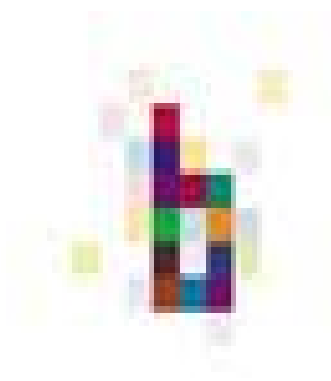


THE THIRD SECTOR REVIEW

**(A report produced in partnership with the VCS and
Bradford & Airedale tPCT)**

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For more information about this review and the implementation of its recommendations please visit the website:

www.bradford.gov.uk/thirdsectorreview

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Executive summary

Review Purpose & Methodology

Review Objectives

1. Establish what the key functions the district needs of its Third Sector (areas to explore include: community development, neighbourhood working, community cohesion, stronger communities, community centres/assets and service delivery).
2. Assess the strengths and weaknesses of the current Third Sector arrangements in fulfilling those functions and make recommendations for change where necessary.
3. Identify and make recommendations for resourcing the core Third Sector infrastructure arrangements necessary to support a thriving Third Sector.
4. To explore the Council's commissioning process to identify where, if possible, further efficiencies and effectiveness could be made with regard to commissioning the Third Sector in the partnership arena.
5. Establish a district wide definition of the Third Sector and its engagement/ involvement in the Districts Local Strategic Partnership arrangements.
6. To explore the use of the Compact as a tool for creating more effective Third Sector arrangements and relationships with public sector bodies.

The work was divided up and allocated to three subgroups under the following headings and focus:

- Role and function of the Third Sector – focus on objectives 1 and 2.
- Relationships with the Third Sector – focus on objectives 5 and 6.
- Resourcing the Third Sector – focus on objectives 3 and 4.

Consultation involved VCS, Partner organisations, Elected Members & members of the public.

Findings and Recommendations

Definition:

1. That Bradford District's Third Sector comprises of voluntary organisations and community groups (both registered charities and other organisations), social enterprises, faith based groups, mutuals & co-operatives who:
 - Are independent of national, regional, and local government
 - Are 'value driven'- that is they pursue economic, social or environmental objectives rather than primarily aiming to make a profit
 - Reinvest any surpluses in the pursuit of their objectives

Role & Function (For more detail see Chapter 3.1):

Key Findings:

- The Third Sector in the Bradford District is diverse, vibrant and is making a significant contribution to the priorities in the Big Plan
- Part of the contribution of the Sector is as a delivery agent of 'public' services, in addition the sector has an important role in identifying the needs of communities, engagement of communities (particularly hard to reach groups), campaigning, self help and capacity building support
- Clarity is required as to what role and function is needed to support the delivery of Big Plan outcomes

Recommendations:

2. That the Council recognises the range of roles and functions fulfilled by the third sector by:
 - A. Using the 9 roles and functions identified to ensure that any agreements with the sector are needs led and outcomes focused to ensure the effective delivery of the Big Plan
 - B. Analysing and determining any changes required for these roles and functions, for example targeting capacity building requirements to where the need is greatest.
- 3 A minimum standard of third sector provision be agreed in relation to equalities requirements and responsive service provision. This minimum standard should be used in conjunction with recommendation 2.

Relationships (For more detail see Chapter 3.2):

Key Findings:

- The new 'Duty to Involve' of the Council (and other statutory bodies) requires stronger relationships to be built between the Public and Third Sector organisations. Clarity is required regarding the third sectors engagement in the Bradford District partnership (LSP) and the Council will need to monitor commissioned organisations to ensure they are implementing practice that ensures service user and community involvement.
- Third sector involvement in the LSP has been, on the whole, good although there are some gaps and there is a need for more clarity and consistency across the Strategic Delivery Partnerships and in equality areas under the new LSP arrangements
- The Compact has not been found to have influenced the quality of relationships across the public sector sufficiently. However, other local authority areas have found that a 'second generation' Compact is viewed as a positive way to build on the existing General Compact as the basis of a stronger relationship between the Public and the Third Sector.

Recommendations:

4. Ensure the effective engagement of the third sector in the Bradford District Partnership by:

- A. Developing existing thematic Third Sector forums to provide clarity and consistency on an agreed 'minimum role' and fill any gaps to ensure all thematic strategic delivery partnerships are covered. Strategic delivery partnerships must take into account the views of their Third Sector forums and include appropriate representation from forums on the Partnership and its subgroups
 - B. Developing a Third Sector Assembly for the District that is owned and supported by the Third Sector
 - C. Ensure engagement and linkages with regard to equalities and equalities group where appropriate
 - D. Adequately resourcing support for proposals 4A-C and consider how this is affordably commissioned from the Third Sector using sustainable funding.
 - E. Ensuring all key partners contribute to supporting the Third Sector's engagement
 - F. Ensuring the new Stronger Communities partnership has good links with both equalities and neighbourhood working structures
5. That the seven CLG principles of representation across all Forums are adopted and ensure that representatives are supported and have necessary skills and understanding to fulfil this wider representative role.
 6. That A new 'second generation' Compact should be developed as soon as possible with a target for final agreement of July 2009. The new Compact should:
 - A. Involve and gain agreement from as many public agencies as possible with the Council and PCT being the principal organisations
 - B. Contain codes of practice covering at least commissioning, consultation, equalities, volunteering and sector development
 - C. Further consider the role of Infrastructure Support Organisations (ISOs) in sector development and engagement with the Third Sector
 - D. An implementation plan should be developed alongside the overarching Compact agreement clearly laying out lead roles, responsibilities and resources for making it happen and be regularly monitored and evaluated for its impact on cross sector relationships contain clear dispute resolution procedures
 - E. Used as a mechanism to monitor the delivery of a more consistent approach to commissioning

Resourcing (For more detail see Chapter 3.3):

Key Findings:

- In 2007-8 the Council invested £35.5 million into Third Sector Organisations (for breakdown see Chapter 2). This accounts for approximately fifty percent of the Third Sector's turnover for the same year.

- There is considerable variation and inconsistency in the way Third Sector organisations are funded across the Council and the tPCT.
- In a number of thematic areas there is scope to be more strategic in the allocation of delivery partnership funding and this could enhance the Third Sector's ability to compete on a fairer basis

Recommendations:

7. That a clear framework (including standards) for commissioning be developed to ensure a coordinated and consistent approach is adopted throughout the Council and where appropriate by partners. (See Appendix 2 for details)
8. That commissioning the third sector in the future incorporates, where achievable and appropriate, the following (Chapter 3.3.for details):
 - A. The Eight Principles of Good Commissioning developed by the Cabinet Office and promoted by I&DeA.
 - B. A Full Cost Recovery standard for commissioning of services to include an element of indirect organisational costs in addition to full costs of the service
 - C. Three Year Funding agreements as the standard funding length for services
 - D. Standard Council contracts with Third Sector Organisations to have a clause to minimise the unintentional disruption of service delivery. This would enable 3 month rolling extension funding (unless notification given of the loss of funding).
 - E. Supports local Third Sector Organisations to be more competitive in their submissions to deliver services.
 - F. Recognises the Third Sectors contribution to positive outcomes for the district beyond service delivery
9. That the Council develops protocols (in consultation with partners) to ensure effective monitoring and evaluation of contracts. This will also include the ability to analyse the distribution of resources according to need.
10. To develop VCS Infrastructure Support (including identifying the support needs for communities of interest and localities) as a strategic commissioning area to support partnerships needs for a thriving Third Sector (see Appendix C) within a pre-determined resource envelope identified by the relevant partners

General Recommendations:

11. To improve general understanding of the contribution of the third sector, how to engage with it and enable access to infrastructure support though BDP communication arrangements including the publication of a simplified version of this report.

12. To recognise the significant achievement made in gaining agreement to this review and its recommendations by commissioning the Review Steering Group to oversee the implementation plan and report back on progress made in 12 months time.
13. To improve the coordination of Community Support within the district as a key part of delivering the Stronger Communities chapter of the Big Plan and a key responsibility for the emerging Stronger Communities Partnership

Chapter 1 - Introduction

1.1 Background

In 2007, as part of its response to the 2006 Local Government white paper, the Council undertook a fundamental review of its Local Strategic Partnership (LSP) arrangements. In conducting that review, it was clearly recognised that the Third Sector made a significant contribution to partnership arrangements. However, to assess effectiveness and identify any areas for improvement for this important contribution was beyond the scope and resources available at that time. The LSP Review therefore recommended, as part of its final report in October 2007, that it be the subject of a further review.

The Council changed the way it provided support to the Voluntary and Community Sector as part of the Review of the Community Development Service in 2005. In January 2008 The Corporate Improvement Committee received a report entitled 'Community Support' that requested an update of the impact of this decision. The Committee welcomed the Review of the Third Sector, as this would enable an assessment of the impact.

Initial focus for the resources available was to implement the key finding of the LSP review and, therefore, the third sector review was only able to commence in April 2008. This was opportune as the Government, keen to support the sector, brought out another white paper called 'Communities in Control: Real People Real Power – including a duty to involve, further demonstrating the desire to gain active citizen involvement in their local communities. The white paper featured four areas:

- Improving deprived areas through regeneration and promoting work and enterprise
- Encouraging active citizenship and reviving civic society as well as local democracy
- Improving local public services by involving local users and consumers
- Strengthening local accountability

A thriving Third Sector can support all of these areas and it is critical for any Local Authority in its 'Community Leadership' role to ensure that it does whatever it can to strengthen and focus the sector's involvement and contribution.

In the Comprehensive Spending Review 2007, the Government also changed a number of funding regimes, such as Neighbourhood Renewal Funding. This followed hot on the heels of the end of certain European funding regimes and clearly reduced the available support for the Third Sector. It became more evident that given the complex demands upon the sector, it was necessary to ensure the resources available were being used in the most productive way for the District as a whole and that, where possible, the review should look to find ways in which effort could be prioritised, efficiencies made and any areas of duplication removed.

The Council's Corporate Self Assessment in January 2008 also identified the need to make the following improvements in relation to working with the Voluntary and Community Sector:

- Improving communication with the sector through better mapping of information channels.

- Maximising funding arrangements through better publicity, support structures, better monitoring and review procedures.
- Smarter use of non financial resources by the sector – property, ICT, volunteering, skills, etc.
- Putting in place a more structured approach to assessing organisational capacity and performance.
- Putting in place an effective disputes procedure
- Developing smart mechanisms to assess the value of the local compact

Evidence of a thriving Third Sector and one that contributes to supporting better outcomes for localities, will form part of the Comprehensive Area Assessment of council performance. This review has therefore been conducted with the Sectors ability to contribute to the delivery of the Big Plan and the Local Area Agreement in mind.

This report lays out the work undertaken, the key findings identified and recommendations for improvement. Throughout the review equalities issues have featured and whereas they have not been addressed as a separate area of work recommendations related to these issues are made throughout the report. Recommendations have been made in relation to findings so as to enable the reader to see the connections. However, the Implementation plan at Appendix 1 provides a comprehensive list for easy reference.

1.2 Scope of review

The Third Sector has many definitions, roles, and relationships and, as such, the scope of this review could have been all encompassing. Given that a key driver was the available funding and how that should be used, the review needed to be completed in time to implement actions at the beginning of the financial year 2009-10. The final report needed to be presented to the Council's Executive in December 2008. This timeframe was believed to be acceptable to other partners such as the tPCT who are contributing to the sector. On this basis, it was considered essential to limit the scope of the review and, as it progressed, identify other areas where more work or investigation may be necessary before conclusions could be drawn. Due to these time constraints, the review was unable to resolve all issues identified and as a result some related continuation work will be undertaken as part of the implementation process.

The resulting scope was shaped by both the steering group and the Council's Corporate Improvement Committee and the following objectives for the review were agreed:

Review Objectives

1. Establish what the key functions the district needs of its Third Sector (areas to explore include: community development, neighbourhood working, community cohesion, stronger communities, community centres/assets and service delivery).
2. Assess the strengths and weaknesses of the current Third Sector arrangements in fulfilling those functions and make recommendations for change where necessary.
3. Identify and make recommendations for resourcing the core Third Sector infrastructure arrangements necessary to support a thriving Third Sector.
4. To explore the Council's commissioning process to identify where, if possible, further efficiencies and effectiveness could be made with regard to commissioning the Third Sector in the partnership arena (As per outcomes in the Big Plan).

5. Establish a district wide definition of the Third Sector and its engagement/ involvement in the Districts Local Strategic Partnership arrangements.
6. To explore the use of the Compact as a tool for creating more effective Third Sector arrangements and relationships with public sector bodies.

1.3 Methodology

The work of the review was overseen by a steering group comprised of representatives from:

- The Council's Corporate Improvement Committee.
- Keighley Voluntary Services (KVS)
- Bradford CVS
- Cnet.
- Action for Black Community Development.
- Consortia Of Ethnic Minority Organisations.
- Equity Partnership.
- Bradford Youth Development Partnership.
- The Councils Asset Management; Procurement; Partnerships; Safer and Stronger; Commissioning, Performance and Business Support (Adult Services); Neighbourhood Support; and Strategy and Performance services.
- Bradford & Airedale tPCT – commissioning.

The work was further divided up and allocated to three subgroups under the following headings and focus:

- Role and function of the Third Sector – focus on objectives 1 and 2.
- Relationships with the Third Sector – focus on objectives 5 and 6.
- Resourcing the Third Sector – focus on objectives 3 and 4.

The steering and subgroups met on a number of occasions during the course of the review. For example, the steering group and resourcing subgroup have had four meetings, the role and function group met six times and the relationships group met eight times.

Each subgroup was led by a member of the Steering Group and tasked with producing a project plan that included the following:

- Research to be undertaken.
- Good practice examples.
- Analysis and comparisons.
- Conclusions and the production of the business case for proposed changes, including any invest to save requirements.

Subgroups also had the responsibility of putting together a review team comprising of appropriate members, some of whom were also on the steering group. They had to ensure they involved other relevant expertise in the review process and conducted specific consultation activities. Thus, for example, on discussions around the Compact, Bradford University were invited to present findings from a recent piece of research they had undertaken. Similarly, a representative from the Bradford Diocese was asked to come to talk about what came out of the survey of community work of faith groups in the Bradford District of Bradford and how in the future there could be closer working relationships.

There was also a presentation on the Scoping of Bradford District's Voluntary and Community Sector that highlighted the importance of the Diva Partnership in producing evidence of the contribution the sector makes within the District.

Engagement with Councillors from the Corporate Improvement Committee and the representatives from the Sector were a feature of the three subgroups. Wider consultation was also a key aspect of the review, informing the findings and recommendations in Chapter 3 of this report. This was facilitated via the review website as well as via three events – including a major consultation to which over 90 Third Sector/VCS organisations and 140 people came and aired their views.

A substantial literature review supported the review as did a number of individual interviews and a survey of commissioning officers in the Council and tPCT. The resourcing subgroup also undertook an audit of Bradford District Third Sector Funding as well as a valuing exercise of volunteering in the district

It was recognised that although the work was being divided up on a thematic basis, there were areas of overlap and linkages to be made. It was the role of the steering group to identify these and ensure they were addressed. As a consequence, there is a fourth section to Chapter 3 that highlights some overarching recommendations from the Steering Group.

1.4 Definition of the Third Sector

To clarify the focus of the review it was important to gain a common understanding of the term 'Third Sector' that came to prominence in May 2006, when the Office of the Third Sector was created in the Cabinet Office. The Third Sector includes a range of organisations from charities and voluntary and community organisations to social enterprises, co-operatives and mutuals. The review came across a broad range of definitions and agreed upon the following definition for Bradford:

The Government has an objective to improve the relationship between the public sector and the Third Sector. It believes this relationship should improve the responsiveness of public services and redress obvious inefficiencies in the way public sector funding reaches the sector. Given that around 70% of interaction between the public sector and the Third Sector takes place at local level ("Stand and Deliver: the Future for Charities providing Public Services" - Charity Commission, 2007), attention has increasingly turned to the role of local government in delivering the Third Sector agenda.

Discussions in the group and the major consultation event on the use of the terminology between the VCS and the Third Sector highlighted the difficulties in separating these two terms out. Generally there was a view that the Voluntary and Community Sector is the term we use within the District however it was also agreed that the Third Sector is a term increasingly used at the National level and furthermore includes a wider range of organisations than the VCS including Social Enterprises and Housing Associations for example.

In coming to a definition for the Third Sector, the subgroup considered a range of definitions used nationally. It found that definitions vary widely depending on what

objective the definition serves. Consequently, the following definition of the Third Sector is recommended to be adopted by the District:

Recommendation 1:

That Bradford District's Third Sector comprises of voluntary organisations and community groups (both registered charities and other organisations), social enterprises, faith based groups, mutuals & co-operatives who:

- **Are independent of national, regional, and local government**
- **Are 'value driven'- that is they pursue economic, social or environmental objectives rather than primarily aiming to make a profit**
- **Reinvest any surpluses in the pursuit of their objectives**

Chapter 2 - Facts & Figures

The Bradford District has a Voluntary and Community Sector (or Third Sector) with long traditions. The sector's origins can be traced to industrialisation of the City and District in the nineteenth Century and the emergence of community self-help organisations on the one hand and philanthropic initiatives on the other: both these emerged to address the issues of fast urban growth.

The development of the welfare state from the mid twentieth Century onwards led to some contraction in the sector. However, the sector still remained relatively strong within the Bradford District and experienced some new growth with the sector addressing a new set of social issues, many related to deindustrialisation and the breakdown of established social norms. Hence, many of the new VCS groups focused their work on community development, drugs and alcohol issues, domestic violence projects and work with young people perceived to be disaffected.

Currently the Sector in Bradford is made up of approximately 3,000 organisations, 700 of these are what can be described as the professional sector where staff are employed in relatively large numbers to deliver services. The vast majority of the organisations making up the sector remain 100% voluntary in every aspect.

There are an estimated 100,000¹ members of groups in the district, incorporating 10,000 members of management committees, 27,000 volunteers and approximately 7,000 employees.

The overall financial turnover of the Sector in the district has been estimated to be in excess of £75 million. An audit of funding allocations – undertaken as part of the review – reveals that in excess of £51.5 million is made available to groups through a mixture of contracts and grants. The difference between the £75 million and £51.5 million is money raised independently by Third Sector organisations through a combination of charges for services, member contributions, awards from charities, private sector sponsorship and general fund raising activities. Further details of the financial breakdown are in chapter 3.

The range of thematic strategic delivery partnerships where there is significant involvement with the Third Sector:

Strategic Delivery Partnership	Examples of Third Sector Delivery
○ Health and Well being	Supporting people Older people services
○ Children and Young People	Educational support out of school
○ Stronger Communities	Advice work Community centres
○ Safer Communities	Support for domestic abuse, Drugs & alcohol abuse
○ Environment	Clean up campaigns
○ Economy and Skills	Community based skill development

¹ This figure is derived from feedback from groups on the number of active members they have. Some of these individuals will be members of two or more groups. Consequently the number of Bradford District residents who are an active member of at least one group is likely to be less than this figure.

The Diverse nature of Third Sector Group includes:

- Groups cover most equality and diversity areas (or communities of interest)
- Cover most neighbourhoods in the district
- Stages of development of groups from new emerging to large organisations
- Self help, campaign, social enterprises

Third Sector Volunteering

The DIVA Survey estimates the numbers of registered volunteers with VCS organisations within the Bradford District. This does not include the higher number of people working in a voluntary capacity as active members of groups.

	Estimated numbers
Members of Management Committees	9,000
Active Members of groups	105,000
Number of volunteers	27,000
-Volunteer under age of 25	4,800
-Volunteers over the age of 50	12,700
Source: http://www.divabradford.org.uk/divasurveyreport2006-7main.pdf	

The added value of the Third Sector providers

The following were identified within the Review as characteristics of Third Sector organisations that delivered added value:

'...In addition to a **high degree of professionalism** many [VCS organisations] are able to offer added value in terms of **strong user and carer involvement, community engagement, innovation** and an **absence of stigma and threat**' (Extract from BCMDC Adult Services 5 Year Strategy 2007)

Voluntary and community sector organisations are much better placed to engage **volunteers** – which itself brings added value including a route into employment, befriending and a more personalised approach

Many people view voluntary organisations as being **approachable** and **non-threatening** particularly when compared with mainstream public sector organisations

VCS organisations **emerge from communities** and therefore have a much more '**organic**' relationship to localities and hence a knowledge of needs from the perspective of the community

VCS organisations are more able to **respond to emerging local needs** due to their structural forms being more **flexible** and ability to generate new organisations where there is a need

Third Sector Funding levels

The total amount of funding allocations (contracts and grants) made to Bradford District Third Sector Organisations in 2007-08 was in excess of **£51.5 million** (All figures from the Resource Mapping Exercise carried out as part of this Review).

By funding sources: -

- £35.5m** = Council (includes as the Accountable Body)
- £6.4m** = tPCT
- £6.1m** = Regional (including some ERDF)
- £3.5m** = National Lotteries (annual estimate)

Commissioning of the Third Sector is now undertaken in all thematic partnership areas. The following table breaks down by thematic partnership area in descending order by total money invested

- £14m** = Supporting People (housing related support services)
- £8.8m** = Stronger Communities (includes welfare benefits advice, VCS infrastructure, Community Development and Cohesion, adult learning, cultural services)
- £7.7m** = Children and Young People
- £5.4m** = Health and Well-being (includes Older People Early Intervention, Mental Health, Learning Dis., Physical Dis. etc.)
- £5m** = Safer Communities (includes Domestic Abuse, Drugs & Alcohol, Diversionary work with young offenders)
- £4.9m** = Economic Regeneration
- £1.2m** = Environment
- £4.5m** = (Various / unspecified including some small grants..)

Rate relief and concessionary rents:

- Over £5.4 million mandatory and discretionary rate relief is awarded to charitable and voluntary organisations across the District. This is made available to a whole range of not for profit organisations including sports clubs and community centres
- Approximately £323,000 is also 'awarded' to not for profit organisations in concessionary rent applications to those with leases for property owned by the Local Authority

Third Sector investment: Comparison with other areas.

There is no current reliable and robust data available that enables an accurate comparison of the financial value of the District's Third Sector with other local areas. There is currently a national survey of VCS organisations being undertaken as part of the NI 7: Environment for a Thriving Third Sector.

The Diva Survey of VCS Groups in the Bradford District found turnovers of organisations in the District increased by 27% between 2005-6 and 2007-8.

Chapter 3 - Findings & recommendations

3.1 Role & Function

Source of evidence:

In seeking to fulfil the objectives set, and in forming its recommendations, the role and function subgroup took evidence from a range of sources:

- SWOT Exercises carried out by role and function subgroups and Third Sector partners
- Third Sector Review Consultation event on 23rd September 2008
- Council and partner Officers
- Statutory provider partners
- Desk research of local VCS reports and published national research on good practice and related reviews
- National policy and guidance

Role and function of the Third Sector

Bradford District has a vibrant Third Sector offering a wide range of services, activities and involvement opportunities to local people. These range from specialist services to meet particular needs, services targeted at hard to reach groups, to universal provision, which can be accessed and enjoyed by everyone within the District. Third Sector organisations vary greatly in their size and structure from large national charities to small community groups.

The subgroup concluded that the sector is extremely diverse and complex, with varying organisations operating at many different levels, and carrying out many different roles and functions. The Group produced a report and identified the following roles and functions of the Third Sector:

1. Capacity builders²
2. Fundraisers and financial leverers³
3. Entrepreneurs
4. Contributing to commissioning
5. Contributors to civic life and overall wellbeing in the district, including Charitable giving
6. Contributors to policy development
7. Service deliverers
8. Representatives
9. Partners

² Not all Third Sector organisations deliver services to the public. Infrastructure Support Organisations (ISOs) exist to assist VCS organisations in, for example, completing bids for funding, recruiting volunteers, training and guidance.

³ As organisations with charitable objects, VCS are able to lever in other funding sources not available to statutory providers, such as trusts and funds.

There is recognition of the diversity of roles the sector plays in civic life, service delivery and the wider economy but greater clarity is required as to the specific role the sector plays in a given context. The lack of clarity of roles in specific contexts still blurs input from the sector. The findings lead towards the council needing to clarify what role and function is required of the VCS and in what context. Some organisations may provide capacity building support to other organisations similar to infrastructure bodies but also provide services directly to member of the public. They may also do community development and therefore illustrating the complexity of the sector.

It can then be quite difficult to understand which role or combination of roles the sector is fulfilling which, in turn, can impact upon the sectors ability to engage effectively with the Council and other public sector partners.

This could be improved by clarifying the role required of the sector and in what context that role should be fulfilled

There is also a need to consider the role and contributions of other players, stakeholders and interest groups who may not engage with the council for resources, such as direct provider groups and faith organisations. Some of these organisations may be very small or very large but are making important contributions to outcomes around tackling inequalities, promoting civic engagement, improving people's quality of life and contributing to the overall wellbeing in the District.

The review has highlighted that the Third Sector, has many roles and functions - and as a result a wide range of relationships with the council. It can also be strongly evidenced that the sector makes a significant contribution to delivering outcomes for the district and not all are currently harnessed by both the council and the Sector. There is potential for the sector to have an even greater impact by further improving engagement and coordination. This is particularly important in a changing service economy which requires evidence of Third Sector competitiveness in relation to other providers.

In order for this to happen a robust Third Sector provider strategy is needed, linked to District priorities and a needs led analysis, to support commissioning frameworks. This should go side by side with a performance framework that is able to evidence the difference made to communities of interest, experience and place and overall district wellbeing agendas. Having a strong outcome focused framework, should highlight the unique selling points of the Third Sector over other agencies.

Whilst the scope of the review, did not allow enough time to engage with each segment of the Third Sector, it is important that an ongoing assessment is made of the shifts required in the various roles and functions of the Third Sector in order to better deliver the Big Plan outcomes.

Recommendation 2:

That the Council recognises the range of roles and functions fulfilled by the third sector by:

- A. Using the 9 roles and functions identified to ensure that any agreements with the sector are needs led and outcomes focused to ensure the effective delivery of the Big Plan**
- B. Analysing and determining any changes required for these roles and functions, for example targeting capacity building requirements to where the need is greatest.**

SWOT analysis

From the research undertaken a collective SWOT analysis was produced as follows:

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> ▪ Diversity of the sector ▪ Creative/ vibrant/ innovative ▪ Networking approach to involvement well established ▪ Wide range of volunteering ▪ VCS groups close links in communities enabling 'early' identifying of emerging needs (e.g. work with East European communities). ▪ Reaching hard to reach groups ▪ Addressing equality issues 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> ▪ Sustainability of work and the reliance on short term funding etc. ▪ Sometimes fragmented and not always one voice ▪ Some groups less vibrant than others ▪ A need to address communication issues within the sector itself ▪ Funding not always appropriate to meet groups e.g. contracts versus grants ▪ Infrastructure issues. ▪ A need to develop existing capacity building networks – funding, finance, marketing and human resources, recognising isolation of some groups and lack of access to infrastructure support for some organisations
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> ▪ Neighbourhood working – joining things up at the local level ▪ New partnership structure ▪ The statutory sector looking favourably on the sector in terms of contracts ▪ Need for more recognition of value for money which can be had from the VCS and the wider Third Sector. ▪ To try out new things by VCS and Council alike 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> ▪ Smaller orgs that deliver 'good outcomes' - often for very little money - can be overlooked by emphasis on contracting ▪ 'Contract culture' could act to reduce civic engagement role of VCS ▪ 'External' competition for contracts

Equalities considerations

It was highlighted that whilst considerable effort and finances have gone into supporting the VCS sector, there are groups that still feel marginalised and where more concentrated capacity building efforts would make a difference. These groups have entered the VCS arena at a later stage, and are lagging behind as they have not had the advantage of old relationships, networks, infrastructure, expertise etc. that the 'traditional' VCS has had. This is not unique to Bradford and is a national trend.

The Council has a key leadership role to play within the District and across the region, with wide ranging responsibilities. Part of that role is to secure improvements across a range of issues and ensure that everyone receives the best quality services, regardless of age, sexual orientation, disability, ethnicity, faith, gender or locality. Whilst the independence and complexity of the sector makes it difficult to set out standards for the sector, a Compact Equalities Code of Practice could make a good start. Provisions made within equalities legislation for the purpose of ensuring equity in service delivery can also be written into Service Level Agreements or contracts.

Having undertaken this review it becomes evident that more emphasis should be placed on what roles and functions need to be commissioned and in what areas they should be prioritised either in equality terms or on the basis of geography. Shifting priorities from an

equalities point of view, means considering who would be best able to provide the services to bring about the change needed, and what is needed to make this happen. Although some of the organisations mentioned may offer great benefits for service users, they may be less well placed to complete application forms and tender for contracts which may render them unsuccessful in their applications.

To avoid duplication in terms of the Role and Function of Voluntary and Community Sector Infrastructure Support this is covered within the Resource Section of the report.

Recommendation 3:

A minimum standard of third sector provision be agreed in relation to equalities requirements and responsive service provision. This minimum standard should be used in conjunction with recommendation 2.

3.2 Relationships

Source of evidence:

- Council Officers (including the Assistant Directors for Neighbourhoods and Stronger Communities)
- Statutory provider partners within the District (including the teaching Primary Care Trust, tPCT)
- Voluntary sector partners within the District (including key infrastructure organisations)
- Researchers and experts within the field (including Bradford University)
- Published research on good practice and on similar reviews from across the country.
- Central Government advice and guidance

Third Sector involvement in the District's LSP arrangements

Third sector involvement in the LSP has been, on the whole, good although there are some gaps and there is a need for more clarity and consistency across the Strategic Partnerships and in equality areas under the new LSP arrangements.

The Framework for Engagement

Based on the input of a number of people, in particular those who support the current arrangements such as CNet, Bradford CVS and BMDC Neighbourhoods and Stronger Communities Services, a framework for engagement of the third sector in the LSP has been produced (Appendix D).

The framework provides a 'route map' for third sector organisations and others who wish to engage with the LSP. It highlights that engagement can be from three different perspectives:

- *thematic* for those who have a particular interest in one of the Big Plan themes (safer communities, health, regeneration/prosperity, environment, children/young people);
- *equalities* for those who are interested in a particular group of the population (by age, gender, race, disability, sexuality or faith) or
- *geographic* for those who have a focus on certain neighbourhoods of the District.

It was recognised that many third sector groups may want to engage from more than one perspective or element of that perspective. For example a small group may be interested in safer communities issues for older people in Denholme but choose to link to the LSP through its local action plan at a neighbourhood level.

The strengths and weaknesses of current structures and processes were assessed against this framework and any gaps highlighted.

Thematic forums were found to be in operation across each of the Strategic Partnerships in some form although Safer Communities engagement tended to be on an issue basis (such as with the Domestic Violence Forum) as opposed to the more generic forums that work with the other partnerships. The role and resourcing of the forums varied significantly with the most developed forums taking on the widest remit being supported by dedicated workers and funding of over £100,000 to forums with a limited role that attempted to get by

with no funding and voluntary support effort only. The sub-group agreed a 'minimum role' for thematic groups which they felt should apply to all groups.

Several contributors noted that there was currently a 'gap' in the engagement structure for a body to which all Third Sector organisations could belong which could:

- increase the influence of the VCS on public policy,
- influence service specification, design and quality,
- have a networking and communications role
- ensure the effectiveness of representatives and representation,
- raise and maintains the profile of the sector,
- have a clear and separate identity with specific remits on the Compact, VCS strategy, establishing annual priorities, promoting good practice
- have clear mechanisms for involving marginalised and small groups,
- have clear linking arrangements to other influencing routes
- not just focus on public sector agenda
- be effective and not time consuming

It was found that such things exist in other Districts and the advantages and disadvantages of various versions were examined. When consulted, there was a good amount of support from the Sector for developing such a body which has been termed a 'standing conference' or the preferred Third Sector Assembly.

Equality partnerships were seen to have a big role to play in the District's LSP arrangements. Some are strong and have a clear role and purpose and good Third Sector engagement. Others are currently in the process of development and implementation of the restructure of the Council's Stronger Communities service will help in providing support for this.

The evidence provided showed variations in the level and source of support for the various engagement structures. In most cases funding for support was being found from 'time limited' pots such as Neighbourhood Renewal Fund (NRF) and commissioned on an annual basis through a number of mechanisms. The long term future of some of these resources is dependent on proposals current proposals for such as Working Neighbourhoods Fund (WNF). Statutory partners currently contribute a small proportion of the required amount from their mainstream budgets. The review team considered that if partners pooled contributions efficiencies could be made that would result in more effective support across the Bradford District Partnership (LSP).

Stronger Communities

The Framework for Engagement places emphasis on the role of the Stronger Communities Partnership as a vehicle for bringing together equalities and neighbourhood resources to focus on delivery of the strong and cohesive communities Big Plan outcomes. It was noted that the Partnership was currently being formed and discussions with partners were in progress to agree its role, purpose and membership.

The sub-group heard evidence on and discussed the role of community development and community centre support with regard to the Framework for Engagement and current local action planning work at a neighbourhood level. It was felt that commissioning of this work could be reviewed to ensure clearer outcomes that enable links to the local action plans and thus the LSP and the Big Plan.

Recommendation 4:

Ensure the effective engagement of the third sector in the Bradford District Partnership by:

- A Developing existing thematic Third Sector forums to provide clarity and consistency on an agreed ‘minimum role’ and fill any gaps to ensure all thematic strategic delivery partnerships are covered. Strategic delivery partnerships must take into account the views of their Third Sector forums and include appropriate representation from forums on the Partnership and its subgroups**
- B Developing a Third Sector Assembly for the District that is owned and supported by the Third Sector**
- C Ensure engagement and linkages with regard to equalities and equalities group where appropriate**
- D Adequately resourcing support for proposals 4A-C and consider how this is affordably commissioned from the Third Sector using sustainable funding**
- E Ensuring all key partners contribute to supporting the Third Sector’s engagement**
- F Ensuring the new Stronger Communities partnership has good links with both equalities and neighbourhood working structures**

Representation

A number of contributors noted that there were limitations in the way Third Sector individuals nominated onto LSP partnership bodies operated in a ‘representative’ manner. Some reported deficiencies in accountability and reporting mechanisms and others noted the potential for perceived conflicts of interest if clear and open procedures were not in place. The Communities and Local Government Department (CLG) has produced a document on the principles of representation with particular reference to effective Third Sector participation in LSPs. This document contains the seven ‘principles of representation’ (see Background paper) which the sub-group felt were should be applied in the Bradford District.

Recommendation 5:

That the seven CLG principles of representation across all Forums are adopted and ensure that representatives are supported and have necessary skills and understanding to fulfil this wider representative role.

The use of a Compact as a tool for creating more effective third sector relationships with public sector bodies

The sub-group found that Compact has, in principle the potential to be a pivotal agreement in improving relationships between the Third and Public Sectors.

A range of evidence from districts across the country was examined and good practice examples demonstrated that 'second generation' Compacts with clear codes of practice were in place or being developed in a good number of districts. Experience from these districts was that these could bring real benefits in improving relationships as long as there was a high level of acceptance and understanding of the Compact Agreement, a resourced implementation plan and clear scrutiny arrangements.

The Bradford University report 'Come and listen, get the atmosphere' on current relationships between third sector and statutory bodies in the Bradford District (See Background document) highlights many of the weaknesses of the current Compact arrangements. The General Compact signed by LSP members in 2004 is generally considered not to have had a significant impact on improving relationships between the sectors. However, all those who contributed believed that a 'second generation' Compact was an essential development and should be a key part of the recommendations from the Third Sector Review.

Evidence from other Districts and local opinion was that to maximise the value of Compact the more statutory agencies that agreed the same document the more likely it was to be successful. tPCT representatives indicated their willingness to work alongside the Council as lead statutory organisations in the developing a new Compact.

All contributors pointed to the fact that a Compact with a set of high level principles, even supported by more detailed Codes of Practice, monitoring and evaluation processes and dispute resolution procedures, was unlikely to have any impact without a clear, resourced implementation plan detailing lead roles from both sectors, responsibilities for all organisations and resources to make it happen. This needs to be developed alongside and parallel with the Compact Agreement itself and to have the full backing of all concerned.

There was representation from several contributors that suggested that monitoring and review arrangements needed to be in place to take a periodic overview of the whole Compact agenda and its impact on improving relationships between the sectors. The scrutiny itself should be multi-sector and its membership should be drawn from those in governance roles in their respective organisations, for example a District Councillor (Executive Member), a tPCT non Executive Director, an experienced Third Sector management committee member.

Recommendation 6:

That A new 'second generation' Compact should be developed as soon as possible with a target for final agreement of July 2009. The new Compact should:

- A. Involve and gain agreement from as many public agencies as possible with the Council and PCT being the principal organisations**
- B. contain codes of practice covering at least commissioning, consultation, equalities, volunteering and sector development**
- C. Further consider the role of ISOs in sector development and engagement with the Third Sector**
- D. An implementation plan should be developed alongside the overarching Compact agreement clearly laying out lead roles, responsibilities and resources for making it happen and be regularly monitored and evaluated for its impact on cross sector relationships contain clear dispute resolution procedures**
- E. Used as a mechanism to monitor the delivery of a more consistent approach to commissioning**

3.3 Resourcing

Sources of evidence:

- Resource Mapping Exercise
- Commissioning Officer Research
- The Consultation event held on the 23rd September
- Communities Centre Conference held on 8th October
- Discussions held within each of the three subgroups: Relationships, Resources and Role and Function
- I&DeA good practice guidance
- General Literature Review
- SWOT analysis and Focus Group undertaken by the Role and Function Group
- Recent draft of Bradford Council's Procurement Policy
- Scoping the Bradford VCS Report, Presented to the Role and Function Group
- The Diva Survey of the Voluntary and Community Sector 2006-7
- NAVCA paper and questions related to funding mix of grants and contracts
- Adult Services paper on Grants and Contracts presented to the Resource Group

As a result of the research undertaken the resourcing issues fell into two main areas General commissioning and Infrastructure support. This chapter therefore has separate sections to reflect this.

GENERAL COMMISSIONING

The Resource sub-group explored various commissioning models that have been developed or are in the process of being developed currently. These included the World Class Commissioning Framework employed in health, the Joint Planning and Commissioning Framework for Children, young people and maternity services and the Eight Principles of Good Commissioning developed by the Cabinet Office. The group particularly recognise the value of the Eight Principles to this particular review due to their generic nature and their ability to encapsulate many of the strengths of the more service specific commissioning models considered for example: outcomes focus.

Commissioning Governance arrangements and Accountability

Governance arrangements were primarily linked to the work of the Relationship group. However some consideration was given by the group to issues of accountability in relation to funding processes. There were many ways that processes can demonstrate accountability. Councillors have an important role in respect of accountability. Nearly all the strategic delivery partnerships involved in commissioning have Member involvement at the strategic level. Area Committees furthermore have direct involvement in some funding processes and ultimately funding processes are approved by Member structures.

Commissioning advice work within the Third Sector provides an example of the fulfilment of Members' accountability. Following a Council Executive decision allocating funding to this service area, CLASP (Community Legal Advice Strategic Partnership Board) is then delegated commissioning responsibility to undertaking a needs analysis, develop a strategic plan and to identify suitable providers to deliver the outcomes. Sitting on the CLASP Board there are three Members (one from each of the Conservative, Labour and Liberal Democrat groups).

Resource Mapping Exercise:

As part of the Resource Group's work plan a 'Resource Mapping Exercise' was undertaken with the aims of developing a database of Third Sector funding allocations. The findings presented in this report are the key findings only: See Chapter 2 for the main findings, the database can be used to produce more detailed information.

Commissioning Officer Research:

A second major element of the resource group's Work Plan, was research to explore how the commissioning processes from different parts of the Council and tPCT are working. The following points reflect the overall views:

- General planning of commissioning processes is very mixed, in some cases commissioning rushed and the quality of commissioned services suffered as a result. Often decisions for the same thematic area are made in different places, times and by different officers. This is due to decision processes often following funding streams and not strategic commissioning areas. Some examples given included Domestic Abuse and Voluntary and Community Sector Infrastructure Support.
- The strategic needs analysis underpinning commissioning ranged from in some areas very good to cases where no 'real' commissioning process underpinned funding decisions.
- The involvement of the Third Sector in commissioning processes was generally felt to be a strength in the district with interested parties withdrawing at appropriate times to enable fair decisions to be made.
- There is a general recognition that there is a need to have a combination of grants and contracts. There is a belief that small organisations that often deliver good outcomes could be disadvantaged if strict contracting processes were the only form of procurement from the Sector.
- There were very different views on what constituted transparency and fairness. It was reported that there is either actual or perceived favouritism towards the statutory sector in some commissioning processes.
- There was a wide range of views on how to calculate full cost recovery and make assessments of value for money.
- There was a wide range of lengths of contracts, from isolated cases of no funding agreements being in place to longer term contracting over multiple years with very clear arrangements. Commissioning officers reported that there were a number of cases of where it would have been more appropriate to have three year contracts.
- Most funding agreements have some form of monitoring. However monitoring requirements are often disproportionate for the level of funding. There was little evidence provided that evaluation of monitoring features highly as an evidence base for commissioning decisions or for drawing any VFM conclusions.

- An equalities and diversity audit was undertaken as part of the 'Resource Mapping Exercise'. This Audit sought to find out how many funding agreements currently monitor by equality and diversity groups. The Audit (based on 40% of responses) reveals that in terms of Ethnicity, Gender, Age and Disability only 18% of funding agreements undertake equalities monitoring of these equality groups. The figure for monitoring of sexual orientation was significantly lower at 2%. In the case of larger contracts the results were more positive. This reveals that more work needs to be undertaken in this area to enable an adequate analysis of access by equality and diversity groups to be made in future years.

Overall summary of Resources Sub Group findings

In terms of commissioning processes there is a mixed picture. Some commissioning is of a very good standard and based on robust strategic needs analyses. However, there are areas where more guidance and development is needed to ensure that effective commissioning takes place everywhere.

Chapter 2 page 13 of this report provides a summary of the finance findings of the sub group. One finding from the analysis of funding is that the specific Voluntary Sector Budget (£6.7 million annually) now makes up a mere 19% of all Bradford Council funding made available to the Third Sector. However, the Council remains the main funder of Third Sector Organisations in the Bradford District: Sixty six percent of Third Sector funding - identified in the resource mapping exercise - is administered by the Council (including where it acts as the Accountable Body for specific initiative funds).

In the recent past there have been commissioning processes that have been ring fenced for the local voluntary and community sector. The figure of £35.5 million indicates that the Third Sector is competing effectively for funding from beyond these restricted processes, indicating that many partnership processes are already open to Third Sector organisations. However the inconsistencies revealed by the Commissioning Officer Research suggest that there is plenty of scope for significant improvements in partnership commissioning processes that will enable all sectors to compete on fairer terms.

The Eight Principles of Good Commissioning - established by the Cabinet Office for the national programme for third sector commissioning - provide a good basis for establishing good practice into commissioning practice within the Bradford District.

These proposals put together aim to establish more efficient and effective partnership commissioning processes. They have a focus on the Third Sector but the principles are about fair, robust and transparent commissioning processes that will be of benefit and a model to all partners and partnerships within the District

Recommendation 7:

That a clear framework (including standards) for commissioning be developed to ensure a coordinated and consistent approach is adopted throughout the Council and where appropriate by partners. (See Appendix B for details)

Recommendation 8:

That commissioning the third sector in the future incorporates, where achievable and appropriate, the following principles:

- A. The Eight Principles of Good Commissioning developed by the Cabinet Office and promoted by I&DeA.**
- B. A Full Cost Recovery standard for commissioning of services to include an element of indirect organisational costs in addition to full costs of the service**
- C. Three Year Funding agreements as the standard funding length for services**
- D. Standard Council contracts with Third Sector Organisations to have a clause to minimise the unintentional disruption of service delivery. This would enable 3 month rolling extension funding (unless notification given of the loss of funding).**
- E. Supports local Third Sector Organisations to be more competitive in their submissions to deliver services**
- F. Recognises the Third Sectors contribution to positive outcomes for the district beyond service delivery**

Recommendation 9:

That the Council develops protocols (in consultation with partners) to ensure effective monitoring and evaluation of contracts. This will also include the ability to analyse the distribution of resources according to need.

VCS INFRASTRUCTURE SUPPORT

Key findings:

Good quality Voluntary and Community Sector Infrastructure is of fundamental importance to ensuring that the Third Sector is able to thrive within the Bradford District. The current VCS Infrastructure Support is complex due to its diversity in terms of:

- Coverage of all parts of the district
- Communities of interest
- Support ranging from newly emerging groups to well developed organisations facing crisis
- Focus of group i.e. Youth, Domestic Abuse, Homeless hostel etc.
- Mixture of types of groups e.g. campaign group, self help group, capacity builder, service provider etc.

The role of VCS Infrastructure Support is often only partially understood. The review has defined four main functions which are (For a full description of these function see Appendix C):

1. Organisational Development and Direct Support for Groups
2. Information and Communication
3. VCS Networking Support

4. Thematic area Specific Support

Currently the commissioning of VCS Infrastructure is undertaken in lots of different places which shows that it is valued in a range of ways. However, it also indicates a duplication of effort and suggests that resources could be used more effectively in terms of identifying needs and establishing the main priorities for VCS infrastructure Support in the district at any given time.

The impact of investment into VCS Infrastructure Support is of benefit to all partnerships, as the Third Sector – to varying degrees – is already involved in delivering outcomes and therefore a strong sector is everyone's business. This has been recognised by partners during the review; including the tPCT

There is an important role of identifying gaps in Third Sector groups in the District from both communities of interests and localities (to be done as part of the Third Sector Infrastructure Support Strategic Commissioning). This will underpin the identifying of the need to focus capacity building support in areas that will ensure the diversity of provision to enable all communities to access services that meet their needs

The government's Change Up programme developed to create a step change in the support provided to frontline organisations. This has led to increased focus nationally on voluntary and community sector infrastructure in the last few years. This has led within the District to more clarity on the services Infrastructure Support Organisations provide and to who (for example through the development of the ISO directory).

Volunteering makes a considerable contribution to the work of Third Sector organisations. There are approximately 27,000 volunteers currently engaged on a regular basis. The equivalent financial value of this contribution runs into many millions.

Recommendation 10:

To develop VCS Infrastructure Support (including identifying the support needs for communities of interest and localities) as a strategic commissioning area to support partnerships needs for a thriving Third Sector (see appendix) within a pre-determined resource envelope identified by the relevant partners

3.4 General issues including community support

Source of evidence for key findings:

All the research carried out as part of the review process

Key Findings:

Critically the review has found that the Third Sector makes a significant contribution to the wellbeing of the district in a variety of ways. The recommendations in this report are not necessarily based upon glaring deficiencies within the sector but are pointing to improvements that can be made to:

- Improve relationships between the third and public sectors
- Ensure that the third sectors efforts that are commissioned by the public sector focused on addressing local need
- Reducing unnecessary bureaucracy and ensuring value for money

In order for this to happen a robust VCS partnership strategy is needed, linked to district priorities and a needs led analysis, to support commissioning frameworks, and this should go side by side with a performance framework that is able to evidence the difference made to communities of interest, experience and place and overall district wellbeing agendas. Having a strong outcome focused framework, should highlight the unique selling points of the VCS over other agencies.

In addition there is a need to coordinate better the different needs of Council departments that have separate but related needs to engage with the Third Sector. For example the Adult Services five year strategy has a section on the Third Sector as a potential provider of early intervention and preventative approaches that requires a specific engagement with the Third Sector.

Recommendation 11:

To improve general understanding of the contribution of the third sector, how to engage with it and enable access to infrastructure support though BDP communication arrangements including the publication of a simplified version of this report.

Recommendation 12:

To recognise the significant achievement made in gaining agreement to this review and its recommendations by commissioning the Review Steering Group to oversee the implementation plan and report back on progress made in 12 months time.

Voluntary and Community Sector Infrastructure Support is one element of Community Support. However, this is specific to support for groups and does not cover all aspects of community support that includes support for individuals within communities. This section

briefly covers other areas of community support where Third Sector organisations play a significant role.

Important to recognise that community support or community infrastructure is wider than the Third Sector. Community infrastructure includes community centres, community development workers and capacity building within communities. Community infrastructure is for both neighbourhood communities and for communities of interest.

The Third Sector delivers a wide range of community infrastructure and is one of the key functions of the Third Sector identified by the Role and Function Group.

The Council's Neighbourhood Service and the tPCTs Community Development team also provide community support. Third Sector community development workers have a clear contribution to make to the neighbourhood working agenda. It is important that partnership working between the Council, tPCT and Third Sector organisations providing community infrastructure is further developed.

Community centres have the potential to play an increasingly important role in delivering on the neighbourhood agenda.

Small grants have an important role in engaging lots of groups working at the community level. The majority of Third Sector organisations will only ever seek small grants. Small grant funding can have large impacts

There is also a community of interest element of community infrastructure. This infrastructure is important to building the capacity of communities of interest to challenge discrimination, inequalities and support the development of services that meet everyone's needs.

Having clarity on what role is required from the Third Sector in the future will determine what capacity building priorities and outcomes are needed for the Third Sector to be able to fulfil that role effectively. For instance, what roles can the Third Sector play in helping to achieve the sustainability and economic outcomes in the Big Plan? What organisations should be developed now so that the district has the capacity to achieve those outcomes for the future?

Recommendation 13:

To improve the coordination of Community Support within the district as a key part of delivering the Stronger Communities chapter of the Big Plan and a key responsibility for the emerging Stronger Communities Partnership

Background papers

A list of background documents that have informed the Review:

Community Support – Report to the Strategic Director of Environment and Neighbourhoods to the meeting of the Corporate Improvement Committee 30th January 2008

Principles of Representation A framework for effective third sector participation in Local Strategic Partnerships, Cabinet Office 2008-10-27

Briefing note for the Third Sector Review Steering Group: The Community and Voluntary Sector June 2008

Bradford University (2008) Come and listen, get the atmosphere' A Paper exploring The Impact of the General Compact

Scoping Bradford District's Voluntary and Community Sector, (2008) Mike Quiggin, Bradford Resource Centre

Communities in Control: Real People Real Power, CLG (2008)

Review of the Community Development Service 2005

Valuing Volunteering in the Bradford District, Briefing Paper for the Resource sub Group of the Third Sector Review July 2008.

Building Effective local VCS infrastructure: The Characteristics of successful support for the local voluntary and community sector

The Diva Survey 2008: The Strength of the Voluntary and Community Sector in the Bradford District

ISO Report produced for the Role and Function group

Glossary of terms

A

Accountable Body is the organisation which is responsible for the financial probity of the Partnership. It is the legal entity nominated to act on behalf of the Partnership in taking responsibility for the receipt and use of funding.

Allocation - In expenditure terms this means earmarked monies for a particular purpose but there is no contractual commitment to proceed. An example could be a partnership/project that decides to allocate £10,000 for consultancy work. There is no firm commitment and a decision can be made to divert the monies to fund other lines of expenditure within the agreed partnership/project parameters (It cannot be re-allocated for non eligible expenditure).

C

Capacity building - In this case, a resourced approach (typically through staff training and development) boosting the sector's ability to manage projects, deliver services or engage in consultation and policy processes, partnerships and social enterprise by ensuring that voluntary and community organisations have the skills, knowledge, structures and resources to realise their potential.

Children and Young People's Plan - A single, strategic, overarching plan for all services affecting children and young people in a local area.

Commissioning and procurement - "Commissioning and procurement are separate processes, often carried out by different people. Commissioning is the planning process, procurement is the purchasing process."

This is the view of the National Council for Voluntary Organisations (NCVO) in 'How voluntary and community organisations can transform public services'.

Commissioning includes the whole cycle of planning from assessing needs, designing services and securing and funding delivery.

According to the Treasury – in 'Improving financial relationships with the third sector: guidance to funders and purchasers' – procurement is the process of buying services:

"The acquisition of goods and services in line with the statutory agency's policy of value for money, normally achieved through competition."

Commitment in expenditure terms means monies committed to a particular piece of work and secured with a contract or purchase order. An example could be an order or contract that has been entered into with a supplier to deliver £10,000 of consultancy but the work has not yet started. This is a contractual commitment and there may be penalties if a decision is taken to terminate the work.

Compact - The voluntary and community sector's written agreement with the government (or local public bodies) which has undertakings on both sides, shared principles and values such as recognising the sector's independence, and mechanisms for making it work.

Contract - A contract is a binding agreement to perform a certain service in exchange for agreed payment,

D

Development funding - Investing in new organisations or new capacity in existing organisations to develop their ability to contribute to a funder's policy objectives.

E

Equality impact assessment - This systematically assesses and records the actual or potential impact of a policy on different groups of people. As far as possible, any negative consequences can be eliminated or minimised and opportunities for ensuring equality can be maximised.

Evaluation - The assessment of the extent to which the programme has met its objectives: that is, has been effective, economical and efficient. There are two sorts of evaluation: **summative** and **formative**. Summative evaluation makes the assessment after the programme has been in operation for some time, or is complete, while formative evaluation assesses the programme as it is being put in place and during its early operation.

F

Full cost recovery (FCR) - Full costs are the direct costs of your project or service plus a relevant portion of organisational overheads (central administrative costs). FCR is the process of costing activities to include the appropriate share of overhead or indirect costs, as well as the direct costs of delivering a service.

Funding stream - A sum of money allocated by government for a defined purpose.

G

Grant - Payments to outside bodies should be made in the form of grants where a department is required, or wishes, to maintain detailed control over the expenditure and where a procurement approach is not suitable.

A grant is a financial transfer used to fund a specific activity because that activity is in broad alignment with the funder's objectives. It does not usually cover the entire cost of the activity and it is legally considered to be a one sided gift, rather than a payment in exchange for services. According to the Treasury:

"A grant maker is not contracting for a service that forms part of its own business. It is offering financial support in an area of work designed by the third sector, which it wishes to sponsor. The work would add value to the funder's overall aims and objectives. The organisation retains considerable freedom in the way in which it carries out the work."

Grant-in-aid - A payment by a government department (normally referred to as the "sponsor department") to finance all or part of the costs of the body in receipt of the grant in aid. Grant in aid is paid where the government has decided, subject to Parliamentary controls, that the recipient body should operate at arm's length. The sponsor department does not therefore seek to impose the same detailed controls over day-to-day expenditure as it would over a grant.

I

Infrastructure - Physical facilities, structures, systems, relationships, people, knowledge and skills that support, develop, co-ordinate, represent and promote front-line organisations to enable them to deliver their missions more effectively.

Infrastructure organisations - Voluntary and community organisations whose primary purpose is the provision of capacity building, development, co-ordination, representation and promotion for frontline VCOs; they represent VCO interests and provide a voice for VCOs in policy making. They facilitate joint working between VCOs and across the public, private and sectors

L

Local Area Agreement (LAA) - A three-year agreement setting out the priorities for a local area in certain policy fields as agreed between central government (represented by the Government Office), and a local area, represented by the local authority and Local Strategic Partnership (LSP) and other partners at the local level. The agreement is made up of outcomes, indicators and targets aimed at delivering a better quality of life for people through improving performance on a range of national and local priorities.

Local Involvement Networks (LINKs) - These networks will be able to provide flexible ways for communities to engage with health and social care organisations in ways that best suit the communities and the people in them. LINKs will be established for every local authority area with social services responsibilities.

Local Strategic Partnerships (LSPs) - LSPs bring together representatives of all the different sectors (public, private, voluntary and community) and thematic partnerships. They have responsibility for developing and delivering the Local Area Agreement (LAA).

M

Monitoring - In this case, the ongoing collection of information about the programme and assessment of the implications. Such information may be needed for three purposes: effective **management** of the programme; **wider accountability** for the programme; and **policy development**.

O

Objective - Something you need to achieve in order to meet your goal. To be effective, objectives should ALWAYS be written so that they are SMART (**S**pecific, **M**easurable, **A**chievable/Agreed, **R**elevant and **T**ime-bound).

Outcome - The term used to describe the totality of what a programme or project is set up to deliver or achieve.

Output - The end result of carrying out an activity – usually a product. It is important to distinguish **what** has been produced (the output) from the **effect** that it may be designed to help achieve (the outcome).

P

Partnership means the organisation or group of organisations named to implement and deliver project(s)/scheme(s).

Partnership Agreement (sometimes known as a Memorandum of Understanding) is an agreement between the Accountable Body and a partnership or other body that sets out the agreed roles and respective responsibilities of the relationship between the two parties.

Primary Care Trusts (PCTs) - Freestanding statutory NHS bodies with responsibility for delivering healthcare and health improvements to their local areas. They commission or directly provide a range of community health services as part of their functions.

Project means an individual component of a scheme.

Provider - A generic term for an organisation that delivers a healthcare or care service.

Procurement - Acquisition of goods and services from third party suppliers under legally binding contractual terms. Such acquisitions are for the direct benefit of the contracting authority, necessary for the delivery of the services it provides or the running of its own business. Procurement is normally achieved through competition, and will be conducted in line with the government's policy of value for money and in line with the Public Contracts Regulations 2006.

Programme - A portfolio of projects selected, planned and managed in a co-ordinated way.

Project - A temporary organisation formed to produce a unique and pre-defined outcome, or result, to a pre-specified timescale, using predetermined resources. It is important to understand that a project is something that can be planned and is something with a specific end in sight and which is managed to deliver as a single coherent whole.

Proportionality - The principle of not burdening funded organisations out of proportion to the amount of funding, which applies especially to monitoring. Guidance states that monitoring arrangements etc. should be proportionate to the level of, and risk to, the amount of funds involved.

R

Risk - Uncertainty of outcome (whether positive opportunity or negative threat). It is the combination of the chance of an event and its consequences.

S

Service level agreement - A memorandum, often accompanying a grant, which sets out the understandings of the public body and the TSO about the service to be provided.

A service level agreement is somewhere between the commissioning process and grant-in-aid. The organisation designs the service, but there is a binding agreement with detailed specifications for the level of outcome and output performance.

Social enterprise - Businesses with primarily social or environmental objectives. Their surpluses are reinvested principally in the business or the community. The social enterprise sector is diverse; some examples are cooperatives, development trusts, community enterprises, housing associations, and social firms. Social enterprises use a wide range of legal forms. There are at least 55,000 social enterprises in the UK, and they contribute £8.4 billion per annum to the UK economy, almost 1% of annual GDP.

Spending review - A statement of the government's spending plans for a particular period.

Statutory bodies - Organisations created by Acts of Parliament which define their powers and duties.

Strategic funding - Financing for organisations recognised to be of strategic importance in that they facilitate the achievement of other, more specific government objectives.

Stream / funding stream - A sum of public money which has been allocated for the achievement of a particular objective or the implementation of a particular policy programme.

T

Target - Something you are aiming for – usually the numerically measurable part of an objective.

Third sector organisation (TSO) - TSOs pursue social and environmental objectives; do not distribute any surpluses to shareholders; reinvest any surpluses in the pursuit of their objectives; and are independent of government. TSOs can take a number of organisational forms, with or without charitable status.

V

Value for money (VfM) - The optimum combination of whole-life cost and quality (or fitness for purpose) to meet the user's requirement. Assessed by the National Audit Office using the criteria of economy, efficiency and effectiveness.

The Treasury defines this as:

“The optimum combination of whole-life cost and quality – or fitness for purpose – to meet the user's requirement. In other words, getting the best possible outcome from any given level of input. This does not mean 'cheapest

Voluntary and community organisation (VCO) - A general term used to refer to registered charities, non-charitable non-profit organisations, associations, self-help groups and community groups.

W

Well-being - The subjective state of being healthy, happy, contented, comfortable and satisfied with one's quality of life. It includes physical, material, social, emotional (happiness'), and development and activity dimensions (Felce and Perry 1995; Danna and Griffin 1999; Diener 2000).