

**OFFICE OF THE THIRD SECTOR
ADVISORY BODY**

**HEALTH CHECK OF THE
OFFICE OF THE THIRD SECTOR**

April 2009

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Executive Summary

This report examines the capacity and performance of the Office of the Third Sector (OTS) in delivering the commitments set out in its strategy, which reflects the outcomes of the Third Sector Review.

It is based on interviews conducted with a range of key stakeholders in the sector, other Government Departments, the Cabinet Office and OTS staff.

There was a great deal of positive feedback. In particular, stakeholders generally:

- welcome OTS's enhanced capability and resources to support and work with sector,
- believe that OTS's position in the Cabinet Office has given it and the sector greater influence across Government,
- recognise the potential impact of OTS's funding programmes,
- believe that OTS is equipped to deliver its commitments,
- welcome the engagement with the sector demonstrated in, for example, the Third Sector Review and the strategic partners programme,
- feel that the Cabinet Office Ministers and OTS's senior managers have provided clear leadership and that OTS's staff are committed, accessible and able to deliver.

The feedback also suggested some areas where OTS could make improvements. The report accordingly makes a number of recommendations to OTS in relation to:

- communications, particularly in relation to the overall strategy and segmentation of audiences,
- the effectiveness of current and future ways of delivering funding programmes,
- influencing across Government,
- evaluating impact, particularly at the strategic level, and translating this into preparation for the next Spending Review,
- ways of working more effectively with strategic partners.

The Advisory Body invites OTS to respond to these recommendations.

1 Introduction

- 1.1 The purpose of this report is to set out the findings and recommendations of a health check of the Office of the Third Sector (OTS), conducted in the last quarter of 2008.
- 1.2 The OTS Advisory Body was asked in August 2008 to undertake a health check of OTS which would:
 - Provide an assessment, based on stakeholder and OTS feedback, of the current capability of OTS to deliver the commitments in the Third Sector Review, focused on three key areas – leadership, strategy and delivery.
 - Provide an assessment of the progress made so far in delivery of the commitments in the Review and of what some of the future challenges might be.
 - Make recommendations to improve the capacity and readiness of OTS to deliver, in terms of expertise, skill sets, capability and partnership with the sector.
- 1.3 The health check does not, therefore, provide a critique of OTS's strategy, as set out in the final report of the Third Sector Review. Rather, it is intended to assess whether the strategy and policies are being communicated and delivered effectively and whether OTS has the expertise, skills sets and capability to deliver its commitments. The full terms of reference of the health check are at Annex A.
- 1.4 The health check comprised a series of interviews, conducted by Advisory Body members Stephen Dunmore, Clare Gilhooly, Bhupendra Mistry and Cliff Prior. 33 interviews were held with the stakeholders listed in Annex B, who comprise a range of people in the following categories:
 - External stakeholders, including delivery partners and strategic partners.
 - Key cross-government and Cabinet Office stakeholders.
 - OTS staff.
- 1.5 The interview questions are at Annex C.

2 Background

Office of the Third Sector

- 2.1 The Office of the Third Sector (OTS) was created in May 2006, incorporating the responsibilities of the Active Communities Directorate of the Home Office and the Social Enterprise Unit of the former Department for Trade and Industry. OTS was placed in the Cabinet Office, at the centre of government, in recognition of the increasingly important role the third sector plays both in society and the economy, and the post of Minister for the Third Sector was created.
- 2.2 Organisations in the third sector share common characteristics. They -
- are non-governmental;
 - are value-driven; and
 - reinvest any financial surpluses principally in further social, environmental or cultural objectives.
- 2.3 The term 'third sector' encompasses voluntary and community organisations, charities, social enterprises, cooperatives and mutuals.

The Third Sector Review

- 2.4 The Third Sector Review sets out the Government's vision and strategy for working with the third sector. Published in July 2007, it responds to the largest consultation the Government has held with the sector and describes how OTS will invest over £515 million (m) over 2008-11 in third sector programmes under five key themes:
- Promoting voice and campaigning.
 - Strengthening communities.
 - Transforming public services.
 - Encouraging social enterprise.
 - Supporting the conditions for a thriving third sector.

Delivery partners

- 2.5 Delivery partners are organisations with which OTS has a contractual agreement to deliver a key part of OTS's business. These include two OTS-sponsored non-departmental public bodies, Capacitybuilders and the Commission for the Compact, and organisations such as the Community Development Foundation, which is administering the Grassroots Grants programme.

Strategic partners

2.6 OTS wants the concerns and priorities of the third sector to be clearly expressed to and heard by government, and the strategic partners programme aims to ensure that there are organisations empowered to make this happen. OTS strategic partners are funded to enable them to reflect fairly the views of their members to government, through activities including events, conferences, research or consultation. For its part, OTS commits to involving partners in policy development and taking into account the evidence, advice and opinion they provide.

2.7 OTS currently has 45 strategic partners under four key themes

- 'Voice of the voluntary and community sector'.
- 'Volunteering'.
- 'Charitable giving'.
- Social enterprise.

Funding agreements run for the most part to 2011. Each partner has a Memorandum of Understanding with OTS and a work plan which sets out the activity to be completed in any financial year.

Delivery and performance

2.8 A description of the Government's framework within which OTS is expected to deliver agreed outcomes and measure performance is at Annex D.

3 Leadership, strategy and communications

- 3.1 Stakeholders generally felt that OTS's senior managers provide convincing leadership and that there has so far been a very clear (and welcome) Ministerial commitment.
- 3.2 Overall, since the creation of the OTS, the new arrangements that have been put in place (clarity of strategy, more staff and funding, OTS's high profile position in the Cabinet Office at the heart of government, with an ability to influence other Departments) were regarded as significant developments. One stakeholder commented that '*OTS is big enough to have an impact but small enough to work with*'.
- 3.3 Much of what OTS has done was widely recognised and welcomed – for example, the raising of the third sector's profile inside and outside government; the genuine engagement of third sector stakeholders via the strategic partners programme; specific funding initiatives, such as Grassroots Grants; the two Research Centres; Communitybuilders; encouraging and funding the development of social enterprise opportunities through other Departments; and training for public sector commissioners.
- 3.4 The process of developing the Third Sector Review was recognised as inclusive, taking account of views expressed. Nonetheless, feedback suggested that, although OTS has had some success in communicating its vision and strategy across government, to key partners and more widely, a number of stakeholders seemed to be wholly or partly unaware of OTS's overall strategy, some commenting on the lack of coherence between different OTS programmes.
- 3.5 Several stakeholders emphasised that most grassroots organisations are only aware of OTS, if at all, when a particular funding programme or issue affects them. This was not, however, regarded necessarily as a problem.
- 3.6 Despite a website generally regarded as excellent, the links between strategy and the priorities for allocating funding between the programmes have not always been clearly communicated or perceived. The programmes can sometimes appear to be rather 'siloes' and this, it was suggested, may be reinforced by the way OTS has chosen to organise its teams.
- 3.7 There was also a feeling that OTS was not always clear about who its 'customers' are. It was suggested that more clarity on this would aid communication, since different audiences could be identified and targeted with tailored messages. (R1)
- 3.8 Several stakeholders felt that there is scope for more joined-up communication across Government on initiatives which relate to the third sector. There were several calls for OTS to share good practice

more effectively and to provide a strategic account of cross-Departmental activity relating to the third sector in the context of the Third Sector Review. The publication of an 'annual review' was suggested as one means of addressing these issues. **(R2)**

4 National issues, regional agendas and local impact

- 4.1 There were some concerns about whether the term ‘third sector’ clarifies or confuses OTS’s scope and role, and whether the term has been clearly and consistently defined. We were told that most social enterprises do not regard themselves as part of the third sector; most community groups would not understand or identify with that descriptor; and that there are other players – social housing organisations and universities – who should be included in the third sector definition. Whatever the umbrella term covers, stakeholders generally felt that OTS will continue to need in practice to identify the several different groupings within the third sector and to target them in different ways.
- 4.2 Many OTS programmes attract widespread support and stakeholders recognise the potential impact of OTS’s funding programmes. However, there were a variety of views on the balance of funding across the overall package. The most common concerns were that too much is being allocated to developing social enterprise; that not enough is being targeted on voice/civil society and developing ‘local solutions’ (via Local Strategic Partnerships (LSPs), Local Area Agreements (LAAs), community-based organisations, community planning and parish councils); and that national ‘flagship’ programmes take up a significant proportion of the resources allocated. There was a sense that the local dimension could be given more priority and that it is critical that nationally delivered programmes have a clear and recognisable impact on the ground. **(R3)**
- 4.3 There was recognition internally and externally that there had been some difficulties with the establishment and sponsorship of some of the national delivery partners – the Commission for the Compact, Futurebuilders and Capacitybuilders. However, in talking to national delivery partners, only one had reservations about the handling and quality of its past relationship with OTS/the Cabinet Office and all the other delivery partners interviewed were positive about their relationship with OTS.
- 4.4 Some stakeholders felt that, at the local level, the Compact needed to have more impact and that progress locally is now predominantly being driven through partnership working with local authorities, via LSPs and LAAs. There were some concerns that the approach to funding capacity building work, through two relatively small national agencies (Futurebuilders and Capacitybuilders), as well as separately through the Big Lottery Fund, is confusing and that this kind of funding could be best focused and delivered direct to first tier organisations at the local level. Historically, it was felt that the impact of infrastructure funding through Capacitybuilders could have been greater.

- 4.5 Some umbrella organisations at national, city and regional level argued strongly for a more regional focus, both through supporting and promoting regional networks and by engaging proactively with implementation of the sub-national review, including developing closer working with the regional provision of business advice and support through the Regional Development Agencies (RDAs)/Business Links. There was a feeling that the third sector may be missing out on 'regional grants' (in the case of social enterprise, funding via Business Links). **(R4 and R5)**

5 Relations with other Government Departments

- 5.1 OTS's work in influencing policy development and delivery across Government Departments was recognised by stakeholders. Most stakeholders were clear that OTS cannot deliver all of the vision set out in the Third Sector Review without the buy-in and active participation of other Departments, local authorities and other public bodies.
- 5.2 The Department of Health's initiative to include social enterprises in service delivery was specifically welcomed, as was the Department for Environment, Food and Rural Affairs' (DEFRA) programme delivery via the third sector in rural areas, although these successes were not always associated with OTS. Departments and related organisations where it was felt that the role of the third sector could be more strongly promoted included the Department for Business, Enterprise and Regulatory Reform (BERR), the Department for Work and Pensions (DWP), the Legal Services Commission and RDAs.
- 5.3 A further example cited of where OTS could do more to deliver on its cross-Departmental agenda was in relation to the taking full advantage of the volunteering element in the Olympic legacy and, more generally, the promotion of volunteering across Government (ensuring full implementation of the recommendations of the Russell Commission).
- 5.4 There was a widespread feeling that the messages communicated by a range of Government Departments on third sector issues – for example, on commissioning practices, the merits of and legal framework for grants as opposed to procurement, and community policy – have not always appeared to be consistent. There was also a perception that OTS could do more to communicate externally its achievements in working alongside other Government Departments.
- 5.5 Stakeholders commented that OTS should in future communicate the successes of cross-departmental collaboration, perhaps in the form of joint announcements by OTS and other Departments and branding which clearly links relevant initiatives to OTS's strategy. **(R6)**
- 5.6 Externally, there was a perception that there could be more joining up between OTS and Communities and Local Government (CLG). However, both OTS and CLG were very positive about the relationship between the two departments with the joint fund Communitybuilders and the development and take up of National Indicators 6 and 7 given as examples of successful shared developments. A view was expressed that the relationship was complex, operating at many different levels and in a variety of forums. **(R7)**

6 Working with strategic partners

- 6.1 The strategic partners initiative was generally welcomed, with positive feedback from OTS about how helpful the strategic partners were. Strategic partners considered the initiative to be valuable and commented that the relationship with OTS provided them with a way into other Government Departments and that the funding provided them with the capacity to engage in policy development. It was, however, suggested that, while the funding was significant, OTS needed to be more aware of the constraints on strategic partners because of the limited resources available to them.
- 6.2 A number of stakeholders commented that there were too many strategic partners and that there should be some rationalisation, though without suggesting which types of organisations should be omitted. One stakeholder suggested that OTS should insist on mergers or more effective collaboration between partners as a price for funding.
- 6.3 There were a number of comments about the diversity of the existing strategic partners. One stakeholder commented that OTS had a good range of strategic partners, including an effective black and minority ethnic (BME) voice. A small number of stakeholders called for OTS to do more to promote partnerships with age and faith groups, such as Muslim organisations, and to give greater priority to supporting BME third sector national groups, which, it was suggested, were suffering because of a 'misguided' reluctance in the public sector, as a result of the emphasis on community cohesion, to fund organisations focused on the needs of specific minority ethnic communities.
- 6.4 A number of the strategic partners interviewed commented that the role of strategic partners wasn't clear, although they were recognised as providing intelligence of voice. Several were unsure of the distinction between strategic and delivery partners, including some organisations who were both; another wasn't clear on the distinction between strategic partners and the Office of the Third Sector Advisory Body.
- 6.5 Some strategic partners perceived a conflict between their role in communicating OTS messages to their constituencies and the need to retain their own independence and ability to criticise government. There were also comments about the large number of communications received from OTS and a suggestion that OTS could communicate more strategically with strategic partners. Some interviewees said that they were very selective about which messages they passed on, based on the particular needs and interests of their constituencies.
- 6.6 Although one or two interviewees said that they networked with other strategic partners who shared similar interests, there was a general

view that strategic partners worked with OTS better than with each other and that bringing them together served to highlight their differences – with comments that consultation and discussion events hadn't always been wholly constructive. There was also a perception that strategic partners could seem reluctant to engage in issues that they didn't consider to be relevant to their own organisations and/or networks.

6.7 There were a number of calls for strategic partners to be encouraged to work more effectively together, for example on voice and capacity building, and for them to take more responsibility for engaging with OTS, providing input to OTS's agenda and helping deliver the strategy. Further suggestions were that OTS should ask relevant groups of partners to look at strategic themes and that partners should make more effort to share information and disseminate lessons learned. This was linked to a suggestion that OTS should be more prescriptive in identifying key topics for advice and using its financial muscle to persuade partners to explore issues in a more collective and strategic way. **(R8 and R9)**

6.8 Examples of potential topics on which strategic partners could usefully provide collective input include:

- Tackling the current economic/financial crisis.
- Planning for the next Spending Review.
- Reducing extremism and increasing integration and cohesion, which was considered to be an issue relevant to the whole of the third sector, not just to BME organisations.
- Co-designing new programmes.
- Horizon-scanning.

It was suggested that strategic partners' contributions should be recognised as part of an annual review of progress in implementing OTS's strategy **(R10)**

6.9 Strategic partners mentioned that they had valued the opportunity to contribute information to the Government on different projects including the third sector's role in tackling crime and developing the Social Return on Investment project (SROI). There was a concern that OTS should ensure that it feeds back to strategic partners the results of their input as much as possible.

7 Evaluating impact and preparing for the next Spending Review

- 7.1 OTS has several mechanisms for monitoring performance and measures performance publicly through the Public Service Agreement 21 'Building cohesive, empowered and active communities' and the National Indicator set (see Annex D).
- 7.2 Most stakeholders interviewed were aware of and enthusiastic about the take-up of National Indicators 6 and 7 by local authorities but many were unaware of OTS's involvement in developing and securing these indicators and very few knew about the PSA target. A small number of stakeholders expressed concern that, in their view, OTS is measuring outputs rather than outcomes (impact), although it was recognised that outcomes are often difficult to analyse. Both within and outside OTS, it was clear that the question of what success in delivering OTS's overall strategy might look like on the ground has not been fully answered. **(R11)**
- 7.3 Most delivery partners seemed aware of the ways in which OTS is monitoring and evaluating the programmes each of them is delivering; stakeholders were generally unaware, however, of how information might be aggregated and analysed by OTS to demonstrate strategic outcomes. Some stakeholders also suggested that OTS is very focused on the delivery of its existing programmes, often to challenging timescales, and may therefore lack the capacity and space to do the strategic thinking necessary to prepare effectively for the next Spending Review. It was also suggested that strategic partners could play a helpful and important role in contributing to OTS's policy development and analysis of options leading up to the Spending Review. **(R12)**
- 7.4 OTS's funding of the Third Sector Research Centre and the Centre for Charitable Giving and Philanthropy was acknowledged as a positive step with the potential to fill a large gap in evidence. However, there were some concerns, particularly from organisations with grassroots constituencies, about how the third sector research programme would be determined and then translate into policy development. In particular, there was strong view that the programme must be responsive to the needs of the third sector and constructed in away that will deliver practical results.
- 7.5 Key areas that were identified as priorities for further strategic analysis in preparation for the next Spending Review are the role of civil society, linked to community empowerment, third sector engagement in public service delivery, including the personalisation agenda, and the implications of the economic downturn for the third sector. Some stakeholders felt that tensions between the development of a more robust civil society and OTS's /Government's role in promoting and facilitating that development deserve further consideration.

8 Recommendations

Theme	Recommendations
Leadership, strategy and communications	<p>R1 While in the early life of OTS it was important to ensure broad messages about the strategy and work of the Office were communicated, there is now an opportunity for more targeted communications. OTS should take steps to segment its audience and target messages about the work of the Office more effectively.</p> <p>R2 OTS should communicate its achievements and successes more openly, including in its work with other Government Departments. An annual review of activity and impact, linked to the overall strategy, should be published and widely disseminated.</p>

Theme	Recommendations
<p>National issues, regional agenda, local impact</p>	<p>R3 As part of the preparation for the next Spending Review, OTS should consider carefully the balance of funding delivered at national, regional and local level. At present, OTS uses key national delivery partners to distribute the majority of its funding and, while this funding does reach the regional and local levels, national delivery may not always be the optimum channel. The full range of options should be considered – national and regional delivery, Local Strategic Partnerships and Local Area Agreements and demand-led models where local organisations are given the power to purchase services.</p> <p>R4 For social enterprise in particular, OTS should consider further the role of the regional tier in delivering significant support to business development and ensure that this support is available to the third sector.</p> <p>R5 OTS should ensure that there is full third sector engagement with the implementation of the sub-national review.</p>

Theme	Recommendations
<p>Relations with other government departments</p>	<p>R6 OTS has a number of critical relationships across central Government Departments, and is involved in developing and influencing policy in a wide range of areas. OTS should ensure that the significant amount of joint working across Government is effectively communicated to stakeholders. This could be in the form of joint announcements by OTS and other Government Departments and improved branding across Government to indicate where initiatives and achievements are linked to OTS's third sector strategy.</p> <p>R7 OTS should review its working relationships with other Departments at all levels to ensure that the optimum structures are in place to deliver a coherent dialogue.</p>
<p>Working with strategic partners</p>	<p>R8 Although funding agreements with strategic partners run to March 2011, OTS should review the programme in the run-up to the next Spending Review with a view to potential streamlining. In particular, OTS should be clearer, through its funding agreements, about what it expects strategic partners to deliver, with a more specific requirement for collaboration, as appropriate, across groups of partners.</p> <p>R9 OTS should be clearer about why strategic partners are being brought together, using group discussions in a more targeted way and more effectively.</p> <p>R10 OTS should ensure that the contribution of strategic partners is fully reflected in the proposed annual review (R2 above).</p>

Theme	Recommendations
Evaluating impact and preparing for the next Spending Review	<p>R11 OTS has a range of mechanisms for monitoring outputs and outcomes and measures performance publicly via the Public Service Agreement 21 and the National Indicator set. This work should be developed further to provide a broader understanding of OTS's impact on the ground and what success looks like for the delivery of the OTS strategy across Government. To achieve this, OTS should use all the available resources, including evidence from its own evaluations (if available in time) and from strategic and delivery partners, engaging them in the process early.</p> <p>R12 OTS should ensure that it has the space and capacity within the Office to put together a robust submission to HM Treasury for the Spending Review, while continuing to deliver its current commitments in the Third Sector Review.</p>

ANNEX A

ADVISORY BODY HEALTH CHECK OF OTS

Terms of reference

In July 2007 the Government published the final report of the Third Sector Review setting out a strategy for partnership working between the sector and Government. Led by the Office of the Third Sector (OTS) in the Cabinet Office. The Review set out a series of commitments and investment programmes for the sector covering the years 2008-2011.

As the OTS takes forward delivery of the third sector review, the Advisory Body has been asked to undertake a health check of the OTS.

The OTS health check will:

- Provide an assessment, based on stakeholder and OTS staff feedback, of the current capability of the OTS to deliver the commitments in the third sector review focused on three key areas that impact on effective delivery:
 - Leadership - examining whether the OTS is clear on its role and builds the capability of its staff to deliver
 - Strategy - looking at whether the OTS bases decisions on evidence and builds common purpose amongst delivery partners and stakeholders
 - Delivery - investigating progress so far in implementation of the third sector review, whether there is a clear allocation of responsibilities in delivery of the review and whether the OTS has the tools to understand and communicate its performance.
- Provide an assessment of the progress made so far in delivery of the commitments in the third sector review and what some of the future challenges may be.
- Make recommendations to improve the capacity and readiness of the OTS to deliver, in terms of expertise, skill sets, capability and partnership with the sector.

The health check is therefore not an assessment of the OTS strategy, which is set out in the final report of the Third Sector Review. Rather, it will provide an assessment of OTS' readiness to fulfil the commitments set out in that Review.

Approach

The health check will comprise a series of interviews, conducted by Advisory Body members, with:

- External stakeholders, including delivery partners and strategic partners.
- Key cross-Government and Cabinet Office stakeholders.
- OTS staff.

The health check will also look at key OTS planning, monitoring and strategy documents.

Health check outputs

- Full and frank feedback to OTS's Senior Management Team, by means of a presentation and Q&A session.
- Feedback to the Advisory Body by means of a presentation and Q&A session at the Advisory Body meeting.
- Advisory Body presentation to OTS staff at an OTS awayday.
- A short report, which will include achievements and recommendations.
- An OTS response to the recommendations.

ANNEX B

STAKEHOLDERS INTERVIEWED

Internal	
Minister for the Third Sector	Kevin Brennan MP
Cabinet Office Management Board representative for OTS	Paul Britton
Director General OTS	Campbell Robb
OTS staff	Attendees at two workshops
OTS sponsored non-departmental public bodies	
Capacitybuilders†	Catherine Johnstone
The Commission for the Compact†	Richard Corden
External stakeholders	
Government's Volunteering Champion	Baroness Julia Neuberger
Association of Chief Executives of Voluntary Organisations*	Seb Elsworth
ACRE*	Sylvia Brown
Association of Charitable Foundations*	David Emerson
BASSAC*	Ben Hughes
Big Lottery Fund†	Peter Wanless
Birmingham Voluntary Service Council	Brian Carr
Black Training & Enterprise Group	Jeremy Crook
Community Development Foundation†	Alison Seabrooke
Community Matters*	David Tyler
Compact Voice†	Simon Blake
Development Trusts Association*†	Steve Wyler
Futurebuilders (Adventure Capital Fund)†	Jonathan Lewis
Improvement & Development Agency†	Helen Hughes
London Voluntary Service Council	Elizabeth Balgobin
NAVCA*	Kevin Curley
NCVO*†	Stuart Etherington
Social Enterprise Coalition*†	Jonathan Bland
v*†	Terry Ryall
Voluntary Action Sheffield	Nick Warren
Voice 4 Change*	Vandna Gohil
Volunteering England*	Justin Davis-Smith
Government departments	
Cabinet Office	Ben Jupp
Charity Commission	Andrew Hind & Rosie Chapman
Communities and Local Government	Tim Pope
Department for Environment, Food and Rural Affairs	Jill Rutter

*OTS strategic partner

†OTS delivery partner

ANNEX C

QUESTIONS ASKED OF INTERVIEWEES

PART ONE - Leadership

Set direction

Does OTS communicate a clear, compelling and coherent vision for the future?

Do you think messages coming out of Government are clear and consistent on third sector issues? If there are inconsistencies, where are they? - any specific examples?

Take responsibility for leading delivery and change

Are you clear on the role of OTS?

For staff workshops only:

Are you clear on how OTS interacts with other parts of the Cabinet Office and other Departments?

How does SMT role-model an effective corporate culture of teamwork?

Build capability

For staff workshops only:

How does OTS identify and nurture talent and grow experience in individuals and teams?

Does OTS have the right skills across the organisation to deliver the vision?

Do you feel that OTS manages its people and resources well?

PART TWO - Strategy

Focus on outcomes

What do you think the OTS has achieved so far?

Does OTS communicate its strategy (aims, objectives and outcomes) clearly and coherently?

Do you have a clear idea of how OTS work interacts with the Public Service Agreement Framework? Or the Local Performance Framework?

How is the success of OTS viewed on the ground?

Base decisions on evidence

Do you think OTS understands and respond to what its customers want?

Do you think OTS ensures that its decisions are informed by sound evidence and analysis?

Does OTS cultivate innovative solutions to existing and new problems? If so, can you give examples?

Build common purpose

How does OTS engage, align and enthuse partners across sectors to work together as a team to deliver the strategy?

Does OTS remove obstacles to effective joint working? If so, how?

How does OTS work with partners when developing strategy?

How important do you think OTS is in improving the environment for and the effectiveness of the third sector?

PART THREE - Delivery

Plan, resource and prioritise

What have you expected OTS to do that it hasn't done yet?

What do you think of OTS's progress on implementation of the third sector review so far - is the focus in the right areas and what would you prioritise?

What is the one thing that OTS should do differently to make a difference (either staff facing or delivery facing)?

Which Government Department(s) should OTS focus its efforts on in terms of changing behaviours/policies?

Do you think OTS will deliver everything in the third sector review?

Do you think OTS communicates its plans well enough and frequently enough - how do you keep up to date with developments in OTS's delivery of the programme?

Do you think the allocations made between different OTS programmes is right? Do you think it is evidence based?

How does OTS maintain effective control of these resources?

Develop clear roles, responsibilities and delivery models

For delivery partners only:

Do you feel clear on your roles, responsibilities and accountabilities for delivering the third sector review's strategic outcomes across the delivery chain?

Are these understood and supported by appropriate incentives delegation of responsibilities and governance arrangements?

How does OTS work with partners to build capability in the delivery chain?

For Capacitybuilders, Futurebuilders and the Compact Commission

Is OTS an effective and efficient sponsor?

Manage performance

Does OTS have high-quality, timely and well-understood performance information, supported by analytical capability, which allows it to track performance across the delivery chain?

How effectively are programmes and risk managed across the delivery chain?

ANNEX D

OTS – DELIVERY AND PERFORMANCE

CSR2007 and PSA 21

The Comprehensive Spending Review (CSR), published in October 2007, announced a new set of 30 Public Service Agreement (PSA) targets which articulated the priority outcomes for the CSR period 2008-11, detailing each Department's aims and objectives for the forthcoming three years, how the targets would be achieved and how performance against the targets would be measured.

Each PSA was underpinned by a single Delivery Agreement, shared across all contributing Departments, and developed in consultation with delivery partners and frontline workers. The Delivery Agreements also described the small basket of national outcome-focused performance indicators that would be used to measure progress towards each PSA.

The contribution of the third sector was recognised in the majority of the Delivery Agreements.

One PSA with particular importance to the third sector is PSA 21 – for which the OTS is a delivery partner – which aims to 'Build more cohesive, empowered and active communities.' Underpinning the delivery of PSA 21, one of the Cabinet Office Departmental Strategic Objectives is to 'Enable a thriving third sector.'

PSA 21 includes one indicator measuring a thriving third sector made up of an index of the percentage of people who engage in formal volunteering on a regular basis and the number of full-time equivalent staff employed in the sector.

Local Government Performance Framework

A new performance framework for monitoring and regulating local government was set out in Chapter 6 of the Local Government White Paper: 'Strong and prosperous communities,' October 2006. Key elements of the new framework include:

- Local Strategic Partnerships (LSP): under the framework, each local area will have a LSP which will decide on local priorities. Third sector organisations are full and equal partners in LSPs and the partnerships have a duty to involve local citizens in decision-making.
- Local Area Agreements (LAA): the priorities agreed by the LSPs will be set out in LAAs, which are agreements between central government, local authorities and their partners to improve services and the quality of life in an area.

- **National Indicators:** the performance framework includes a set of 198 National Indicators. These Indicators cover all the national priority outcomes which local authorities will be responsible for delivering. Each LAA will have up to 35 of these agreed as priorities. Performance against the priorities set out in the LAA will be assessed through Comprehensive Area Assessments (CAAs).

Two of the National Indicators relate to the third sector - National Indicators 6 and 7.

National Indicator 7: 'An environment for a thriving third sector' - measures the contribution that local government and its partners make to the environment in which independent third sector organisations can operate successfully.

National Indicator 6: 'Participation in regular volunteering' - measures the levels of volunteering in an area.

93 of England's top tier local authorities chose to prioritise one or both of these third sector Indicators in their Local Area Agreements.