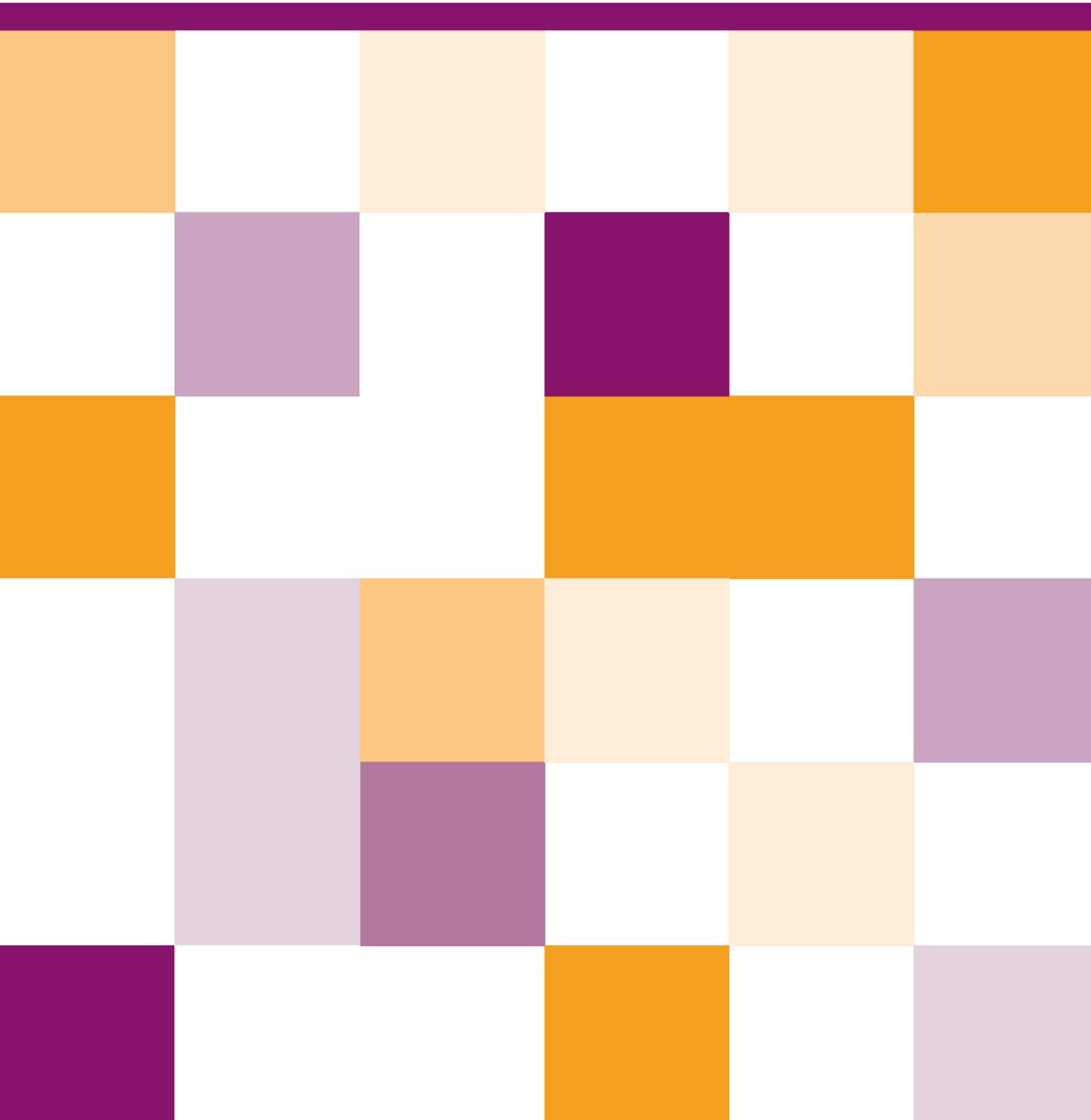




CabinetOffice
Office of the **Third Sector**

Office of the Third Sector Response to Health Check Recommendations

April 2009



Introduction

The Office of the Third Sector (OTS) welcomes the report of the Third Sector Advisory Body and accepts all of the recommendations made.

We are pleased that the report carried out by the Advisory Body demonstrates that the OTS is well placed to deliver and also that it offers some possibilities for improvement. As the report sets out, despite the OTS being a relatively new organisation, the OTS demonstrates strong leadership and stakeholder engagement and the potential impact of the range of our investment programmes is significant.

The OTS response to each of the recommendations is set out below

Leadership, strategy and communications

R1: OTS should take steps to segment its audience and target messages about the work of the Office more effectively.

- The OTS will carry out a review of its communications work including analysis of our key stakeholders with a view to informing better targeting of key communications and to encouraging stakeholder engagement.
- We will also undertake a survey of website users during spring 2009 to inform further development of the site including our regular e-bulletin

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.

- The work of the OTS is communicated through a number of channels in addition to the website, which attracts an average of 42,000 visits a month. Our headline achievements are for example communicated in the Cabinet Office Annual Report and Accounts, expected to be published before summer recess each year.
- 2008-09 was the first full year of the implementation of the Third Sector Review and the business plan we published in April 2008 set out our key aims for the year. Shortly the Office of the Third Sector will be publishing our business plan for 2009-10 which sets out progress against our 2008-09 business plan, including all third sector review activity. The plan will also set out the key deliverables for the coming year.

National issues, regional agenda, local impact

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. 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.

- The OTS is already preparing for the next Spending Review by considering the challenges that the third sector faces over the next decade in its current programme of Futures work, to be published in summer 2009.
- Data about local, regional and national performance is being analysed from our National Survey of Third Sector Organisations, and will be made publicly available from April 2009. This detailed analysis will inform future policy development and the work of the Community of Practice we have established to support Local Authority areas working towards targets on the two third sector National Indicators in the Local Performance Framework.

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.

- OTS has regular meetings with the lead officials on social enterprise in the Regional Development Agencies (RDAs). OTS works with the RDAs to ensure that each RDA Corporate Plan sets out how they will support social enterprises – these are accessible on the RDA websites.
- The Social Enterprise Action Plan, published in November 2006, describe the RDAs' role in supporting social enterprises and actions to support the sector. The RDAs have published a document to show some of the early progress which had been made - available at [www.seeda.co.uk/publications/Sustainable Prosperity/docs/SEEDA-RDA.pdf](http://www.seeda.co.uk/publications/Sustainable_Prosperty/docs/SEEDA-RDA.pdf)
- The OTS is providing funding of almost £6 million through the Regional Development Agencies to improve the way the Business Link service meets the needs of social enterprises. This funding runs until March 2011 and the impact of work undertaken is being formally evaluated. The findings of the evaluation will inform future work in this area. To monitor the success of these measures, RDAs have begun to report the numbers of social enterprises using the Business Link service.
- OTS has also worked to develop www.businesslink.gov.uk to ensure it provides good information for social enterprises.
- OTS and the Department for Business Enterprise and Regulatory Reform (BERR) are working together on further activities to raise awareness of support for the sector. As set out at the national social enterprise conference, Voice 09, the OTS and BERR are hosting a joint social enterprise summit in May 2009. The Summit will explore the role of social enterprises in the economy including how to increase the sector's capacity and capability, what social enterprises will look like in a rebalanced economy and agreeing the practical nature of the help needed.

R5 OTS should ensure that there is full third sector engagement with the implementation of the sub-national review.

- The OTS has been working with colleagues in Communities and Local Government (CLG) and BERR to ensure that the third sector is recognised as an important partner for consultation and development of the new regional strategies. There is a commitment to including the third sector within the new Local Democracy, Economic Development and Construction Bill which will implement recommendations from the sub-national review.
- The OTS has been working to develop closer working links between RDAs, Government Offices and other regional structures to ensure that third sector representation at a regional level is maintained and enhanced under the new sub-national review structures. In addition to the regular meetings with the RDA's social enterprise leads, the OTS has worked to promote connections between the RDAs and the regional third sector infrastructure organisations. In some cases this has resulted in a direct funding relationship, while others now include third sector representation on strategy and delivery groups. These relationships will improve the integration of the third sector in to the new regional structures as they develop.

Relations with other government departments

R6 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.

- As the report demonstrates the OTS works across Government to develop third sector policy. This was continued through the development of the recent Action Plan Real Help for Communities. Through our involvement in Public Service Agreement 21 (PSA 21) 'Build more cohesive, empowered and active communities', the OTS is also part of cross-Government delivery which is reflected in our governance structure (membership of the PSA 21 Board and a related cross-government sub programme board). The Grade 3 Champions network is also a key mechanism for driving work across Government.
- The review of the OTS communications strategy (as set out in our response to Recommendation 1) will include examination of working with key delivery partners including other Government Departments.

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.

- As set out above the OTS works across Government through a number of formal mechanisms including the Grade 3 Champions network and through our delivery of PSA 21.
- The OTS will consult with the Grade 3 Champions network on furthering its working relationships with all other Departments.

Working with strategic partners

R8: Although funding agreements with strategic partners run to March 2011, OTS should review the programme in the run-up to the 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.

- Although the strategic partners programme provides three to five year funding agreements with partners, providing certainty of funding, each funding agreement is renewed on an annual basis. Each year specific outcomes and activities for the grant are agreed with each strategic partner and a joint Memorandum of Understanding signed. The OTS is currently undertaking the process of renewing these agreements for 2009-10 and will ensure that sufficient clarity as to expected outcomes is provided.
- As part of the preparation for the next Spending Review, the OTS will be looking at the priorities for funding across all of its programmes. This will include a review of the strategic partners programme concluding in early 2010.

R9: OTS should be clearer about why strategic partners are being brought together, using group discussions in a more targeted way and more effectively.

- Strategic partners have in previous years been brought together to discuss strategic policy issues, informing ongoing OTS work. For example strategic partners were integral in inputting into the development and delivery strands of Real Help for Communities.
- OTS is currently canvassing other Government Departments to identify relevant strategic policy issues where a strategic partner perspective is needed, which together with its own priority areas for 2009-10, will provide a more focussed workplan for strategic partners to get involved with.

R10 OTS should ensure that the contribution of strategic partners is fully reflected in the proposed annual review (see Recommendation 2).

- The OTS will ensure that the work of the strategic partners is reflected in future business plans and other communications activity (see response to Recommendation 2 above)

Evaluating impact and preparing for the next Spending Review

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.

- OTS will continue to draw on the range of means at its disposal to understand and evaluate the impact of its work and that of its partners on the ground, including:
 - full analysis of the National Survey of Third Sector Organisations, which includes the responses of around 49,000 third sector organisations on a range of issues stretching from funding to the ability to influence local decisions,
 - key indicators of the sector's development and success through the Citizenship Survey (volunteering and giving), the Place Survey (volunteering and local quality of life), the labour force survey (employment in the sector) and others,
 - evidence from independent evaluations of our programmes; and,
 - the output of the Third Sector Research Centre and the Centre for Charitable Giving and Philanthropy

- These sources of information and available evidence from OTS strategic and delivery partners will be brought together to inform the next Spending Review process.

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.

- The OTS remains committed to implementing the measures set out in the Third Sector Review and is making good progress.

- As set out above, we have begun work to prepare for the next Spending Review with our Future's analysis to be completed by the summer 2009.

- A cross-OTS team has been assembled to put together the necessary work for the next Spending Review.