

**Background Briefing to:**

## **Vital and Voluntary - An action agenda for strong and dynamic South West voluntary and community organisations**

### ***Our vision***

*Our vision is one of prosperous and cohesive communities in the South West which offer a safe, healthy and sustainable environment for everyone. Strong and dynamic voluntary and community organisations which are at the heart of their communities of interest and place and work as advocates, campaigners and deliverers of services are essential if we are to achieve this vision. This action agenda sets out the priorities we want a new government and individual Members of Parliament to pursue to help us achieve our goal.*

This vision forms the basis for South West Forum's strategic plan "A Stronger Voice. The links below lead to "poster" and text versions of the plan:

<http://www.southwestforum.org.uk/docs/stronger%20voice/A%20Stronger%20Voice%20A3%20poster.pdf>

<http://www.southwestforum.org.uk/docs/stronger%20voice/SWF%20Strategic%20Plan%20text%20only.pdf>

### **Further information to justify the action points for government**

- 1. Ensure that Local Strategic Partnerships have accountable representatives of voluntary and community organisations on all their boards and committees and ensure that these representatives are supported both financially and through provision of information and training.*

In 2008 Government Office for the South West, Black South West Network and South West Forum undertook an inquiry into Third Sector Engagement in Local Area Agreements. Amongst the findings was that the representation of voluntary and community organisations on local strategic partnerships was patchy and insufficiently resourced. The link below leads to the inquiry report:

<http://www.southwestforum.org.uk/index.php?binobj=file&cmd=passthru&oid=883>

- 2. Ensure that South West Stakeholders has equal status with other partners in future arrangements for the formulation and delivery of regional strategies.*

Following the demise of the South West Regional Assembly (SWRA) in March 2009, South West Stakeholders (SWSs) has been established as the successor organisation to the Social, Economic and Environmental Partners Group (SEEPs) in the Assembly.

The local authority Strategic Leaders Board (SLB) and the Regional Development Agency (RDA) have established a joint board, to be known as the Responsible Regional Authority (RRA) which will have responsibility for drawing up, implementing and monitoring the new Single Regional Strategy (SRS) which will replace the current Regional Spatial Strategy (RSS) and Regional Economic Strategy (RES). SWSs representatives have so far been excluded from the RRA but were invited to nominate representatives to the Housing and Regeneration Board and the Transport and Infrastructure Board which have been established to advise the RRA on these issues.

Unfortunately SWSs have achieved limited success despite making several nominations. Only Stephen Wright (one of South West Forum's representatives to SWSs) has been appointed to the Housing and Regeneration Board. Chris Irwin (SWSs Chair) and Nigel Hutchings (SWSs representative from SW Chambers of Commerce) have been appointed to the Transport and Infrastructure Board.

SWSs will continue to press for representation on the RRA and at all levels in the new regional decision making structures.

- 3. Ensure that public bodies recognise voluntary and community organisations as major employers in the South West which need to be involved in the development and implementation of employment and skills strategies.*

In 2006 South West registered general charities employed a paid labour force of 66,000 people, the third highest number of employees of the English regions after the South East (104,000) and London (90,000). This means that in 2006 South West general charities employed 3.3% of all SW employees, the highest proportion of any of the English regions. Housing associations employ approximately 8,800 people within the region.

- 4. Develop means to accurately assess multiple deprivation at neighbourhood level in rural and urban areas, recognise the recent Commission for Rural Communities research showing high and increasing levels of deprivation in the South West and adjust regional funding allocations accordingly.*

The Key findings of the CRC research in relation to the South West were:

- Almost all of rural Cornwall and large parts of rural Devon have an Index of Multiple Deprivation score for rural areas only which ranks them as among the most deprived rural areas in England. The rest of Devon and most of Dorset and Somerset also show high rural IMD scores.
- During the period 2004 to 2007 the South West experienced increasing levels of rural deprivation and was amongst the "most worsened" parts of England.

Link to "State of the countryside update – rural analysis of the Index of Multiple Deprivation 2007": <http://www.ruralcommunities.gov.uk/files/socupdate5.pdf>

5. *Ensure that there is public investment in national, regional and local support services which enables voluntary and community organisations to improve their effectiveness in meeting local need.*

It is a common misconception that money only needs to be spent on front line delivery and that money spent on support services is somehow a waste! South West Strategic Infrastructure Partnership has recently published "A Thriving and Vibrant Third Sector- The Value of Infrastructure Organisations" this publication gives excellent background information about why front line voluntary organisations rely on well resourced support services if they are to provide a quality service to the public. Link to "A Thriving and Vibrant Third Sector": <http://www.southwestforum.org.uk/docs/Thriving%20and%20Vibrant%20Third%20Sector%20final.pdf>

6. *Introduce community right-to-buy legislation to enable and resource voluntary and community organisations to acquire and maintain key community assets from both the public and private sectors.*

A mechanism, drawing on lessons from the community right to buy legislation which exists in Scotland for rural areas, should be introduced to create a window for community groups to acquire key community assets (land and buildings) from both the public and private sectors.

The Community Right to Buy allows communities with a population of less than 10,000 in Scotland to apply to register an interest in land and the opportunity to buy that land when it comes up for sale.

To take advantage of the Community Right to Buy process, communities must submit an application form to register an interest. All applications to register an interest in land are recorded in the [Register of Community Interests](#) in Land (RCIL) held by the Registers of Scotland. PDF versions of the documentation held are available for public viewing through the RCIL.

After an application has been submitted and passed initial checks, it is forwarded to the landowner and if applicable any heritable creditor, for their comments. At this stage a temporary Prohibition is placed on the landowner/heritable creditor preventing them from transferring or marketing the land. Any comments submitted by the landowner/heritable creditor will be fully considered by Ministers when making their decision to approve or reject the application.

The "Right to Buy" can only be activated when the landowner has indicated that the registered land is to be sold or where the provisions of the Act have been breached.

Once a community body which holds a registered interest in the land for sale, confirms that it wishes to proceed with its "Right to Buy", it has six months to conclude the transfer of land or longer if agreed with the landowner.

7. *Require all appropriate public bodies to comply with the National Compact and:*

The Compact is an agreement between the Government and the third sector in England. It sets out commitments on both sides to improve the way in which the Government and the third

sector work together for the benefit of communities and citizens. It also provides a framework for negotiating Local Compacts.

Links to the National Compact:

<http://www.thecompact.org.uk/files/140473/FileName/AnintroductiontotheCompact.pdf>

<http://www.thecompact.org.uk/files/140472/FileName/TheCompact.pdf>

- *Have a resourced strategy for enabling voluntary and community organisations to participate fully in commissioning processes;*

Commissioning processes increasingly used by public bodies such as local authorities and primary care trusts to buy in services to the public are complex and often opaque. As a result local voluntary and community organisations which are often best placed to provide many of these services are losing out to large providers from both the private and voluntary sectors.

Public bodies can seek to overcome this problem in different ways. They might wish to use their own in house staff resources to work with local groups to help them compete on a level playing field with large organisations. Alternatively they might wish to fund local VCS support services to enable the creation of a specialist commissioning support unit to undertake this function.

- *Explicitly welcome tenders for public service contracts from voluntary and community organisations working collaboratively including small, equality based, local and community groups;*

While small local organisations are often closest and best placed to support the most socially excluded and hard to reach they are often insufficiently resourced to deliver a public service contract over an entire local authority area. A number of small organisations working as a consortium may however be able to do this.

Public bodies should be proactive and not only make clear that they welcome consortium bids for groups of small organisations but also in certain circumstances help these organisations to put the contract bid together.

- *Operate grants programmes and not rely on contracts as the only means of funding services; and*

The value of small grants programmes is clearly illustrated by Creating Excellence's recent publication: Taken for Granted – why local communities need small grants:

<http://www.creatingexcellence.org.uk/ceimages/TakenForGrantedfinal.pdf>

- *Make a commitment to fund services provided by voluntary and community organisations for a minimum of three years unless the activity meets clearly defined criteria for short term funding; and*

This is one of the commitments made by Government in the National Compact (9.1 on page 12). It should also apply to other public bodies such as local authorities and primary care trusts. <http://www.thecompact.org.uk/files/140472/FileName/TheCompact.pdf>

- *Ensure that European Social Fund frameworks and other EU programmes explicitly support projects delivered by small, local and community based groups.*

Small voluntary and community organisations have built a reputation for high-quality service provision to individuals who are socially excluded. High numbers of socially excluded individuals live in deprived communities, or face multiple barriers to inclusion. Multiple barriers might, for example, be a composite of ethnic or gender disadvantage, single parent status, and long-term disability. This leaves individuals with complex needs that voluntary and community organisations are well-placed to support. Voluntary and community organisations are successful in this environment because: they exist for and within the community in demand, they have strong lines of accountability to the beneficiaries they serve, they can be responsive to complex individual needs, and their very mandate and mission is an organic by-product of inadequate state provision within their community.

Currently, the European Social Fund (ESF) aims to complement mainstream provision for individuals outside the labour market. But ESF contracts (averaging £850,000 each in the South West) are currently too large and too broad in their geographical scope to be compatible with delivery by small, frontline voluntary and community organisations. Simultaneously, ESF policy documents (such as the Regional Framework) has changed the language of its intended beneficiary group away from individuals 'furthest from the labour market' (which includes individuals facing multiple and complex barriers to inclusion) and now only intends to benefit individuals 'outside of the labour market'.

8. *Require local authorities, primary care trusts and other appropriate public bodies to make an annual public statement of their investment in voluntary and community organisations to include a specific analysis of their investment in equality-based and small organisations.*

It is notoriously difficult to find out how much public bodies invest in the VCS. Funding tends to be done on a departmental basis and public funders tend not to record whether investment is going to public, private or voluntary organisations. There is also a strong indication that equalities and small organisations are losing out on funding. This action for government would if carried out provide robust evidence as to how much public money went into the VCS each year and whether small and equality based organisations got a reasonable share. It would also enable the monitoring of trends from year to year.

9. *Ensure that all public service contracts with voluntary and community organisations or grants made to them allow full recovery of all the costs (including management and overheads) of providing a service.*

Funding at less than full cost of providing the service is unlikely to be good value for money as it renders the organisation providing the service unsustainable and puts the continued provision of the service at risk. A number of guides as to how to calculate full cost recovery have been published in recent years. A good example is one published by the Finance Hub in August 2006:

[http://www.financehub.org.uk/uploads/documents/fh\\_full\\_cost\\_recovery\\_Aug06\\_59.pdf](http://www.financehub.org.uk/uploads/documents/fh_full_cost_recovery_Aug06_59.pdf)

10. *Review the allocation of National Lottery grant funding to maximise and increase investment in voluntary and community organisations.*

National Lottery funding distributors such as the Big Lottery Fund currently distribute money to voluntary and community organisations but also to public sector bodies such as local authorities which should arguably be funded from general taxation. We are asking government to review this situation with a view to ensuring that there is increased investment in VCS.

- 11. Recognise the importance of investment into the National Third Sector Survey and ensure that it continues at least bi-annually as it provides an essential measure of voluntary-public sector relationships.*

The National Survey of Third Sector Organisations (NSTSO) gathered the views of the leaders of Third Sector Organisations (TSOs) in England including voluntary and community organisations, charities, and social enterprises. These organisations go by many names, and many also consider themselves to be community groups, co-operatives or mutuals, a club or society, or a non-profit organisation, housing association, faith group or trust.

The survey is the largest ever of the third sector. It is funded by the Office of the Third Sector which sits at the centre of government, in the Cabinet Office, in recognition of the increasingly important role the third sector plays in both society and the economy. The survey was commissioned so that, for the first time, all local authorities could be judged on their performance in creating an environment for a thriving third sector.

The survey delivers an unprecedented level of information and insight into the third sector at local and national level. It also measures a key local government performance target: National Indicator 7 (NI7) – An Environment for a Thriving Third Sector.

Because a sample, rather than the entire population, was interviewed the percentage results are subject to sampling tolerances – which vary with the size of the sample and the percentage figure concerned.

- 12. Require all public bodies to actively participate in the development, promotion and implementation of Compacts, require them to make an annual statement of this activity and subject local Compacts to independent assessment.*

There are 48 Local Compacts within the South West and also a Regional Compact:

[http://www.thecompact.org.uk/information/100024/100196/south\\_west/](http://www.thecompact.org.uk/information/100024/100196/south_west/)

The level of activity around building strong relationships between the public sector and the voluntary and community sectors in these areas varies greatly. The principal reason that Compact related activity is limited in some areas is because many public bodies are not actively engaging in promotion and implementation. Government should make active participation in local Compact implementation mandatory for public bodies and require them to make an annual statement of their activity around this public and subject to assessment by an appropriate independent body.

- 13. Require local authorities, primary care trusts and other appropriate public bodies to provide induction programmes for new councillors, board members and staff which include good practice on working with voluntary and community organisations and implementing the Compact.*

The level of understanding of the potential of the VCS to contribute to improving the quality of life is very variably understood by people working within public bodies. In May 2007 South West Forum published Investing for Inclusion – an agenda for action, which though now a little dated attempted to condense some of this knowledge into a single document:

<http://www.southwestforum.org.uk/docs/Investing%20for%20Inclusion%20A4%20version.pdf>

It is only by regular re-training that this knowledge can be passed on to councillors, board members and staff within public bodies. Unless this is done the full potential of the VCS in contributing to the development and delivery of services particularly to the most vulnerable will not be realised.

**South West Forum**

**March 2010**

## **Appendix 1.**

### **South West Forum - The regional voice for voluntary and community organisations**

South West Forum was established in 1999 to ensure that voluntary and community organisations have a strong and effective champion at regional level.

South West Forum is:

- A regional Champion for voluntary and community groups
- An advocate for social change
- A network for sharing information, promoting good practice and encouraging partnership.

The Forum's key role is to be an active and dynamic influence in the region ensuring that the voluntary and community sectors are genuinely engaged in developing and influencing policy.

Working closely with regional bodies, including the South West Councils, South West Regional Development Agency, Government Office South West and South West Strategic Health Authority, the Forum seeks to raise understanding of the importance of the voluntary and community sector to the social and economic life of the region.

The Forum has a particular interest in tackling disadvantage and promoting social inclusion and sustainability.

Registered charity number is 1102082, company registration number 4978095  
South West Forum, Unit 6 Cranmere Court, Lustleigh Close, Matford Business Park, Exeter EX2 8PW.

Telephone: 01392 823758 or email [admin@southwestforum.org.uk](mailto:admin@southwestforum.org.uk)

## **Appendix 2.**

### **South West Strategic Infrastructure Partnership**

The aim of the Partnership is:

By 2014 the needs of frontline voluntary and community organisations in the South West will be met by support which is available across the region, structured for maximum efficiency and offering excellent provision which is accessible to all and sustainably funded. Support will be provided in ways which meet the particular needs of groups in urban and rural areas. Support for BME and other equality groups through mainstream and specialist provision will be consistent across the region but be delivered in ways appropriate to and determined by those communities.

Membership of the partnership is made up of organisations that fall into one of three categories:

Sub-regional consortia: Bristol, Bournemouth and Poole, Cornwall, Devon, Dorset, Gloucestershire, Plymouth, Somerset, Swindon, Torbay, West of England and Wiltshire. Typically each consortium is made up of a range of organisations involved in delivering services to frontline groups in local communities such as the CVS; Volunteer Bureau; Youth; Children and Young People; Social Enterprise; Development Trusts; REC; specialist BME organisations.

Regional public sector organisations: Government Office for the South West, South West Regional Development Agency and South West Strategic Health Authority.

Regional third sector Organisations: Black South West Network, Council of Ethnic Minority Voluntary Organisations, Charities Information Bureau, Creating Excellence, Development Trusts Association, Equality South West, English Volunteering Development Council, Faithnet South West, Regional Infrastructure for Social Enterprise, South West Forum, SWAN – The South West Acre Network.

SWSIP's focus is to ensure the sustainability of local infrastructure or support organisations that provide essential services to frontline organisations. Through effective partnership working SWSIP seeks to influence investment in these support services and build strong and effective relationships with the public sector. SWSIP provides information, training and support both to sub-regional consortia but also to individual voluntary and community sector organisations.

The work of SWSIP is coordinated through South West Forum who host a member of staff based at their Exeter offices. The coordinator can be contacted by telephone: 01392 823758 or by email [Georgie@southwestforum.org.uk](mailto:Georgie@southwestforum.org.uk)

### **Appendix 3.**

#### **South West voluntary and community organisations**

1. Voluntary and community, social enterprise and similar 'social purpose' organisations emerge at local, regional, national and international level whenever people identify and join together to address needs which are not met by the state or private enterprise.
2. General charities are at the core of the voluntary and community sector, but social purpose activities include a wide range of not-for-profit organisations operating for social and community benefit. These include Housing Associations as well as a very large number of small, often fairly informal, unregistered community groups active at local level ('grassroots' organisations).
3. All social purpose organisations have an unpaid voluntary board or management committee and many deploy volunteers in delivery of their objectives. However the term 'voluntary' reflects the key characteristic of these organisations which is that they exist as a

result of people acting *voluntarily* to address need. They are not set up by state and do not fulfil statutory responsibilities.

4. Social purpose organisations do not generate private profit for shareholders but many do engage in trading and generate surplus for reinvestment in their social objectives.
5. The South West region has a notably active social purpose sector. It has the highest proportion of charities to population of all the English regions, has the highest levels of regular volunteering and more South West Local Area Agreements include the (optional) National Indicator 7 “An environment for a thriving third sector” than any other region.
6. Just like private businesses, social purpose organisations are part of the economy and represent a growing business sector. They contribute to the local and regional economy by generating income, attracting investment, maintaining and creating jobs and spending money on goods and services.
7. The most robust ‘social purpose’ data available relate to registered general charities. In 2006/07 there were 18,386 registered general charities in the South West, 13% of the English total and third highest of the English regions after London and the South East. With 4.5 charities per 1000 adults, the South West had the highest proportion of charities to people of all English regions. (1 & 2)
8. Ten of the sixteen South West Local Authorities include National Indicator 7 (“An environment for a thriving third sector”) in their Local Area Agreements - at 63% this is the highest of all the English regions. (3)
9. In 2006 South West charities employed a paid labour force of 66,000 people (1), the third highest number of employees of the English regions after the South East (104,000) and London (90,000). This means that in 2006 South West charities employed 3.3% of all SW employees (4), the highest proportion of any of the English regions.
10. In 2006/07, South West charities had a combined income of £2.7billion (1). Nationally, earned income from the sale of goods and services (including contract fees and payments from public sector organisations) has been increasing since 2000/01 and in 2006/07 reached its highest recorded level. At 51.2%, earned income is now the main source of all charitable income with the balance predominantly made up of income from grants and donations (40.8%). The shift in balance between earned and voluntary income for the sector is a reversal of the position in 2000/01 when voluntary income and earned income respectively comprised 50.2% and 39.3% of the total.(1) It is likely that the national trend is replicated in the South West region.
11. The bulk of South West voluntary and community organisations are unregistered so are not included in statistics relating to registered general charities. It is estimated that there are approximately 600,000 ‘informal’ organisations in the UK. (5) If the South West has the same proportion of UK unregistered organisations as it does English registered charities (13%) this would mean 78,000 informal organisations in addition to the 18,386 registered charities in the region.

12. The National Housing Federation represents nearly 200 independent, not-for-profit housing associations in the South West which own and manage over 180,000 properties on behalf of around 420,000 people. In 2007 these associations had a combined turnover of £669 million. They employed nearly 8,800 people directly and many more indirectly through contracting and investing in local services. In 2007, Housing Associations in the South West spent over £138 million maintaining people's homes. (6)
13. Social enterprises are businesses with primarily social objectives whose surpluses are principally reinvested for that purpose rather than being driven by the need to maximise profit for shareholders and owners. These businesses take a variety of legal forms: some incorporate as companies while others register as industrial and provident societies. Since July 2005 social enterprises have also been able to register as Community Interest Companies (CIC), a new legal form. Department for Trade and Industry commissioned research (7) has identified that there are about 1,800 social enterprises in the South West registered as companies limited by guarantee or industrial and provident societies and generating at least 25% of their income from trading. On this basis the South West contains 12% of all social enterprises in the UK (compared to 9% of all businesses) and ranks the region third after London and the South East. However, as acknowledged in the DTI survey, these data represent a subset of the whole social enterprise population. Research for RISE (8) based on a review of sub regional and other studies estimates that there are about 5,500 social enterprises in the South West. This is consistent with the government's estimate (9) that nationally some 5% of all businesses with employees are social enterprises.
14. The South West continues to lead the English regions in terms of volunteering. Citizenship Survey data from 2001, 2003, 2005 and 2008 (10) show that the South West had the highest rates of volunteering of the English regions in 2007/08 with 31% of adults saying they had participated in formal volunteering at least once in the previous month. This compares with an average for England of 27%. Based on the 2007 mid-year population estimate (11), this means that almost 1,280,000 adults volunteered in 2007-08. 'Helping out: a national survey of volunteering and charitable giving' (12) estimates that regular volunteers give 11-16 hours per month. Valued at minimum wage rate (£5.52 per hour in October 2007), each volunteer contributing 11 hours per month made an annual economic contribution of £729. With 1,280,000 participants suggested by the Citizenship survey, the total contribution made by these volunteers to the region's economy in 2007/08 can be calculated to be almost £1bn (£930,000,000). However, this figure is conservative as it makes no allowance for 'high value' volunteers such as charity trustees, does not include people who volunteer occasionally or irregularly (e.g. for an annual event) and takes no account of 'informal' volunteering. The Citizenship Survey figures are consistent with 2008 Place Survey data which show that the England average for regular participation in volunteering is 23%, with the South West at the top of the table at 28%. (13)
15. Research (14) by the University of Plymouth for South West Forum's Workforce Development Project during 2005-06 found that 61% of voluntary sector organisations surveyed reported skills gaps amongst their employees and that these were largely in line with national voluntary sector trends. The top five skills gaps related to: ITC and computer literacy, organisational and staff management, financial management, health and safety and communication. The research also revealed that 37% of voluntary sector organisations in the South West had hard to fill vacancies among their paid staff, the majority of these at

managerial level. The research also found that although less than 15% of organisations had difficulties retaining paid staff, almost a quarter have had a problem retaining their voluntary trustees.

#### References

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- (14) *South West Forum/University of Plymouth (2006) Workforce Development in the South West Voluntary and Community Sectors: Skill Shortages Study*