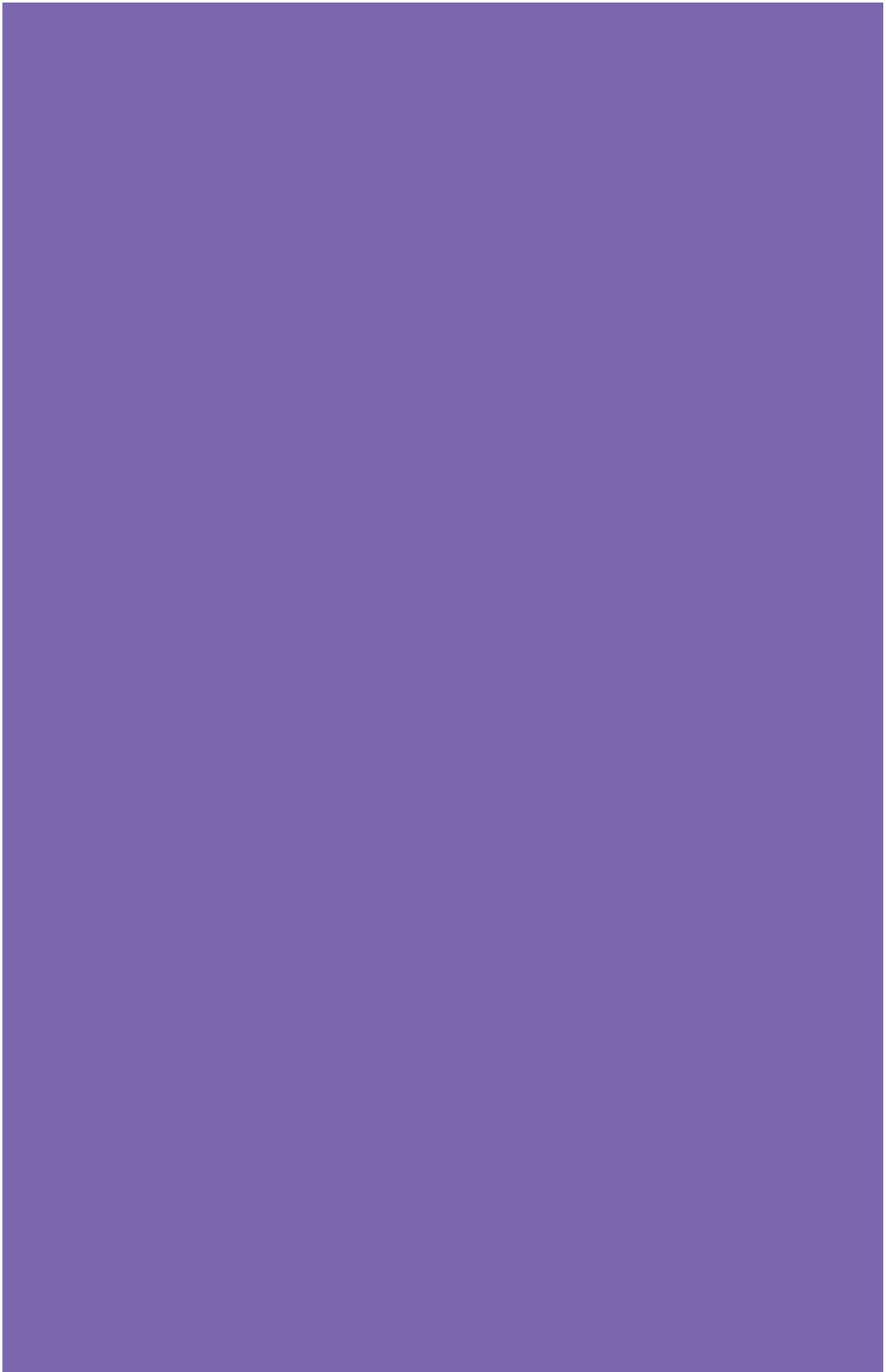**Cabinet**Office

Office for Civil Society

Supporting a Stronger Civil Society

An Office for Civil Society consultation on improving support for frontline civil society organisations

Foreword

The Prime Minister has put building a stronger sense of society – the Big Society – at the heart of our agenda for Government. Through a radical transfer of power and information we want to inspire more people to come together and drive local solutions to our social problems.

We want to open up our public services to new providers, including within the voluntary and community sector, to harness innovation and responsiveness to public need. The Big Society will not come about simply through Government withdrawal, but requires active and thoughtful remoulding of the state. We recognise that the Government has an active role to play in strengthening the capacity of neighbourhood groups, social enterprises, charities and voluntary groups to meet the challenges and take full advantage of the new opportunities ahead.

So among other initiatives, and subject to the Spending Review, we are planning to train a new generation of community organisers to help build local networks and leadership to support those who want to take more control. We intend them to have access to a new community grant programme, which will encourage neighbourhood groups to form and develop their own plans.

We will also set up a Big Society Bank to make it easier to access capital and advice. This will be funded by dormant bank accounts.

As a result of the Government's plans for reform, there will be more opportunities for charities, voluntary groups and social enterprises than ever before. There will be greater access to government funding through public sector contracts, but we recognise that you will need support to help you prepare for these new opportunities.

The purpose of the paper is to consult on how central Government can best play a role to support building infrastructure in the sector. We want to end top down initiatives that filter spending through multiple layers, and we want to make the support you receive more relevant, simpler to obtain and in keeping with our agenda for the Big Society. Tell us how you think we can best do this.

Nick Hurd MP
Minister for Civil Society
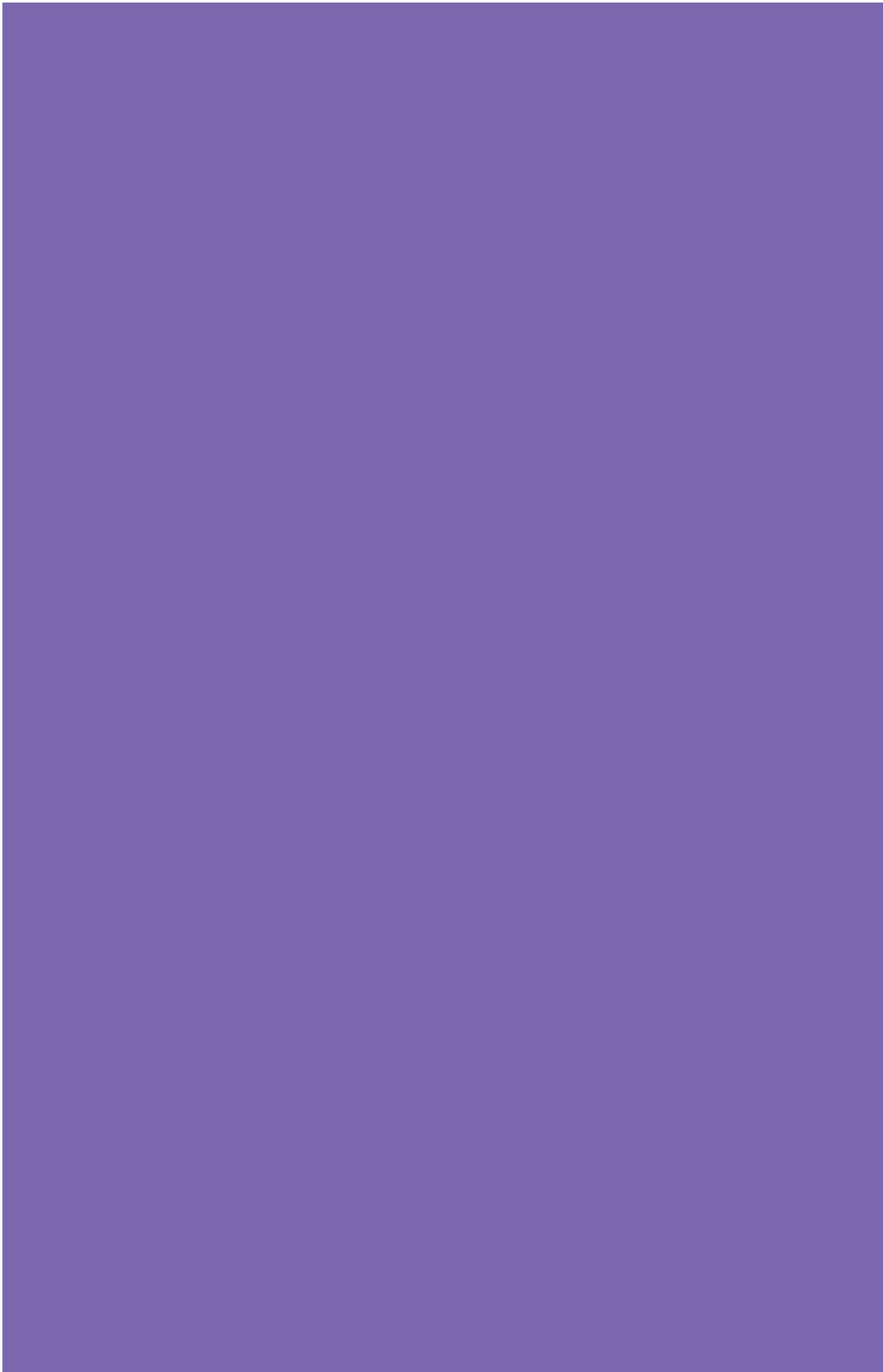
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1. Context

"You can call it liberalism.
You can call it empowerment.
You can call it freedom.
You can call it responsibility.
I call it the Big Society...
the biggest, most dramatic
redistribution of power from
elites in Whitehall to the man
and woman on the street."

David Cameron 18 May 2010

The Big Society agenda will create new opportunities and challenges for civil society across the UK. Our long term vision for change is based around three areas:

Promoting social action: We believe that more people will look for opportunities to make a difference with their time and money.

Empowering local communities: Those who think they can do better will have the right to bid for public contracts and take over the use of community assets. There will be much more information available to help challenge the status quo.

Opening up public sector contracts: We are committed to ensuring charities, social enterprises and cooperatives will have a much greater role in the running of public services.

Over the long term, this profound culture change should strengthen the role and influence of the diverse ecosystem that is British civil society. However, this opportunity emerges at a very challenging time. In the short term the funding environment will continue to be very tough. The priorities for the Office for Civil Society are to make it easier to set up and run a charity, social enterprise or voluntary group; get more resources into the sector; and make it easier for the sector to work with the state. We will work to strengthen the capacity of the sector through a renewed Compact, a taskforce to cut red tape and a new programme to improve the effectiveness of infrastructure organisations[1] and support services.

Civil society organisations (charities, social enterprises and voluntary groups) will need to embrace new skills, partnerships and organisational models if they are to seize the opportunities that lie ahead. It will be vital for civil society organisations to improve their business skills, become more entrepreneurial and strengthen their governance. It is in this context that we want to look again at the effectiveness of the support frontline groups receive and the role of Government in helping civil society make the transition to greater strength and independence.

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1. Infrastructure organisations give support and advice to frontline groups, and in some cases advocate on their behalf (distinct from organisations that advise individual citizens).

2. Principles of reform

"The rule of this Government should be this: If it unleashes community engagement – we should do it. If it crushes it – we shouldn't."

David Cameron 18 May 2010

We know that only 18% of organisations receive support from infrastructure organisations but those groups that do are more likely to be successful in grant applications or bidding for contacts (see the analysis in Annex A). Currently the sector receives support from a wide range of organisations and funding streams and we believe the landscape is too confusing and centrally driven. Therefore the purpose of this document is to find out what types of support would be most helpful to you and how the Government can help improve local relationships, support mentoring schemes, and facilitate the sharing of skills and experience within the sector.

We know that Government's resources must be targeted where there is most need, address disadvantage and achieve the maximum impact. Our funding will be guided by the following principles:

- Central investment must be a catalyst for driving greater efficiency and reducing long term dependence on the state.

- Reform of the support system must be driven by frontline needs.

- Infrastructure organisations have a valuable role to play, not least in strengthening local networks.

- To address inequality, ensure all voices are heard and promote cohesion, there is a need to ensure support is accessible by diverse organisations.

Through this consultation, the Office for Civil Society is looking for your thoughts on its role in ensuring that civil society has the advice, support and influence it needs to help build the Big Society in England. The consultation presents some potential priorities for this.

Responses will also help to develop an Equalities Impact Assessment, to be published with the Government summary and response.

3. Potential priorities for action

"… the best ideas come from the ground up, not the top down. We know that when you give people and communities more power over their lives, more power to come together and work together to make life better – great things happen."

David Cameron, 18 May 2010

Government wants to invest in a new programme of strategic interventions which will help organisations modernise and become more efficient and more entrepreneurial in order to take advantage of the opportunities ahead. We want to help improve the effectiveness of support and advice that can enable this change to happen, including the advice provided by infrastructure organisations. This could involve:

- Easier access to advice through better use of online support,

- Encouraging better connections between small organisations and skilled volunteers or mentors from business or larger charities,

- Enabling infrastructure organisations to rationalise and become more effective,

- Direct support to frontline organisations to help them get ready for the new opportunities ahead.

Easier access to advice

There are already rich sources of online support for groups. Current examples of websites providing information to voluntary and community groups are:

www.fundingcentral.org.uk
www.direct.gov.uk
www.improvingsupport.org.uk.

In addition, some civil society groups may not be aware of the relevance of resources on www.businesslink.gov.uk (for example on financial management and employment law).

The Office for Civil Society could have a role in streamlining existing online directories to ensure that toolkits and resources can be shared efficiently, providing higher quality and timely information on locally available support.

Question 1: How can online services for frontline groups be improved?

Accessing wider sources of support

In the past, the Government's approach to building the capacity and skills of civil society focused on a limited range of providers, primarily charities and social enterprises such as local Councils for Voluntary Service. The current Government wants to encourage better connections both among civil society organisations and with the public and private sectors. The potential to transfer relevant skills has barely been tapped. Whether a large charity mentoring a small organisation, or businesses providing advice

to community groups, we see huge potential for skills transfer in this area. This type of mentoring scheme is consistent with Big Society principles, and would be a break from the top down approach of the past.

Employer-supported volunteering is also under used and is of benefit both to the volunteer and the organisation they help. It utilises important business expertise in areas where support can be expensive or in short supply. Pro bono support can be brokered locally or by national organisations which match skilled volunteers to the needs of civil society organisations.

Research shows that frontline groups do not always know what pro bono support is available in their area and shows that brokerage is unevenly spread or uncoordinated. Better brokerage and matching of volunteers could help tap this under used resource.

Question 2: What can Government do to forge more effective links and transfer skills between small civil society organisations and businesses or larger charities?

Question 3: How could brokerage of pro bono support be improved?

Direct support to build the skills of frontline organisations

The Government wants to help organisations modernise and restructure to take advantage of the opportunities that are opening up. Bursaries could help frontline groups access specialist services to become less reliant on the state, bid for public service contracts, modernise or be more entrepreneurial. Bursaries put the organisation in control, enabling it to access the advice that is right for its circumstances and choose from a range of providers. They can play a role within the wider system of support. Evaluation found very high satisfaction with bursaries; 83% of grant recipients from the recent Modernisation Fund indicated that these made their progress 'more likely to be successful'[2].

Question 4: What support might your organisation need to become more resilient?

Question 5: What do you think should be the priorities for a bursary fund?

Question 6: How could any bursary fund be delivered simply and fairly?

2. Evaluation of Real Help for Communities: Modernisation Fund Interim Report, 2010, Cordis Bright.

Consolidation of infrastructure

In a time of fiscal tightening it is more important than ever for local and national infrastructure organisations to maximise economies of scale. Mergers and substantial collaboration (such as sharing back office functions and joint procurement), can help ensure that frontline groups continue to benefit from coordinated, high quality, sustainable support services. There is a strong case for rationalisation of support services at a local and national level. Case studies show strong results from mergers, and commissioners have very positive views (a survey found that 92% felt that greater collaboration of infrastructure would bring benefits)[3].

Consolidation can require radical changes with up-front costs, which infrastructure organisations have difficulty funding. There could be an opportunity for time-limited consolidation grants to enable infrastructure to implement merger or substantial collaboration. The funding will be limited, so clear criteria would be needed, potentially around ensuring that rationalisation is part of locally agreed plans for the reconfiguration of services with local authority support over time; or targeting improved quality of services to the frontline; or support for diverse groups.

Question 7: How could consolidation grants help ensure the sustainability and efficiency of infrastructure services?

Encouraging better public sector partnerships

As new markets for the sector open up, the role of infrastructure organisations can increase. They can act as a conduit between the local public sector and civil society in decision-making, designing and delivering services and supporting the voice of people who use services. Evidence shows that those who use support services are much more likely to report good relationships with the public sector. We know that in some areas this social capital is weak, so an option could be to target these areas to improve access to support and promote better relationships with the public sector[4].

Question 8: Are there ways that expert intervention can support areas which are lacking social capital to improve local relationships and develop a stronger civil society?

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3. Learning from Mergers, Shared Intelligence, 2010

4. Getting Things Done Together: Key Findings from the Partnership Improvement Programme 2009. I&DeA and IVAR

Central Government partnerships with national infrastructure[5]

National infrastructure organisations (such as umbrella bodies) have a role to play in shaping the development of Government policy. Their economies of scale can enable them to provide specialist advice. The Office for Civil Society strategic partners grant programme began in 2006 and is due to end in March 2011. It contributes to the core costs of 39 organisations operating at a national level. The Office for Civil Society intends to commission a new strategic partner programme (dependent on the result of the upcoming Spending Review). The key funding criteria for any new programme may include an organisation's ability to:

• Represent a part of the sector or the sector as a whole, in helping to shape government policy,

• Help to deliver the vision for the Big Society, including the three priorities for civil society (set out in chapter 1).

Question 9: How can central Government best work with national infrastructure to support and deliver the Big Society?

Final note

All the potential priorities set out in this consultation paper are for discussion and should not be considered to indicate firm commitments to action.   However, any action taken in these areas could be linked, to ensure that the frontline experience of accessing support is coherent. This could mean that an organisation would first search online for useful toolkits and resources. If they needed further help, the website would help signpost them to infrastructure services. If these did not meet their needs, then improved brokerage would enable them to access skills from pro bono volunteers. Where their needs were still unmet, and in line with the criteria, then they could apply for a bursary. This would encourage efficiencies by ensuring that low cost options are explored first and help make the process of accessing support more streamlined for local groups.

Question 10: Do you have further suggestions or comments on how the Office for Civil Society can help frontline groups become more efficient and effective?

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5. Note that responses to Question 9 in this section are needed by an earlier date, set out in Annex B

Annex A
Market analysis of current advice and support

Support providers and infrastructure organisations

A wide range of support and advice is currently available to local groups. Organisations including Councils for Voluntary Service (CVS) and Rural Community Councils have long provided 'infrastructure' services to smaller groups, such as supporting start-ups, fundraising, and help with business planning[6]. Specialist organisations focus on topics such as accountancy, or support particular groups, such as Black and Minority Ethnic (BME) organisations. Pro bono support (typically professional advice and services offered free of charge) can be available from the private sector, but this is patchy and can be hard to access.

The environment for local infrastructure

Evidence[7] shows that infrastructure organisations have mixed sources of funding but rely heavily on public funds and that local public funding is essential for sustainable infrastructure services. Funding is currently too thinly spread amongst hundreds of infrastructure organisations[8], leading to competition for funds with frontline groups[9]. The NAO found that the need for funding by infrastructure groups is much greater than that available to them[10]. Consolidation of some services could increase efficiency and address risks in times of reduced public spending. Evidence shows benefits from mergers, and increasing interest among both infrastructure and commissioners[11].

The frontline experience of infrastructure

Whilst the coordination of local support has improved, the quality of support to frontline groups is variable[9] and finding support can be confusing for small organisations. Evidence[7] shows that only 18% of organisations are accessing local infrastructure support and there is a lack of awareness of what might be available. However, organisations working with excluded communities and equalities groups are much more likely to access support, with the exception of faith-based groups. Many faith-based groups make a significant contribution to voluntary action for the common good, so their needs will be

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6. These services are listed more fully elsewhere, e.g. ChangeUp, Capacity Building and Infrastructure Framework for the Voluntary and Community Sector, 2004, Home Office, or more recently, Portfolio of Support, Progress Report and Proposal, Adrienne Hunter, GMCVO, 2010

7. National Survey of Third Sector Organisations, (NSTSO) 2009

8. Nearly 300 members are listed on the website of NAVCA (the umbrella body for CVSs); there are also further specialist infrastructure organisations and over 300 volunteer centres

9. Building Blocks: Developing Second Tier Support for Frontline Groups, 2007, Alison Harker and Steve Burkeman, published by City Parochial Foundation

10. Building the Capacity of the Third Sector, National Audit Office, 2009

11. Learning from Mergers, Shared Intelligence, 2010

considered, including in the Equality Impact Assessment. Evidence shows that those groups which do receive support report greater success in grant applications and have stronger local partnerships.

This analysis helps shape the principles of reform set out in Chapter 2.

Assessment of past investment in infrastructure

Since 2004, the previous Government spent over £200 million on local and national infrastructure through the ChangeUp programme, which includes national and local investment in improving the provision of support, such as funding consortia of local infrastructure organisations. Benefits included better communication with the frontline and the local public sector, improved services and collaboration between infrastructure organisations[12]. The National Audit Office (NAO) found evidence of the benefits reaching the frontline.

However, evidence has also shown that the benefits are variable, some have not been sustained, and the strength of consortia varies. ChangeUp funding was dispersed through around twenty different national, regional and local programmes. Although partial assessments show benefits from some of these programmes, there is no clear, independent evidence of overall strategic impact.

The NAO was therefore not able to reach a conclusion on the value for money of ChangeUp. The current financial situation throws this lack of robust evidence into sharp relief when weighed up against other national priorities better able to demonstrate outcomes. Although grant commitments in the current financial year will be honoured, no ChangeUp programmes will be renewed in April 2011 (including funding for regional networks). Capacitybuilders[13] will work with current grant holders as these programmes draw to a close, including any additional flexibility required in the use of funds.

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12. Evaluation of ChangeUp 2004 to 2008 Summative evaluation report, 2009, Third Sector Research Centre, BMG Research, Guidestar and Sustain consultancy

13. Capacitybuilders is the public body established in 2006 to deliver the ChangeUp programmes

Survey data that informs the market analysis

The following tables contain data from the National Survey of Third Sector Organisations (now renamed National Survey of Charities and Social Enterprises), underpinning some of the preceeding analysis.

In response to Question 4 of the National Survey, 1,502 respondents identified 'capacity building and other support etc' as a main area of their work and are assumed to be infrastructure organisations for the purposes of this analysis. In response to Question 19, 8,861 respondents reported that they currently access support services; these organisations are identified as infrastructure support users. All data are available at www.nstso.com.

In total 18% of all respondents to the survey reported that they were accessing local infrastructure support, and 55% were not. However, organisations that work with excluded communities and equalities groups were much more likely to use support (see Table 2 below). Infrastructure organisations also reported a particular focus on these groups, suggesting a relatively strong reach into excluded communities.

Accessing infrastructure was associated with positive outcomes, including a substantially higher likelihood of success in grant applications and bidding for contracts: 52% of support users reported being very or fairly successful, compared to 22% of non-users. 33% of support users reported that their local authority was a positive or very positive influence, compared with 16% overall. Satisfaction varied according to the type of support (Table 3) but overall 77% of users of infrastructure reported being very or fairly satisfied. However, 27% of respondents did not know whether they received support, felt the question was not applicable, or did not answer it, suggesting a need for greater awareness of support and the positive outcome associated with it.

In response to Question 23 ('how do the statutory bodies in your local area influence your organisation's success?'), statutory bodies were found to be a positive or very positive influence for 33% of support users, over twice the national average.

Table 1. Sources of income for infrastructure organisations

Funding question		Infrastructure organisations	Average response
Top sources of local grant funding	Local councils, whether borough, district, county or single tier	36%	22%
	Local NHS body	9%	3%
	Other local partnership involving statutory bodies	8%	4%
	Other local statutory funding	8%	5%
Top sources of local contract funding	Local councils, whether borough, district, county or single tier	26%	12%
	Local NHS body	10%	4%
	Other local partnership involving statutory bodies	8%	2%
Top sources of national grant funding	Non-departmental public body (e.g. Capacitybuilders, Big Lottery Fund)	24%	10%
	Central Government department	10%	5%
Which source of funding is most important for your success?	Grants or core funding (including SLAs)	25%	9%
	Donations and fundraising activities	18%	30%
	Earned income from contracts	16%	6%
	Grants from non-statutory bodies	11%	6%
	Membership fees/subscriptions	8%	19%
	Earned income from trading including retail	8%	7%
	National Lottery (e.g. Big Lottery)	7%	2%
Success applying for funding or bidding for contracts from local statutory bodies over last five years	Very or fairly successful	40%	23%
	Not very or not at all successful	22%	17%
	Never bid	34%	52%
Level of dissatisfaction with local funding	Range of grants available	41%	25%
	Range of contracts available	38%	16%
	Processes for accessing grants and contracts	45%	23%

Table 2. Levels of support use, broken down by the beneficiary of the respondent

Which are the main clients / users / beneficiaries of your organisation?	Support users	Non-support users	Don't know/ N/A/no answer
Socially excluded / vulnerable people	47%	43%	10%
People with mental health needs	41%	46%	13%
Asylum seekers / refugees	38%	53%	9%
Victims of crime and their families	37%	50%	13%
People with learning difficulties	36%	49%	15%
People with addiction problems (e.g. alcohol, drugs)	36%	50%	14%
Homeless people	35%	49%	16%
Offenders, ex-offenders and their families	35%	51%	14%
Other third sector organisations	30%	46%	24%
People from Black and Minority Ethnic communities	30%	57%	13%
Lesbian, gay, bisexual or transgender people	29%	58%	13%
People with physical disabilities and / or special needs	28%	52%	20%
People with particular physical health needs	24%	54%	22%
Young people (aged 16 to 24)	22%	57%	21%
People with a particular financial need (including poverty)	21%	53%	26%
Children (aged 15 or under)	20%	57%	23%
Older people	19%	55%	26%
The general public / everyone	18%	58%	24%
Women[14]	16%	55%	29%
Men	13%	59%	28%
Animals	13%	61%	26%
Faith communities	12%	59%	29%
Total	**18%**	**55%**	**27%**

14. Note that due to the high percentage of overall respondents reporting women and men among main beneficiaries, these cannot be a proxy for specialist support for each gender.

Table 3. Satisfaction with local support.

Note that satisfaction ratings are given as a percentage of support users that provided an answer (i.e. excluding those that do not use support, and excluding support users that gave no response or ticked not applicable / don't know).

How would you rate the support available in your local area from all bodies to...	% of support users providing an answer	Satisfaction rating as % of those support users providing an answer		
		Very + fairly satisfied	Neither satisfied nor dissatisfied	Very + fairly dissatisfied
...Access training	79%	62%	24%	14%
...Access advice and support for your organisation	89%	61%	22%	17%
…Work together with other third sector organisations to influence local decisions	76%	50%	29%	21%
...Work together with other third sector organisations to deliver local services	72%	46%	32%	22%
...Find volunteers for your organisation	75%	43%	29%	28%
...Recruit and retain management and leadership staff for your organisation	65%	40%	38%	22%
...Recruit and retain paid staff for your organisation	55%	40%	36%	24%
...Find trustees / management committee members for your organisation	60%	40%	40%	37%
...Ensure you have enough space to operate (e.g. office space)	63%	37%	30%	33%
...Apply for funding or bid for contracts	76%	36%	28%	37%
...Maintain sufficient financial reserves	67%	25%	33%	42%

Annex B
About the consultation

Although this consultation is specific to Office for Civil Society programmes in England, the Office will share learning from this consultation with other Departments and policy areas.

The Government wishes to consult individuals and organisations about proposals for improving the efficiency and effectiveness of support and advice for frontline civil society groups, over 12 weeks from 14 October 2010. Please respond by 6 January 2011.

Note that due to specific timing requirements for any new strategic partners programme, responses to Question 9 should be received by 25 November 2010.

There are a number of ways to respond to the consultation:

Online: responses via the online consultation are particularly encouraged. This, and further information on the consultation process, can be found at www.strongercivilsociety.org.uk

Email: send your responses via email to: info@strongercivilsociety.org.uk

Postal: send a written response to:

The Consultation Support Team

FREEPOST (RRGR-AKAL-HLBT)
Capacitybuilders
77 Paradise Circus
Birmingham B1 2DT

Copies of this consultation in alternative formats (such as larger print or Braille) can be supplied on request via phone: 0121 288 6559 or email: info@strongercivilsociety.org.uk.

If you have any questions about the consultation, you can call 0121 288 6559 between the hours of 9am and 4pm, Monday to Friday.

Following consultation, the Government will consider the feedback to the consultation. A summary will be published in 2011 with the overall Government response to the consultation.

When they respond, representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions.

The information you send may need to be passed to colleagues within Cabinet Office or other Government departments, and may be published in full or in a summary of responses. Capacitybuilders is assisting with management of the consultation process, events and collation of responses.

All information in responses, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004). If you want your response to remain confidential, you should explain why confidentiality is necessary and your request will be acceded to only if it is appropriate in the circumstances. An automatic confidentiality disclaimer generated by

your IT system will not, of itself, be regarded as binding on the department. Contributions to the consultation will be anonymised if they are quoted.

Individual contributions will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond. If you have comments or complaints about the consultation process itself, please contact:

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Annex C
Who we are consulting

 Government wants to hear the views of a wide range of individuals and organisations through this consultation, including:

- Local frontline voluntary organisations and social enterprises

- Infrastructure agencies at local, national and regional levels

- Local public sector agencies and private sector businesses

This consultation document will be sent to key representative and expert organisations, including:

Local Government Association

Office for Civil Society Strategic Partners

Capacitybuilders grant holders

Skills - Third Sector

I&DeA

IVAR

Annex D
Code of practice on consultation

This document and the consultation process have been planned to adhere to the Code of Practice on Consultation, and are in line with the consultation criteria, which are:

• Formal consultation should take place at a stage when there is scope to influence policy outcome.

• Consultation should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.

• Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.

• Consultation exercise should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.

• Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.

• Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.

• Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.