

## Briefing Paper – July 2010

### Green Paper, Voluntary Action in the 21<sup>st</sup> Century

#### The approach

The New Government coalition approach to the voluntary sector is taken from the Conservative Party 2008 Green Paper, Voluntary Action in the 21<sup>st</sup> Century which focuses on three fundamental issues:

1. Making it easier to run a charity, social enterprise or voluntary organisation
2. Getting more resources into the sector: strengthening its independence and resilience
3. Making it easier for sector organisations to work with the State

#### 1. Make it easier to run charities, social enterprise or voluntary organisation

The new administration aims to reduce the amount of regulation, monitoring and reporting that is imposed on the sector. The new Cabinet Office and Department for Business, Innovation and Skills will be launching a joint task force to:

- Reduce the bureaucratic burden on small organisations. One target will be to reduce the amount of bureaucracy associated with Gift Aid, which falls disproportionately on small charities; and,
- Improve the effectiveness of the valuable infrastructure that exists to support front line organisations.

#### 2. More resources into the sector

##### *Social entrepreneurs need better access to strategic capital*

Big Society Bank, funded from unclaimed bank assets, which will leverage private sector investment to provide new finance for charities and social enterprises. It will act in a strictly wholesale capacity, backing market intermediaries who are supporting social entrepreneurs and structuring innovative mechanisms to connect them with investors.

Grants are the lifeblood of many voluntary organisations. In order to give voluntary sector organisations more stability we will introduce a Fair Deal on Grants, with three core elements:

- Reform of the Big Lottery Fund to ensure that 100% of its grants go to charities and voluntary organisations, rather than statutory organisations.
- Encouragement of better practice in Government grant making: more effective guidance to Departments and Local Authorities; a requirement of greater transparency on expenditure; and easier online access to information on what grants are available.
- As part of our Big Society agenda, we will set up a new community grant programme to put money in the hands of neighbourhood groups and enable them to implement their own plans.

- Use the majority of the future annual revenue from the estimated £160m FutureBuilders Loan Book to provide grants to neighbourhood groups, social enterprises and charities in the poorest areas of Britain. Grants will be design to encourage matched funding from non-governmental sources.
- Inspire people to give more time and money and train 5,000 community organisers to help galvanize social action.
- Launch an annual national 'Big Society Day' to celebrate the work of neighbourhood groups and encourage more people to take part in social action projects.
- Work more closely with business to encourage better practice in the workplace-learning from progressive companies who know that it is in their commercial interest to develop the skills of their people and support their communities. Introduce National Citizen Service. This flagship project, to be led by charities and community groups, will provide a programme for 16 year olds to give them a chance to develop the skills needed to be active and responsible citizens, mix with people from different backgrounds, and start getting involved in their communities.
- Create more opportunities for charities, co-operatives and social enterprises to help us deliver better public services. Across a broad range of policy areas – new schools, rehabilitation of offenders, welfare to work, public health, and energy efficiency – the message is the same: we are open to any willing and credible provider, and where appropriate we want to pay by results.

### **3. Making it easier for sector organisations to work with the State**

There are two elements to this agenda. We will reform commissioning and procurement to increase trust and reduce bureaucracy. And we will encourage the State to be more consistent in its dealings with the Sector by

- Creating longer term contracts based on outcomes not the micromanagement of process.
- Encourage the participation of smaller organisations that can help us tackle the toughest social problems.
- Not-for-dividend organisations to be able to bid on the basis of price not cost, and so be free to earn a return on investment if they are helping us save taxpayers money.
- Create an Office for Civil Society, to be based within the Cabinet Office, that will act as a champion of the Voluntary Sector in the heart of Government. The Office for Civil Society will replace the current Office for the Third Sector and will take a lead role in delivering on our Big Society agenda, And
- Invite Parliament to create a new Select Committee to hold the Government to account for the impact of its policies on civil society.

- Keep the Commission for the Compact as a independent monitor to ensure that the Government is held accountable for meeting the commitments of the Compact.