsley Sexual Abuse & Rape Crisis Helpline (BSARCH)
- Barnstaple Youth House
- Beth Johnson Foundation
- Big Lottery Fund
- Birmingham & Solihull Social Economy Consortium (BSSEC)
- Black South West Network
- Bolton Interfaith Council
- Brighton Oasis Project
- British Association of Settlements and Social Action Centres (BASSAC)
- British Heart Foundation
- BTCV

- Burgess Hill Town Council
- Burlesdon Village Hall
- Burngreave Problem Busters Ltd
- Burnley Enterprise Trust Ltd
- Cancer Research UK
- CDFA (Community Development Finance Association)
- CEMVO (Council of Ethnic Minority Voluntary Organisations)
- Central Council of Physical Recreation (CCPR)
- CFDG
- Charity Commission
- Child Accident Prevention Trust
- Children's links
- Churches Community Action Link for the Enabling Group of Churches Together
- Churches' Regional Commission in the North East
- Citizen's Advice Bureau
- Clinks
- Commission for Racial Equality
- Commission for Rural Communities
- Community Alliance
- Community Development Xchange
- Community Foundation (Tyne & Wear and Northumberland)
- Community Links
- Community Sector Coalition
- Confederation of Indian Organisations (CIO)
- Co-operatives UK
- Cornwall Care
- Cornwall Voluntary Sector Forum (VSF)
- Counsel & Care
- Crime Concern
- CSV
- CVS (NW Leicestershire)

- Dalgarno Neighbourhood Trust
- DEED
- Development Trusts Association
- Development Trusts Association North East
- Diabetes UK
- Directory of Social Change
- Eastbourne Progressive Jewish Congregation
- Elizabeth Finn Care
- EMF/EMCC
- Engage East Midlands
- Equity Partnership
- Ethnic Minority Foundation (EMF)
- EVDC (England Volunteering Development Council)
- Express Link-Up
- Faithworks
- Fazakerley community federation
- Federation of City Farms & Community Gardens
- FEMALC
- Foundations
- Foyer & YMCA England
- Funding South West
- Funding South West
- Futurebuilders England Ltd
- Grazroots
- Greater London Volunteering
- Greater Manchester CVO
- Greentop Community Circus Centre
- Groundwork UK
- HBHG Development Trust Ltd
- Help the Hospices, Sue Ryder Care and Marie Curie Cancer Care.
- Helston & Distict Community Association

- Herefordshire Centre of Independent Living
- Heritage Link
- Homeless Link
- Horsham Area Council for Voluntary Service (HACVS)
- Imkaan
- Infrastructure National Partnership (INP)
- Institute of Fundraising
- K2 Projects
- Kent County Council
- Lambeth Women's Project
- Law Centres Federation*
- Leeds Voice
- Legal Action Group
- Let's Link
- LGA, IDeA and LGIU
- Linkage Community Trust
- Liverpool CVS
- Local Investment Fund
- London Civic Forum
- Manchester Women's Electronic Village Hall (WEVH)
- Media Trust
- Mentoring & Befriending Foundation
- Meon Valley Carers Together
- NACRO
- National Council for Voluntary Youth Services (NCYVS)
- National Council of Voluntary Child Care Organisations (NCVCCO)
- NAVCA
- NAVCA & CFN
- NCH Children's Fund Kirklees
- NCH-The Children's Charity
- NCVO

- NELC/VANEL
- New Hope Mentoring Programme
- NFEA (National Federation of Enterprise Agencies)
- Nottinghamshire Rural Community Council
- NW ACTS (North West Association of Civic Trust Societies)
- OCR South Regional Office
- Penwith Community Development Trust
- Philanthropy UK
- Phoenix Enterprises
- Prince's Trust
- Pub is the Hub
- R3N
- REACH
- Refugee Women's Association (RWA)
- Regional Forum for Voluntary and Community Organisations (RF)
- Regional Voluntary Sector Networks Forum (RVSNF)
- Remember A Charity
- Rethink
- RSA (Royal Society for the encouragement of Arts, Manufactures & Commerce)
- RSPB
- Rural Action on Merseyside Project (RAMP)
- SAFE
- School for Social Entrepreneurs
- Sefton Council for Voluntary Service
- SERCC - South East Rural Community Councils
- Shaw Trust
- SkillsActive
- Social Enterprise Coalition
- Social Enterprise East Midlands (SEEM)
- Social Enterprise London
- Social Firms UK

- Soroptimist International (UK)
- South Yorkshire Housing Association (SYHA)
- South Yorkshire Women's Development Trust
- Southley & Owlerton Area Regeneration (SOAR)
- Sport England
- St John's Ambulance
- St Mungo's
- Stitches in Time/Fabric Works
- Surrey Community Action
- Tameside Third sector Coalition
- The Arthur Rank Centre
- The Baring Foundation
- The Breastfeeding Network
- The Capability Company
- The Church of England Archbishops' Council
- The Cranfield Trust
- The Environment Council
- The Housing Corporation
- The Lantern Project
- The National Housing Federation
- The National Youth Agency
- Third Sector Alliance
- Third Sector European Network (TSEN)
- Third Sector Network
- Threshold Women's Counselling Services
- Timebank
- TLC Care Services
- Tower Hamlets Community Empowerment Network and Community Organisations Forum
- Trafford Housing Trust
- Treehouse - The National Charity for Autism Education

- Triodos Bank
- TSEN (Third Sector European Network)
- TUC
- UNISON
- Urban Forum
- Valuing People Partnership Board
- Vinput
- Voices
- Voluntary Action Rotherham
- Voluntary Arts England, Engage East Midlands & Voluntary Arts Council East Midlands
- Voluntary Sector North West
- Volunteer Centre Community First/Hampshire
- Volunteer Centre Dorchester
- Volunteer Centre Gosport
- Volunteering England
- VONNE/Voluntary Sector North west and Yorkshire/Humber Regional Forum
- WAITS (Women Acting in Today's Society)
- West Midlands Rural Community Council Network
- Whippingham Community Association
- Winner Project
- Women's Aid
- Women's Environmental Network (WEN)
- Women's Refuge Project
- Women's Resource Centre (WRC) Questionnaire
- Yorkshire & Humber Association of Civic Societies (YHACS)
- Yorkshire & Humber Regional BME VCS

INDIVIDUALS

- Carl Allen
- Mr. G. L. Ackers
- Jeff Anderson
- Sir Peter Baldwin
- Anthea Ballam
- Rev. Tim Clarke
- Ven. Clive Cohen
- Celia Collet CBE
- Hugh Emerson
- Norma Ferguson
- Angela Forman
- Ted Fowler
- Tim Hancox
- Richard Jenkins
- Fredericka Johns
- Stephen Leach
- Des McConaghy
- Dick Macaulay
- Gillian Mullen
- Laura Necchi-Ghiri
- Mary Richards
- Andrea Sadler
- Richard Small
- Amanda Steer
- Jeremy Swain
- Rev. David Thompson
- Margrete Thorsen-Moor

C

SECOND STAGE CONSULTATION - THEMATIC SEMINARS

C.1 The review interim report, published in December 2006, committed the Government to further developing its understanding in the following five areas: strengthening communities; enabling voice and campaigning; encouraging social enterprise; transforming public service; and supporting the environment for a healthy third sector.

C.2 As well as considering all the first stage consultation responses, undertaking further research and assessing international evidence, five thematic round table meetings were organised and held across the country, attended by local, regional and national third sector organisations.

C.3 In addition, an interactive web based consultation was launched in December 2006 providing an opportunity to post responses to specific questions posed in the interim report. Annex D lists all the organisations that responded to the web consultation.

THEMATIC SEMINARS

Date	Seminar Theme	City
09/02/07	Communities	York
27/02/07	Public Services	London
01/03/07	Healthy Environment	Birmingham
02/03/07	Voice & Campaigning	Newcastle
23/02/07	Social Enterprise	Bristol

D

SECOND STAGE CONSULTATION - WEBSITE RESPONSES

- All Cannings Community Store Association
- Commission for Rural Communities
- Community Development Finance Association
- ERS
- Heritage Lottery Fund
- Jan Foundation
- Keynesian Employment
- Leeds Community Foundation
- Local Government Association
- North West Network
- Peabody Trust
- Percy Hedley Foundation
- Scarman Trust
- School for Social Entrepreneurs
- Sunderland Partnership
- Third Sector Alliance/LVSC
- TSEN
- Volunteer Centre Croydon
- Yorkshire and Humber Regional Forum

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