What is the Third Sector Review?

As part of the 2006 Budget statement, the Chancellor announced that HM Treasury would undertake a review of the future role of the third sector in social and economic regeneration. Following the creation of the Office of the Third Sector in May this year, the review will be led by Ed Miliband, Minister for the Third Sector, and will be a joint Cabinet Office and Treasury review.

The review will examine how the sector and Government can work better together and what the Government should do to enable the sector to thrive.

The aims of the review are to:

- assess the current landscape with regard to what has been achieved so far and what remains to be done
- identify how Government interacts with the sector and how this should be structured
- define the role of Government in supporting a vibrant and economically productive sector
- identify how Government and the sector can best work together to achieve the long term goals of building a more cohesive society in the context of demographic change in the global economy
- identify what the Government needs to do now in order to ensure that the third sector can continue to play a full and vital role in the 21st century as an important partner, contributing to a modern, vibrant economy.

A Third Sector Advisory Panel, comprising representatives from across the sector, will inform the review. The Third Sector Review will report to a cross-departmental ministerial group, and this will feed into the Comprehensive Spending Review recommendations, due to report in spring 2007.

While the Third Sector Review seeks to examine the future role of the sector in social and economic regeneration in its broadest sense, and to support the sector over the coming spending review period, there are six themes which act as prompts for this discussion to take place.

- Cohesive communities and building voice for citizens
- Partnership working to deliver a shared agenda
- Promoting innovation and enterprise
- Creating a culture of volunteering and mentoring
- Future role of the sector in shaping and delivering public services
- Creating a sustainable resource base

Further details are provided on the back page, while the review’s key consultation questions are discussed on the centre pages.
Consultation review questions

The Third Sector Review covers a set of six themes. These are set out below together with a series of related questions assembled by the Review team. These questions are prompts designed to encourage and assist responses.

COHESIVE COMMUNITIES AND BUILDING VOICE FOR CITIZENS

- What more needs to be done at local level with individuals in diverse communities to empower themselves and make their voices heard?
- How can the sector be best supported to reflect the communities they serve?
- What skills development do individuals working in the sector need?
- What national, regional and local structures do we need to support the development of skills in the sector?
- How can participation structures be flexible to allow a variety of participation across communities, ranging from those who sit on committees to those who want to get involved in one-off events?
- How can Government work with the sector to encourage diverse communities in urban and rural areas to improve participation and engagement in the democratic process?
- What more needs to be done to ensure that faith communities play their full part in the third sector?
- What more needs to be done to ensure that other diverse communities, particularly black and minority ethnic groups, lesbian, gay, bisexual and transgender groups, and disabled people, are properly represented in the third sector?
- How can diverse groups maintain their identity and at the same time play a part in community cohesion?

PARTNERSHIP WORKING TO DELIVER A SHARED AGENDA

- What do we want the national compact to look like locally in 10 years?
- What will the future relationship between the public/private and third sector look like in your region? What specific action does government need to take to aid effective future relationship in your area?
- Specifically, how can the private sector assist the third sector in achieving its goals (eg philanthropy; sustained volunteering/mentoring including through lending skills such as financial skills to the organisation, volunteering within schemes administered by the organisation and assistance to the organisation itself)?
- What can Government do to facilitate/encourage third sector/private sector partnership?
- What specifically can Government do to reduce unnecessary demands made on you and ensure that regulation helps rather than hinders you?
- What more can we do to foster effective partnerships between third sector organisations, Government (local, regional and national) and local bodies such as Primary Care Trusts, so that they reflect diversity of communities and interests?
- What prevents partnership working at the local level; what hinders black, minority ethnic groups, disabled people, lesbian, gay, trans sexual and transgender groups and faith groups from working together and working with other groups?

PROMOTING INNOVATION AND ENTERPRISE

- How can Government help to embed and mainstream innovation and enterprise locally, regionally and nationally?
- How can local authorities and other public service bodies build in social and environmental criteria to fulfil their duty of well being?
- What more can Government do to reduce risk adverse culture locally and regionally?
- What will social enterprises in your region look like in the future?
- How can Government value and recognise social benefits?
- What will the national, regional, local system of incentives look like for social enterprises?
CREATING A CULTURE OF VOLUNTEERING AND MENTORING

- What more can Government do to support all types of volunteering in the local community? In what areas should we be expecting people to volunteer and mentor in 10 years?
- What are the main drivers/barriers to volunteering (eg financial, institutional, perception, time), and are any of them perceived rather than real?
- What can Government do to address these issues (eg maximise the benefits and tackle the barriers)?
- How can Government help you to harness the benefits of demographic change to attract older volunteers? Are older volunteers interested in intergenerational volunteering (ie are they keen to work with young people?)?
- How can we increase the diversity of volunteers?
- What does the business world have to offer, and how can we attract more corporate volunteers?

FUTURE ROLE OF THE SECTOR IN SHAPING AND DELIVERING PUBLIC SERVICES

- What would your ideal model for public services look like in 10 years?
- How can you help to shape and design and deliver the new model of public services in your area?
- How can you help to access or deliver the new model of public services in your area?
- In what areas will the third sector be delivering services and where they will not wish to be?
- What transformation is needed in public service procurement at local level to achieve flexibility and meet the duty of well being placed on local government?
- What role do you think diverse communities will play in the delivery of services? What more does the Government need to do to make this happen?
- What can Government do to help you build the evidence base for what works on the ground especially with respect to preventative services?
- What more can Government do so that your activities can be scaled and/or replicated to benefit more people?

CREATING A SUSTAINABLE RESOURCE BASE

- What will the structure, staff and funding for the sector look like in the region in 10 years?
- What skills will the third sector workforce and volunteers need and how can we ensure that they get them?
- What will small community-based organisations in your area look like in 10 years? What more can Government do to make your vision a reality?
- How can communities own assets and use them to develop a sustainable resource base?
- What needs to be done to increase individual giving?
- Are there resources in diverse communities, which be resources for the wider community? Are there barriers to the use of resources in diverse communities?

The Review team plans to publish the outcome of the consultation in November 2006.
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NCVO will be responding to the consultation, and is seeking your views on its draft response.
NCVO would like your input on any or all of the six themes of the review, and there is also an opportunity to raise anything else which you wish to feed into the response. The questionnaire is organised so that there is an opportunity to comment at the end of each theme, although you may only want to respond to some of the specific issues under each theme. It is estimated that the survey will take 15-30 minutes to complete. Responses are invited until Friday 15th September 2006.
The NCVO questionnaire can be seen at: http://www.ncvo-vol.org.uk/policy/funding/index.asp?id=2777
Further information is available at www.ncvo-vol.org.uk/thirdsectorreview
An overview of the review

The review will be a joint Cabinet Office/Treasury exercise and will feed into the Comprehensive Spending Review (CSR) 2007 final outcomes. It will be overseen by a cross-Whitehall Ministerial Group involving eight departments and has advice from the special advisor to the Chancellor and a voluntary sector advisor. Commitments have been given that the review will be informed by engaging people in the sector across the country.

How will the review be conducted?
Through two phases:
- Phase 1: consultation and engagement with the sector (May-September 2006), the largest ever consultation with the sector with nine regional events – the Manchester event was held on 26th July.
- Phase 2: analytical phase (July-November), analysis of what the sector has said, report initial findings to ministers, initial recommendations in the Pre-Budget Report for Budget 2007 and final recommendations will be announced as part of the CSR.

What is the review process?
The review will:
- take a cross cutting approach to the long-term priorities for the sector, in the context of the future challenges that our society faces. These challenges include demographic and socio-economic change; cross-border competition; acceleration in the pace of innovation; continued global uncertainty and poverty; and increasing pressure on our natural resources and global climate.
- build on previous cross-cutting reviews of the third sector, which particularly examined its role in public service delivery in 2002 and 2004. This review will take a much broader view than those previously undertaken, and is the largest consultation exercise ever undertaken by Government with the sector.
- link to the CSR – a process which examines the whole of Government spending for the next financial period.
- report to a cross-departmental ministerial group, chaired by Hilary Armstrong and reporting to the Chief Secretary responsible for the CSR.
- be advised by a third sector advisor, Campbell Robb, Director of Public Policy at NCVO, and also a Third Sector Advisory Panel comprising representatives across the sector, including faith groups.

What are the objectives of the review?
- To assess the current landscape with regard to what has been achieved so far and what remains to be done;
- To identify how Government interacts with the sector and how this should be structured;
- To define the role of Government in supporting a vibrant and economically productive sector;
- To identify how Government and the sector can best work together to achieve the long-term goals of building a more cohesive society in the context of demographic change in the global economy;
- To identify what the Government needs to do now in order to ensure that the third sector can continue to play a full and vital role in the 21st century as an important partner, contributing to a modern vibrant economy.

Issues for the voluntary and community sector:
- Recognition of and value of the influencing and campaigning role of the sector in civil society.
- Support for the role of the sector in public service delivery.
- The need to resource the sector on a sustainable basis.