

Real Help for Communities: Volunteers, Charities and Social Enterprises

HM Government

A briefing paper from the National Council for Voluntary Youth Services (NCVYS)

February 2009

1. Introduction

In February 2009, HM Government launched *Real Help for Communities: Volunteers, Charities and Social Enterprises*¹. The publication is an action plan outlining £42.5 million support for the third sector in the current, difficult economic climate.

Details of how the third sector can access the funds and programmes announced in the plan will be available on the Office of the Third Sector's website shortly (see footnote 1).

This briefing paper summarises the action plan, but first highlights potential issues for the voluntary and community youth sector arising from the publication.

2. Potential issues for the voluntary and community youth sector (VCYS)

The measures in the action plan are short-term investment solutions to the current economic situation. The financial packages will be spent in the next year in England. However, the Government will work closely with devolved administrations to share learning and support the third sector throughout the UK.

¹ HM Government (2009) *Real Help for Communities: Volunteers, Charities and Social Enterprises* is available via:
http://www.cabinetoffice.gov.uk/third_sector/real_help_for_communities.aspx

The action plan refers to small and medium third sector organisations and which Government has defined as those with a turnover of £30,000 to £100,000. Some within the voluntary and community sector are concerned that this level is set too low. In response, Government said that it cannot commit to changing the level, but it is willing to look at the evidence to support raising the upper limit².

The action plan proposes strengthening the third sector's access to investment (see section 2.3) through specialist financial skills and investment readiness training. As it is worded, support to become investment ready seems to be only open to social enterprises. However, there is a need for this to be available across the third sector, particularly in the youth sector where organisations are coping with a major shift in the way they access funding (with moves from grants to contracts more pronounced than in other parts of the sector). NCVYS has recommended to Government that this training should be available to all third sector organisations, especially as 'support (from business link) is not always appropriate for many third sector organisations if they fail to meet the criteria for business support.

In addition to the short-term opportunities referenced in the action plan, HM Government's *New Opportunities: Fair chances for the future* White Paper³ sets out funding initiatives already available to the VCYS and provides a timeline of key milestones⁴. NCVYS will ensure that it continues to inform its membership of this and other key developments through its information services and briefing papers.

To help support organisations through this difficult financial climate, NCVYS is planning a roundtable for third sector organisations to examine how we can work together to help young people through the recession. Further information will be available soon via the NCVYS information streams and website⁵.

NCVYS has also negotiated with Price Water House Coopers some pro-bono support for organisations that find themselves at risk of insolvency. Further information on this will be sent out directly to NCVYS members.

3. *Real Help for Communities: Volunteers, Charities and Social Enterprises* summary

This section provides a summary of the action plan, highlighting key, relevant points for the VCYS.

The *Real Help for Communities* begins with an executive summary that provides context to the action plan and details progress to date. The guiding principles behind the plan, which emerged from a National Council for Voluntary Organisations summit on the economic turndown, are:

- helps achieve economic growth, equality and social mobility;
- delivers real help now and in the future for individuals, families and communities;
- ensures as many resources as possible are directed into frontline services;
- encourages third sector organisations to work together to provide help now and in the future; and
- provides a rapid response to current and emerging need.

² Point raised by the National Association of Voluntary and Community Action (NAVCA) at the launch of the action plan.

³ HM Government (2009) *New Opportunities: Fair chances for the future* is available via: <http://www.hmg.gov.uk/newopportunities.aspx>

⁴ NCVYS's briefing paper on *New Opportunities* is available via: <http://www.ncvys.org.uk/index.php?alias=Policy%20policy%20briefing%20papers>

⁵ Further information will be available on the NCVYS website: <http://www.ncvys.org.uk>

3.1 Real Help Now: Meeting Demand for Services and Tackling Unemployment

This chapter sets out what actions Government will take to meet demand for services and tackle unemployment.

A **£15.5 million Community Resilience Fund** will have two elements:

1. provide grant funding to small and medium providers⁶ in targeted local areas at most risk of deprivation; and
2. the development of stronger commissioner engagements with small/medium providers in these local areas.

A national campaign will be launched to raise awareness of the **Government's commitment to pay invoices within 10 days**. This will build on work being done by the Office of the Third Sector, Compact Voice and the Commission for the Compact on reviewing the Compact. In addition, in 2009, a Joint Compact Action Plan will focus on promoting and reinforcing those commitments and undertakings that will provide fairness and transparency.

Up to **£10 million will be invested in a volunteer brokerage scheme** for unemployed people which will create over 40,000 opportunities for people to learn new skills and give back to communities through volunteering. This will start in April 2009.

The action plan highlights that building the skills and employability of young people is a priority for Government and highlights the work of v⁷ in supporting young people into volunteering. Government is now matching private sector investment to support youth volunteering pound-for-pound.

A new pilot accreditation process and independent ombudsman for the Department for Work and Pension's Code of Conduct will better protect the interests of smaller, specialist and third sector welfare to work providers.

3.2 Strengthening the sector now and in the future

This section considers how Government will support the development of stronger and more environmentally sustainable communities for the future.

A **£16.5 million modernisation fund** will be established from April 2009 to support viable third sector organisations to access specialist services in order to restructure and become more resilient and efficient in the recess.

Government will invest **£0.5 million in the School for Social Entrepreneurs** to expand its 'action-learning' programme.

The National Endowment for Science, Technology and the Arts⁸ will undertake an independent **review of the incentives for investment in social enterprise**.

Government will provide information specifically for third sector organisations about the **impact of the recession on pension schemes**.

In addition to the action plan, HM Revenue and Customs, on behalf of HM Treasury, is currently exploring potential research around the likely behavioural effects on donors of redirecting the higher rate element of Gift Aid from donors to charities. Findings are expected in autumn 2009.

⁶ With a turnover between £30,000 to £100,000.

⁷ Further information on v is available via: <http://www.vinspired.com/v>

⁸ Further information on NESTA is available via: <http://www.nesta.org.uk/>

3.3 Final word

This chapter gives quotes from each Secretary of State in support of the action plan.

3.4 Submissions

This chapter lists organisations and individuals who contributed to the development of the action plan, including NCVYS.

3.5 Key Milestones

The action plan finishes with a table of key milestones.

For more information on any element of this paper, please contact NCVYS's Policy Officer, Hannah Dobbin, email hannah@ncvys.org.uk or on 020 7278 1041.