



CabinetOffice
Office of the **Third Sector**

Office of the Third Sector (OTS)

Overview and Third Sector Review

November 2007

Our background

Creation of the OTS

- Created in May 2006 when the former Active Communities Directorate in the Home Office, and Social Enterprise Unit, in the former Department for Trade and Industry (DTI), amalgamated.
- Recognition of the increasingly important role the third sector plays in both society and the economy.

What is the third sector?

- A diverse, active and passionate sector. Sector organisations share common characteristics of being non-governmental organisations which are value-driven and which principally reinvest their surpluses to further social, environmental or cultural objectives.
- Term encompasses voluntary and community organisations, charities, social enterprises, cooperatives and mutuals both large and small.



Our vision and role

Vision

A thriving third sector, enabling people to change society

We **deliver on our aims** by:

- Driving action to improve government and third sector partnership working and ensuring better terms of engagement.
- Funding programmes to support the sector's development.
- Leading on the evidence base and analysis of the sector to better inform work of the government and third sector.
- Ensuring a good regulatory environment for the sector.



Third Sector Review

- Final report published 24 July 2007.
- Announcements under five themes:
 1. Voice and campaigning
 2. Communities
 3. Public services
 4. Social enterprise
 5. Supporting the conditions for a healthy third sector.
- Three cross-cutting themes for new partnership with the sector – supporting a wider range of activities by the sector (including community action and campaigning), more emphasis on investing in long-term sustainability, and greater focus on local partnership working.



Review process

- Budget 2006 announced review.
- First stage of consultation May-November 2006. 93 consultation events, >1,000 organisations, >250 written submissions.
- Interim report of consultation, published alongside Pre-Budget Report, December 2006. Announcements on:
 - £30m Community Assets Fund.
 - additional funding for Safer and Stronger Communities Fund.
 - commitment to three year funding as the norm.
- Budget 2007 - £80m grant scheme for community action and voice.
- Second stage of consultation – included themed roundtable events, commissioning research, web based questionnaire.



1) Voice and campaigning

The Government will:

- improve consultation with the third sector.
- undertake work to understand how Government and the sector are ensuring the right of organisations to campaign for change, through implementation of the Compact principles.
- invest in capacity building support for organisations undertaking campaigning work.
- update guidance on political activities and campaigning by charities.
- provide strategic funding for partner organisations to enable them to input into policy making.
- create a new third sector advisory body.



2) Strengthening communities

The Government will:

- build relationships between Local Authorities and local organisations, particularly through the new single performance framework for Local Authorities.
- invest £50 million in endowments for local independent foundations.
- invest at least £10m to support community anchor organisations.
- invest £117 million in national framework for youth volunteering.
- work with the Volunteering Champion, Baroness Neuberger to promote volunteering in the public sector and ensure Government Departments have plans in place to engage volunteers in the work of Departments.
- take forward integrated programme to promote and support best practice in volunteering and mentoring, including promotion of intergenerational volunteering.



3) Transforming public services

The Government will:

- invest in training for the commissioners of public services
- continue to work with commissioners pioneering the use of social clauses
- support Local Authorities to assess the quality of their relationships with the third sector
- identify key opportunities for third sector organisations to deliver more and better public services (e.g. employment, waste, youth services); and
- invest £65 million in the Futurebuilders Fund, to build capacity in organisations.



4) Encouraging social enterprise

The Government will:

- invest further in raising awareness of the social enterprise business model
- ensure that young people know about social enterprise, through enterprise and business studies education;
- invest in building the evidence about the impact and nature of the social enterprise sector
- work to improve business support, through Business Link and Capacitybuilders
- work to improve social enterprises access to finance including through delivery of a £10 million equity fund and by examining ways to boost social investment
- support Government Departments to investigate how social enterprise business models can improve policy delivery and outcomes.



5) A healthy third sector

The Government will:

- ensure the regulatory environment for different types of organisation is appropriate, including by 2011 conducting a review of the operation of the Charities Act
- work to improve financial relationships between organisations and all parts of Government, including promoting three year funding relationships
- continue to support and improve the one stop shop Government funding information portal
- invest in sector support organisations to provide support to frontline groups through Capacitybuilders, backed by over £85 million
- develop a programme of action to boost third sector skills
- create a new third sector research centre
- further support the Compact.



The 2007 CSR

- Confirmed funding available to implement the third sector review - £515m - 2008-11
- New performance management framework – inc. Cohesive, Empowered and Active Communities Public Service Agreement (PSA), measuring a thriving third sector
- Third sector reflected in delivery agreements across the PSA set
- Two third sector indicators in the Local Government Performance Management Framework

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