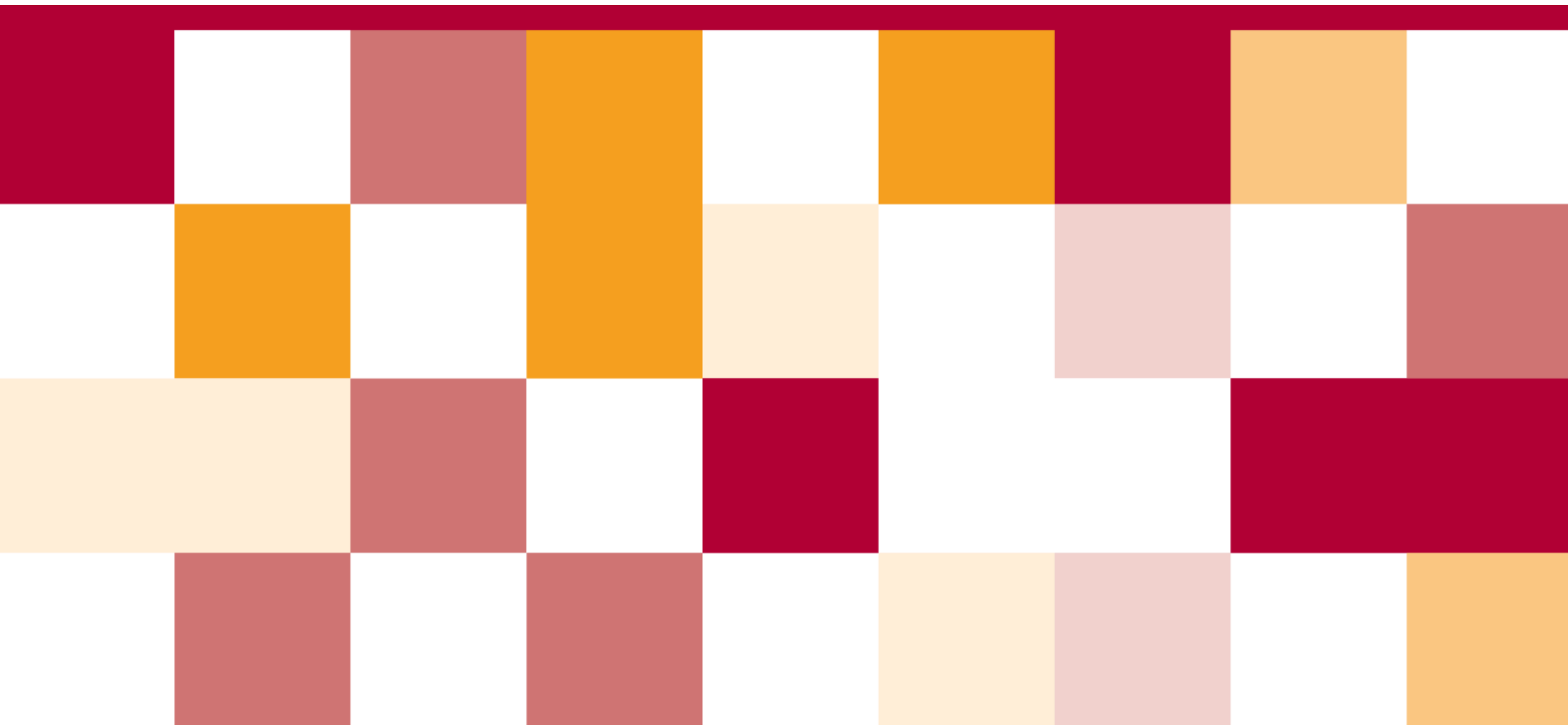




CabinetOffice
Office of the **Third Sector**

Office of the Third Sector 2008-09 business plan

April 2008



Foreword - Minister for the Third Sector - Phil Hope MP



I am delighted to present the Office of the Third Sector Business Plan for 2008-09.

April 2008 marks the beginning of our implementation of the strategy we set out in the final report of the third sector review, published in July 2007. This strategy sets out the framework for our partnership with the sector, working towards four common goals for the future - enabling greater voice and campaigning, strengthening communities, transforming public services and encouraging social enterprise. The role of the Office of the Third Sector (OTS), working across government and investing directly in third sector programmes, is to help develop the environment that supports the sector to thrive in these areas. The OTS will invest over £515 million over the next three years in third sector programmes.

Since the publication of the final report of the third sector review, we have made good progress in ensuring the key programmes are ready to deliver in 2008-09. The business plan sets out these areas and the key activities the OTS will undertake over the year to maintain progress and deliver across the range of commitments in the review. These activities will amongst other things, ensure that:

- local communities are able to benefit from small grants,
- young people can access a range of volunteering opportunities,
- the sector and Government can benefit from an increased evidence base through a new national third sector research centre,
- grant and loan finance is available for organisations wishing to deliver public services,
- all third sector organisations can benefit from high quality infrastructure support services and
- the social enterprise business model is promoted to a wide audience.

I am looking forward to working with our many partners in the third sector to deliver our plan, enabling the third sector to grow in its contribution to Britain's society, economy and environment.

Office of the Third Sector - vision and aims

'A thriving third sector, enabling people to change society'

The Office of the Third Sector (OTS) was created in May 2006, incorporating the responsibilities of the Active Communities Directorate in the Home Office, and the Social Enterprise Unit in the former Department for Trade and Industry. We are part of the Cabinet Office, at the centre of government, in recognition of the increasingly important role the third sector plays in both society and the economy.

Our overarching aim is to:

Develop and support **an environment which enables the third sector to thrive**, growing in its contribution to Britain's society, economy and environment.

Our thematic aims are to work in partnership with the sector to:

- Enable **campaigning and empowerment**, particularly for those at risk of social exclusion.
- Strengthen **communities**, drawing together people from different sections of society.
- Transform **public services**, through delivery, design, innovation and campaigning.
- Enable **social enterprise** growth and development, combining business and social goals

Our strategy is set out in 'The future role of the third sector in social and economic regeneration: final report' published in July 2007 and covering the years 2008-2011.

Our activities to deliver these aims are:

- Driving cross-Government action to improve partnership working and ensuring better terms of engagement between Government and the third sector
- Investing in programmes to support the sector's development and promotion
- Ensuring a good policy and regulatory environment for the sector.
- Developing a strong evidence base and analysis to better inform work of the government and third sector

Progress to date

2008-09 marks the first year of the implementation of the final report of the third sector review, and the beginning of the 2007 Comprehensive Spending Review (2007 CSR) period, where the OTS will invest over £515 million in third sector programmes. Since the publication of the report the OTS has been making good progress in ensuring that the key programmes are up and running in time for the start of the 2007 CSR period. Already:

- the Grassroots Grants programme is underway investing £130 million in small grants and endowments for local funders, with the Community Development Foundation (CDF) appointed as the lead national partner. Local funders are currently being recruited and between now and July 2008, CDF will be allocating the funding to these local partners
- a new fund manager, the Adventure Capital Fund has been appointed to take forward the next phase of the Futurebuilders Fund, investing in front-line third sector organisations to build their capacity to increase the scale and scope of their public service delivery. By 2011, the Futurebuilders Fund will have invested £215 million
- Capacitybuilders, ensuring that organisations have access to high quality support has begun new national support services, including new programmes focused on campaigning and advocacy
- involved, the new national youth volunteering programme run by the organisation v has begun and will create 500,000 new volunteering opportunities for young people
- the Commission for the Compact has been established as a Non-Departmental Public Body (NDPB) with a new chair, Sir Bert Massie and £6 million investment over the 2007 CSR years. The Office of the Third Sector has also agreed an implementation plan setting the key milestones on the path to partnership
- the £30 million Community Assets programme aiming to empower communities by encouraging the transfer of underused local authority assets to local organisations has announced its shortlist of schemes to reach final assessment
- implementation of the provisions of the Charities Act 2006 has been ongoing, with the Charity Tribunal coming into force from the 18 March 2008

- a call for proposals for the new national third sector research centre has been issued. The Office of the Third Sector has committed £5 million to the centre and with additional funding secured from the Economic and Social Research Council and the Barrow Cadbury Trust the centre will receive investment of £10.25 million over five years
- market research and consultation on a new programme to build on the work of our Social Enterprise Ambassadors to promote social enterprise is well underway while the Unclaimed Assets Bill is making its way through Parliament which will enable unclaimed money in dormant bank accounts to be used for social investment
- recruitment for the new third sector advisory body is underway, with Baroness Jill Pitkeathley OBE appointed as the chair.

However, there is still much to do to fulfil our commitments in the third sector review and to work with the sector to enable voice and campaigning, strengthen communities, transform public services and encourage social enterprise. The following table sets out the Office of the Third Sector's plans to implement this in 2008-09.

Third sector review theme	Key activities	Key milestones for 2008-09
Supporting the environment for the third sector to thrive	Proportionate regulation - continue to implement the provisions of the Charities Act, including commencement of the provisions for excepted charities and for the establishment of the Charitable Incorporated Organisation.	<p>The consultation for the establishment of the Charitable Incorporated Organisation will be launched in May 2008.</p> <p>Provisions for excepted charities will come into force in October 2008. Provisions for the Charitable Incorporated Organisation will come into force in early 2009.</p>
	Sustainable funding - Deliver the annual report of the Compact to Parliament, including on implementation of three year funding agreements with the third sector.	<p>We are working with central and local government to ensure consistent reporting of the implementation of three year funding agreements from October 2008 onwards. Following this process the Minister for the Third Sector will report to Parliament on progress on an annual basis as part of the annual report on the Compact.</p> <p>The first annual report will be delivered in early 2009.</p>
	Sector support - Provide investment through Capacitybuilders to deliver infrastructure support to the third sector, with new programmes delivered to support social enterprise and campaigning.	Capacitybuilders are delivering new national support services from April 2008.

		<p>Capacitybuilders will make the 3 year, £18 million Modernisation Project Fund decisions at the end of April 2008.</p> <p>Capacitybuilders will make further announcements on the £18 million Improving Reach programme towards the end of May 2008.</p> <p>Capacitybuilders will launch a new £6 million social enterprise programme in June 2008.</p>
	Work with the Department of Innovation, Universities and Skills (DIUS) to implement a third sector skills strategy.	The new third sector skills strategy will be published by DIUS in May 2008.
	Building the evidence - establish a new national centre for third sector research to build evidence on the nature and work of the third sector.	A call for proposals was issued in January 2008. The research centre will begin its work in autumn 2008.
	Partnership working - provide support for the Commission for the Compact to promote relationships between the sector and all levels of Government	Compact Week and the Compact Annual Review will be in November/December 2008.

		The Commission for the Compact are leading on a review of the codes for an update in 2009.
Enabling voice and campaigning	Publish research into effective and innovative consultation with the third sector.	A report of the research, jointly commissioned in December 2007 with the National Council for Voluntary Child Care Organisations (NCVCCO), will be available in autumn 2008.
	Undertake work to understand how the Compact is being implemented with regard to campaigning activity	The Commission for the Compact is taking forward work to monitor the extent to which government departments, their agencies, NDPBs and local public bodies are observing the right of organisations to campaign, with scoping work in April 2008, and a final report in February 2009. A programme of learning and development to address the issues identified will begin from January 2009.
	Invest in strategic third sector partners to provide voice in third sector policy making.	Investment is ongoing through 2008-09 to 2011.
	Establish a new fund to promote innovative third sector campaigning .	The OTS will publish plans for the new campaigning fund in summer 2008.

	<p>Establish a single third sector advisory body to provide third sector policy advice.</p>	<p>The chair of the body was announced in April 2008. The new body will be established by May 2008.</p>
<p>Strengthening communities</p>	<p>Work with Local Authorities through the Local Government Performance Framework to embed partnership with the third sector at a local level</p>	<p>There are two third sector indicators in the local government performance framework. Briefing notes on these indicators were published in February 2008 and April 2008. Local Area Agreements will be agreed in June 2008. The OTS will also be promoting the role of the third sector in the delivery of other indicators in the framework.</p> <p>A new local survey of third sector organisations in every top tier local authority is being commissioned. Field work will begin in autumn 2008.</p>
	<p>Provide small grants to community organisations and build sustainability into local grant making through endowment funds to local foundations - the Grassroots Grants programme.</p>	<p>The national partner, the Community Development Foundation (CDF) was appointed in December 2007. Local funders within the Grassroots Grants programme will be appointed from July 2008 to begin to make small grants.</p>

	<p>Provide investment to develop assets being transferred into community ownership.</p>	<p>In principle investment via the Big Lottery Fund (BLF) was announced in April 2008. Organisations have 6 months to develop detailed plans for spending the grant.</p>
	<p>Provide investment to build community anchor organisations.</p>	<p>Announcements on the delivery of a fund will be made by summer 2008.</p>
	<p>Provide investment for v, to inspire more young volunteers.</p>	<p>The National Youth Volunteering Programme - involved will provide 500,000 new opportunities from April 2008. v are supporting 158 projects and establishing 107 vteams through involved.</p>
	<p>Continue to invest in programmes to build further a culture of volunteering and giving.</p>	<p>The Government responded to the report of the Commission on the Future of Volunteering in March 2008.</p> <p>The Volunteering for All and Goldstar programmes have been extended through 2008-09. From April 2009 a new combined programme will begin.</p> <p>The Government will establish an Access to Volunteering Fund to increase opportunities for disabled people to volunteer by April 2009.</p>

		<p>The Government will publish guidance on Criminal Records Bureau Checks in May 2008. Updated benefits guidance will be published in summer 2008.</p> <p>Further details on the programme to support training for volunteers and volunteer managers will be available in summer 2008.</p> <p>New programmes to support small charities in accessing tax effective giving and to promote giving in primary and secondary schools from April 2008.</p>
<p>Transforming public services</p>	<p>Deliver and extend the National Programme for Third Sector Commissioning.</p>	<p>The programme will train 2000 commissioners by March 2009.</p>
	<p>Work to pioneer use of and draw together leading practice in developing social clauses</p>	<p>Pilots on the use of social clauses in waste and recycling in local authority areas will be completed by summer 2008.</p>
	<p>Invest in the Futurebuilders Fund to provide grants and loans to build capacity in organisations delivering public services.</p>	<p>The Adventure Capital Fund was appointed as the new fund manager for the Futurebuilders Fund in January 2008. The Fund was opened up to all areas of public service delivery in April 2008.</p>

	<p>Continue to invest in the Innovation Exchange to bring together third sector innovators and commissioners</p>	<p>The Innovation Exchange is running two Festivals of Ideas to generate ideas to support excluded young people (May 2008) and independent living (April 2008).</p> <p>Following these events, some projects will be given access to the Innovation Exchange Fund and provided with a range of in-kind support</p>
<p>Enabling social enterprise growth and development</p>	<p>Continue to deliver the Social Enterprise Ambassadors and other new programmes to promote the value of social enterprise to a wide audience.</p>	<p>Research and development on a new programme to raise awareness of social enterprise from April 2008 to summer 2008. New promotion programme(s) will be commissioned in autumn 2008.</p> <p>Social enterprise day is being held on 20th November 2008.</p>
	<p>Improving knowledge of social enterprise through enterprise and business studies education</p>	<p>Social enterprise will be part of the secondary curriculum framework from September 2008.</p>
	<p>Provide investment through the Regional Development Agencies to improve business support for social enterprises.</p>	<p>Funding is ongoing through the 2007 CSR years.</p>

	Establish the risk capital fund for social enterprise and other social investment programmes.	It is expected that the risk capital fund for social enterprise will be open at the end of 2008
	Work with Government Departments to undertake market analysis on areas for social enterprise delivery of public policy outcomes .	The first round of action research projects will be started by the autumn 2008.

Resources

The third sector review set out that the OTS would invest over £515 million in third sector programmes from April 2008-2011. Some of our key investments over the next three years include:

- £130 million for the Grassroots Grants programme, with £80 million for small grants and £50 million for endowments for local funders
- £117 million for youth volunteering, through the organisation v
- £88.5 million for sector support services through Capacitybuilders
- an additional £65 million for the Futurebuilders Fund, bringing the total value of the fund to £215 million by 2011
- £30 million for the Community Assets Fund
- £10 million for the risk capital fund for social enterprise
- £10m for investment in community anchor organisations
- £6 million to build the partnership between Government and the sector, through support for the Commission for the Compact
- £5 million for the new national third sector research centre
- £5.4 million for the Regional Development Agencies to improve business support for social enterprise
- £4 million for a programme of training for volunteers and volunteer managers
- £2 million for an Access to Volunteering fund to increase opportunities for people with disabilities to volunteer

Measuring success

The success of the OTS and third sector policy across Government overall is measured by focusing on the health of the sector. This is undertaken at several levels:

Nationally by **Public Service Agreement 21** ' build more cohesive, empowered and active communities' which measures 'a *thriving third sector*' as one of 6 indicators. This will be measured by an index of:

- the percentage of people who engage in formal volunteering on a regular basis (measured through the Citizenship Survey);
- the number of full-time equivalent staff employed within the sector (measured through the Labour Force Survey).

The **Local Government Performance Framework** includes 2 indicators relating to the third sector:

- Indicator 6 - measuring participation in regular formal volunteering
- Indicator 7 - the environment for a thriving third sector.

The Office of the Third Sector is part of the Cabinet Office which has a single overarching aim in 'making government work better'. This aim is met through 6 **Departmental Strategic Objectives** (DSO). DSO 3b is to enable a thriving third sector measured by:

- the percentage of people who engage in formal volunteering on a regular basis
- the number of full-time equivalent staff employed within the sector
- the percentage of Government funding to third sector organisations which is for three years or more
- the quality of the local environment for a thriving third sector.

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