

**THE OFFICE OF THE THIRD SECTOR REQUEST FOR COMMENTS ON
THE PROPOSED PLAN OF SUPPORT FOR THE THIRD SECTOR FROM
THE YORKSHIRE AND HUMBER REGIONAL FORUM**

The Regional forum is the strategic organisation for the voluntary and community sector, (VCS), in the Yorkshire and Humber region. The Forum promotes and supports the contribution of the VCS in improving the quality of life for people, and especially those who are disconnected from society and the economy, or who live in disadvantaged communities across Yorkshire and Humber.

The Forum welcomes the Government's intention to produce an Action Plan which will set out how it will work together with the Third Sector in the current economic climate and beyond. We support the Minister's view that in a time of scarce resources "knee jerk" reactions should be avoided and realistic solutions sought. We also welcome the commitment to ensuring that the plan has reach and impact across the range of government departments.

The Regional Forum has a number of comments to make under the 6 key themes discussed at the Recession Summit on 24th November 2008.

1. Meeting demand for public services particularly in deprived areas.

- We believe that the needs of deprived areas should be understood in a holistic way. The causes of deprivation may well be different in different areas and are complex and inter related. It therefore follows that the "one size fits all" solution which concentrates mainly on getting more people into work will have limited success. What are needed are specific solutions for specific places.
- These solutions must have their roots in genuine community engagement. We should look to build on what already works. The Voluntary and Community Sector has this knowledge so it needs to be at the heart of the response. Building slowly and incrementally, whilst maintaining the trust and support of people and communities is imperative. Enhancing the value of small scale interventions in this way is the effective and sustainable route to success, but there has to be a commitment to honour existing commitments. Removing funding from a programme that works carries with it long term damaging consequences; and these include the growth of cynicism within deprived

communities about the true intentions of government and society.

2. Good quality contracting and commissioning.

- It seems obvious, but to achieve good quality the VCS needs to be involved in the planning, design, management, and delivery of programmes.
- The VCS has a wealth of intelligence and on the ground information; it is close to people and can react quickly. It must be a part of the national response to hard times.
- Likewise, simply going for the cheapest option will not deliver good quality contracting and commissioning, but in a time of recession this is a tempting proposition. The government could give a lead in trying to avoid this.
- There is plenty of evidence to show that the larger the contract the less effective it is likely to be in terms of effective outcomes. Smaller, more manageable programmes are often preferable and offer better value for money because they can target specific needs.
- Losing local delivery of services to national or even international organisations via outside tendering means that local capacity and capability disappears. The consequence of this is that community ownership, engagement, and empowerment are much more difficult to promote and achieve, with a resultant loss of social capital
- The VCS requires the same sort of government support in difficult economic times as is currently being offered to business. We are pleased that the government has accepted in full the recommendations of the Glover Report for helping small firms win a greater share of public procurement. We believe that these measures, which cover transparency, simplicity, and making procurement strategic across the public sector, are equally relevant to the VCS, and would urge OTS to look at adopting them on behalf of the sector.

3. Addressing potential income issues through local and national level funding and maximising charitable funding.

- The Regional Forum strongly supports the view, expressed at the Recession Summit, that there is a need to simplify and promote Gift Aid. We are pleased that the Minister has agreed to look further at this.

- The case for maintaining grant funding as a critical part of the sector's income has been well documented, but it is worth confirming. We believe that the Fabian Society pamphlet; "Freethinking, Mutual Action, Common Purpose" in which David Blunkett MP sets out the case for empowering the VCS, is correct when it concludes that "funding by grants has a critical role to play; the added value offered by those within the Third Sector needs to be recognised with local grants supporting local groups- who in turn are able to provide services tailored to, and determined by, those on the ground, without limitation".
- The benefits of longer term contracts, where appropriate, are also well documented. It is clear that funding for community based programmes where a degree of continuity is important cannot be delivered successfully when a significant amount of time is spent chasing replacement and continuation finance. Funding has to be viewed as an **investment** in local communities and as a way of building up the stock of social capital. We would like to see a three year funding commitment in practice as well as in theory.
- We believe that there is a strong case for allocating all the proceeds from the Lottery to the Third Sector, with the clear aim of building sustainable communities for the future. We welcome the government's commitment to retaining the value of funding for the sector during the run up to the Olympics and its assurance that it will be maintained throughout the period of the economic downturn.
- There is also a pressing requirement to simplify the funding process for VCS organisations and this could include merging Futurebuilders, Capacitybuilders, and the Big Lottery. This would provide one source of funding and significant economies of scale.

4. Modernisation of the sector to cope with financial pressures.

- We would like the government to support the 'Create' campaign for a community wage.
- 'Train to Gain' should be accessible by all volunteers.
- PQASSO should be recognised and supported by statutory agencies as an appropriate quality standard for VCS organisations.
- There should be **consistent** financial support for volunteer centres, and for VCS support services.

- We recommend the development of a 'Community Programme' to create new jobs in the VCS for unemployed people undertaking work which benefits society.
- All public agencies should understand and support full cost recovery for contracts with VCS organisations.

(These bulleted points also form part of the Regional Forum's Manifesto; an agenda for change which will be launched on 19. January 2009. They were developed in collaboration with VCS networks across the region.)

5. Building social capital (volunteering, for example), and tackling workless ness.

- We agree with the recommendation made at the Recession Summit regarding volunteering, particularly the point about ensuring that volunteering is properly supported and funded. This is even more important at time of economic hardship.
- The Regional Forum regards volunteering as an essential component in building social capital. We believe that the government should promote volunteering because it is a 'good thing' for everyone involved. A number of practical suggestions for promoting and making volunteering easier to take up were discussed at the Recession Summit. We believe that support for volunteering should be through existing voluntary organisations because they know what is needed and have a good track record of delivering it.
- Volunteering should not be seen as a substitute for employment nor should it be a barrier to accessing welfare benefits
- There is merit in looking back at the 'Community Programme' which delivered successful projects for local communities in the 1970's and 80's, and may have relevance to the task of building social capital today.
- The sector needs support to help it work collaboratively with a range of public bodies to develop social capital, including the LGA, OGC, LSC, and RDA's. In particular, we believe that there is a crucial role for Government Offices to help facilitate sector engagement with public bodies in the regions.
- The regional VCS network Forums in the nine English regions have a role to play in bringing together sector intelligence and experience and work closely with Government Offices. They are a valuable asset for OTS and the Government.

6. The role of social enterprise

- The Regional Forum would like to see greater support for, and promotion of, the broader range of social enterprises to include Co-operatives, Mutual Societies, and Credit Unions. There is a pressing need to re-build trust in the wider financial infrastructure and to champion a different approach to business and enterprise. Indeed we would like to see the discussion broadened to include the full range of “value” driven businesses.
- It is important to remember that enterprise activity goes on in most VCS organisations, not just those described as “pure” social enterprises.
- The Forum fully supports calls for the government to look at the potential for giving tax relief to social enterprises, particularly where they are re-investing their profits for community benefit.

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