



HM Government



# CIVIL SOCIETY STRATEGY: BUILDING A FUTURE THAT WORKS FOR EVERYONE

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# Civil Society Strategy:

building a future that works for everyone

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# THE CIVIL SOCIETY STRATEGY

## PEOPLE

ENABLING A LIFETIME OF CONTRIBUTION

PEOPLE IN CHARGE



SOCIAL VALUE

## PLACE

EMPOWERMENT & INVESTMENT IN LOCAL COMMUNITIES

INCLUSION

EMPOWERMENT

INVESTMENT



## THE PUBLIC SECTOR

ENSURING COLLABORATIVE COMMISSIONING

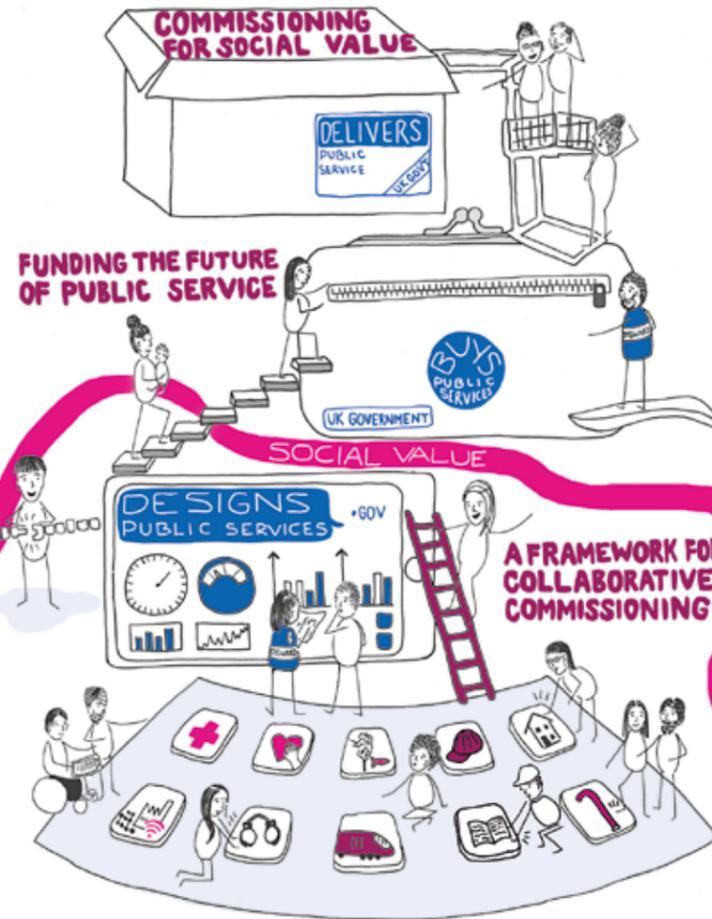
COMMISSIONING FOR SOCIAL VALUE

DELIVERS PUBLIC SERVICE

FUNDING THE FUTURE OF PUBLIC SERVICE

DESIGNS PUBLIC SERVICES

A FRAMEWORK FOR COLLABORATIVE COMMISSIONING



## THE PRIVATE SECTOR

PROMOTING BUSINESS, FINANCE & TECH FOR GOOD

RESPONSIBLE BUSINESS

TECH FOR GOOD

FINANCE FOR GOOD



## THE SOCIAL SECTOR

SUPPORTING CHARITIES & SOCIAL ENTERPRISES

A CONNECTED, RESOURCEFUL SOCIETY

OPPORTUNITIES FOR YOUNG PEOPLE

SOCIAL VALUE



A SECTOR CONFIDENT WITH DIGITAL

LEADERSHIP, SUPPORT REGULATION

FUNDING & FINANCING THE SECTOR

THE VOICE OF CIVIL SOCIETY

#CivilSocietyStrategy



@LedPea

## Ministerial Foreword

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This Strategy is intended to help government strengthen the organisations, large and small, which hold our society together.

It is a response to the opportunity of the moment, when new technologies and ways of working suggest extraordinary new possibilities – as well as threats – for the way we live and work.

To meet the opportunities and threats of the future a new approach is needed that gives greater freedom and responsibility to our communities.

We believe that civil society is central to this new approach.

Despite all the pressures civil society is under, it does an extraordinary job, and is in fact growing in reach and impact.

Big societal challenges, including the future of social care, community integration, and housing, are being tackled through solutions that bring together public services, businesses, and communities. New providers are taking responsibility for youth services, domestic abuse services, addiction services, and offender rehabilitation services. New models are developing for funding and running libraries as well as children's services.

All of this is happening because of the resourcefulness of the British people. We remain at or near the top of the global league tables for philanthropy and volunteering. The UK is the world leader in innovative social finance models and, with the US, the joint

world leader in 'tech for good' innovations. Young people increasingly expect to work for employers delivering social value.

Businesses are rediscovering the original purpose of the corporation: to deliver value to society, not just quarterly returns to shareholders. Across the country, in multiple ways, people are stepping forward to take responsibility for the society they live in.

The government has a vision of the UK with better connected communities, more neighbourliness, and businesses which strengthen society. Technology enables strong communities rather than enabling disconnection and isolation.

Young people and their contribution to a thriving society are recognised as vital, with the ability to help the country tackle its most urgent challenges and deliver a better future for all of us.

People are empowered to take responsibility for their neighbourhoods. Power is decentralised so that local officials and professionals are properly accountable to local people, and trusted to do their job without bureaucratic interference. The provision of services is seen as the business of the community, not solely the responsibility of government, and providers are drawn from a broad range of suppliers from the public sector and beyond. All communities, regardless of levels of segregation and deprivation, are able to take advantage of these opportunities. Alongside public funding, private finance is used

imaginatively to support services, stimulate innovation, and reduce risk for the taxpayer.

These developments have the ultimate effect of building a sense of shared identity, improving integration among the people of a place and also among the people of the UK as a whole.

The Civil Society Strategy is intended to set a direction for government policy. A group of civil society leaders wrote to us saying that “[the Strategy] should not be focused on what the government thinks the sector should do... instead [it] should set out how the government can support and enable civil society to achieve its potential.” They also suggested that the Strategy should be “living and breathing”, not a final communication, but the beginning of a process of policy development and collaboration.<sup>1</sup>

This is exactly what we intend to do. This Strategy is designed to complement the work of the Inquiry into the Future of Civil

Society led by Dame Julia Unwin, which is deliberately independent of government. Our purpose is to cast a vision of how government can help strengthen and support civil society in England. It will be complemented by the government’s strategy on tackling loneliness, which will set out how we will support strong connections between people.

We want to thank everyone who took part in our Civil Society Strategy engagement exercise. We hope the people who contributed will recognise their influence in this Strategy. We agree with the civil society leader who said that “the process you use to get to the future is the future you get.”<sup>2</sup> The future we want is one of collaboration and ‘co-creation’. This Strategy is therefore a contribution from government to the task of co-creating the civil society we want in the years to come.

We look forward to working together.



**The Rt Hon Jeremy Wright MP**  
Secretary of State for Digital, Culture,  
Media and Sport



**Tracey Crouch MP**  
Parliamentary Under Secretary of State  
for Sport and Civil Society

# Executive Summary

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## Introduction

This Strategy sets out how government will work with and support civil society in the years to come, so that together we can build a country that works for everyone.

For the purpose of this Strategy, civil society refers to individuals and organisations when they act with the primary purpose of creating social value, independent of state control. By social value we mean enriched lives and a fairer society for all.

The government believes that social value flows from thriving communities. These are communities with strong financial, physical and natural resources, and strong connections between people. This includes public funding, private investment, buildings, and other spaces for a community to use. It also includes trust and goodwill, and the organisations and partnerships that bring people together.

To help communities thrive, the government believes we need to look at five foundations of social value: people, places, the social sector, the private sector, and the public sector.

In the past we have too often thought of these foundations as separate from each other. But when they work together, the whole is greater than the sum of its parts. Government alone cannot solve the complex challenges facing society, such as loneliness, rough-sleeping, healthy ageing or online safety. Government can help to bring together the resources, policies and people who, between them, can do so.

This Strategy is not intended as the final word or a fixed statement on the government's work in relation to civil society. On the contrary, it is the beginning of an ambitious, evolving work programme to help build a strong society.

## Chapter 1. PEOPLE: enabling a lifetime of contribution

Why is this important?

From individuals' acts of kindness to the work of charities and mass movements for change, people taking action is the bedrock of a strong society.

The government's vision is for all people to be able to thrive, connect with each other, and give back to their communities. We want to build a society where people have a sense of control over their future and that of their community.

What will the government do?

The government is running the Place Based Social Action programme with Big Lottery Fund. The programme helps communities to collaborate with local private and public sector organisations to create a shared vision for the place they live and work in. The government wants this kind of collaboration to become commonplace.

Government is also supporting citizens to take action on the issues they care about by funding the training of 3,500 people in community organising by 2020. Community Organisers listen to the concerns of the community, connect people, and motivate them to come up with the answers to the problems they face.

Young people should have a central role in shaping the future of our society. The Department for Digital, Culture, Media and Sport will work with the Department for Education to develop proposals to help young people to play their part.

The government will explore options for building on the cross-sector partnership created by the #iwill campaign to identify how the existing offer for young people can be improved.

The government will also establish the National Citizen Service Trust as an independent public body that is accountable to parliament and ministers.

In addition, the government will allocate £90 million to an ambitious youth initiative, delivered by a new organisation which will operate independently of government. This organisation will have at its heart ensuring that major employers and social sector organisations work together to help the most disadvantaged young people transition into work.

## Chapter 2. PLACES: empowerment and investment for local communities

Why is this important?

'Global Britain' is rooted in 'local Britain'. As individuals we benefit from the cultural and economic opportunities of living in a country that works and trades with partners across the globe. We also benefit from the sense of belonging that comes from feeling connected to our neighbours and from taking some responsibility for the places we live in.

The government's vision is that in the future the public sector will focus more on the needs of places and take a more collaborative approach. By working with service providers, the private sector, individuals, and communities in a place, we will make more sensitive and appropriate policy, we will achieve better social and economic results, and we will make brilliant places for people to live and work in.

What will the government do?

The government will launch a new Innovation in Democracy programme. This programme will pilot participatory democracy approaches, whereby people are supported to take part in the decision-making that affects their communities.

Many communities are without high-quality facilities and the ability to manage them. The Department for Digital, Culture, Media and Sport, in conjunction with the Ministry of Housing, Communities and Local Government, will design a programme to look at more sustainable community spaces.

The government will continue to encourage the take up of community rights. We will improve guidance to help communities take ownership of local assets, such as community buildings.

A number of strategic initiatives currently underway will create opportunities for civil society and communities to consider their role in supporting inclusive growth. These include the design of the UK Shared Prosperity Fund, the process of developing Local Industrial Strategies, and the review of Local Enterprise Partnerships. Through the process of Local Enterprise Partnerships reform, there is an opportunity to strengthen the role of local stakeholders and civil society in local decision-making structures.

The government will also work with partners to develop new models of community funding. These models will bring together different forms of funding, such as social impact investment, charitable funding, and corporate investment. To start, Big Society Capital and Access (The Foundation for Social Investment) will devote around £35 million of dormant accounts funding.

The government recognises that all places are not all starting from the same point. The factors that distinguish communities from one another, such as levels of deprivation and segregation, will affect a community's ability to take greater control. The government will take steps to ensure that efforts to support communities described in this Strategy have the potential to benefit all communities, regardless of circumstance.

## Chapter 3. THE SOCIAL SECTOR: supporting charities and social enterprises

Why is this important?

A healthy, independent and influential civil society is a hallmark of a thriving democracy. Charities and social enterprises – the social sector – are the core of civil society. A strong social sector is a sign of a strong democracy, which offers many ways in which citizens' views and concerns can be communicated to decision-makers.

The government is keen to work alongside the social sector to build a future in which the sector can adapt and thrive, strengthen public trust, as well as find new ways to resource and deliver their work.

The government is determined that charities and social enterprises should be fully confident in their right to speak in public debates and to have a strong role in shaping policy and speaking up on behalf of those they support. It is right that we have government grant standards which prevent taxpayers' money being spent on political lobbying. However, simply being in receipt of taxpayers' money should not inhibit charities from making their voices heard on matters of policy and practice.

What will the government do?

The government will renew its commitment to the principles of the Compact.<sup>3</sup> The Compact is a document that sets out a series of principles and commitments governing the relationship between the social sector and the government.

We will also work with civil society, the Electoral Commission, and the Charity Commission to explore what non-legislative steps could strengthen civil society's confidence in speaking out.

In addition, the government will convene a cross-government group to work with civil society to establish the principles of effective involvement in the policy-making process, learning from the examples of good practice that already exist.

We also recognise the strong demand from the social enterprise sector for a simpler relationship with the government. The Department for Digital, Culture, Media and Sport will establish a regular forum for social enterprises to coordinate relations with government.

On funding and financing, the government is working with the Charity Commission and UK Community Foundations to release at least £20 million over the next two years from inactive charitable trusts to help community organisations.

The government will explore how to encourage more collective giving, a form of charitable giving where groups of people pool their donations to create larger funds to tackle problems.

On leadership, we will work with civil society stakeholders and the Charity Commission to agree on joint action to open up trusteeship to people from different backgrounds.

There is increasing awareness that increased use of data and digital technology can make charities stronger and even better at what they do. But charities are taking time to adopt opportunities. The government has identified artificial intelligence and the data revolution as one of the four Grand Challenges facing the UK. We will work with partners to explore how best to use digital to build a stronger and even more effective social sector.

## Chapter 4. THE PRIVATE SECTOR: promoting business, finance and tech for good

Why is this important?

Business done right is a force for good in society. The best businesses play a highly positive role – not just in how they reach out to respond to social problems in society (their corporate social responsibility), but also in their core business.

Our leading businesses increasingly put social and environmental responsibility at the heart of what they do. The same goes for the role of finance and technology, where the UK leads the world in creating social value.

What will the government do?

The government will build further its support for responsible business and will update on its approach in 2019.

In addition, the government will this year establish a responsible business Leadership Group. This group will lead the debate about the role of business in society and develop actions to support businesses to fulfil this role. It will comprise senior business leaders, investor leaders and social sector representatives. This group will report to the Department for Business, Energy and Industrial Strategy and the Department for Digital, Culture, Media and Sport.

The Inclusive Economy Partnership supports greater collaboration between business, civil society organisations, and government departments to solve some of the toughest challenges in society. Cabinet Office and the Inclusive Economy

Unit at the Department for Digital, Culture, Media and Sport will build on early experience of the Inclusive Economy Partnership.

The Inclusive Economy Unit will follow up the recommendations from the 'Advisory Group on growing a culture of social impact investment in the UK' led by Elizabeth Corley.<sup>4</sup> This work will include further consideration of business transparency on social and environmental contributions in the UK and internationally.

The government will explore what more can be done to harness the power of technology in addressing complex social issues, such as tackling loneliness, healthy ageing, online safety, and digital inclusion.

The government will also work with Big Lottery Fund to use £55 million from dormant accounts to fund a new, independent organisation which will work with partners across the private and social sectors to tackle financial exclusion.

## Chapter 5. THE PUBLIC SECTOR: ensuring collaborative commissioning

Why is this important?

Many of our public services began life outside government, often in the social sector. These include the National Probation Service, the National Health Service, and Jobcentre Plus. Over time, government stepped in to support and extend the work done by communities and private philanthropy. This has helped ensure high standards as well as universal access and created a system – the welfare state – which people can trust.

In recent decades, government has introduced competition to deliver greater value for taxpayers' money in public services and to broaden the supply of services to include independent providers. This has led to a greater focus on the difference services make and the costs. But this has also resulted in an often rigid focus on numbers, including budgets, volumes, and timescales, rather than a focus on the relationships and flexibility which people and communities also need.

The government's vision for public services in the modern era is one of collaborative commissioning. This means that in the future local players will be involved in an equal and meaningful way in how services are created and delivered. It means that all the resources of a community, including public funding, will be deployed to tackle the community's challenges.

What will the government do?

The government will support the spread of Citizen Commissioners – local people supported to make commissioning decisions on behalf of their communities.

The government wishes to extend the support currently offered to public sector teams aspiring to form mutuals to other social sector organisations that wish to deliver public services. This would create an environment of far greater user-led, community-led, and staff-led delivery of public services.

The government also wishes to broaden the range of funding options for community initiatives. This includes a revival of grant-making: grants can combine flexibility with the accountability and performance rigour of a contract, as well as bringing additional benefits, such as charitable investment.

We are determined to ensure that public spending is used to generate social value in addition to the goods and services it purchases. There needs to be an increase in social value commissioning across all levels of government. This means improving the use of the Public Services (Social Value) Act 2012.

The government's vision is for the principles of the Social Value Act to be applied to the whole of government spending and decision-making. Central government departments will be expected to apply the terms of the Social Value Act to goods and works as well as services. They will also be expected to 'account for' the social value of new procurements, rather than just 'consider' it as currently. The Department for Digital, Culture, Media and Sport will lead the way by applying this wider remit of the Social Value Act to major projects. Other departments will follow in due course.

The government will also look into the potential for the use of social value in grants as well as contracts.

The government will explore the suggestion that the Social Value Act should be applied to other areas of public decision-making such as planning and community asset transfer.

# Introduction

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## The purpose of the Strategy

The Civil Society Strategy sets out how the government will work to support and to strengthen civil society, without compromising its independence. Civil society refers to all individuals and organisations, when undertaking activities with the primary purpose of delivering social value, independent of state control. The government wants to build a partnership with charities and social enterprises, with volunteers, community groups and faith groups, with public service mutuals, socially responsible businesses and investors, and with the institutions which bring sports, arts, heritage, and culture to our communities.

A strong partnership of government, business, finance, and communities will help society rise to the enormous opportunities of our times. Civil society can help us make good on the promise of the 21st century: a more connected society, in which everyone can play their part.

Civil society can also help us tackle a range of burning injustices and entrenched social challenges, such as poverty, obesity, mental ill-health, youth disengagement, reoffending, homelessness, isolation, and loneliness, and the challenges of community integration.

Across our society individuals and organisations, including traditional charities, social enterprises, mutuals, and mission-led businesses, are designing effective responses to social challenges. Together with public services and mainstream businesses, they are creating 'social value': enriched lives for individuals and social justice in all its forms.

The role of government – and the purpose at the heart of this Strategy – is to act as the convenor of the emerging coalition of people and organisations which, together, have the answers to the challenges of our times. This means leading the debate about the future social model our country needs, coordinating investment, tracking data on what works, and most of all, ensuring people themselves are at the heart of the system we are building together.

## The foundations of social value

The burning injustices our country faces are complex, inter-related issues beyond the control of any one agency in the public, private or social sector. In response, we need more than a series of individual programmes to 'fix' individual challenges.

The government believes that social value – enriched lives and social justice – flows from thriving communities. These are communities with a sufficient stock of financial, physical, natural, and social capital, in other words resources including public funding, private investment, buildings, and spaces for community use, as well as trust, connectedness, and goodwill.

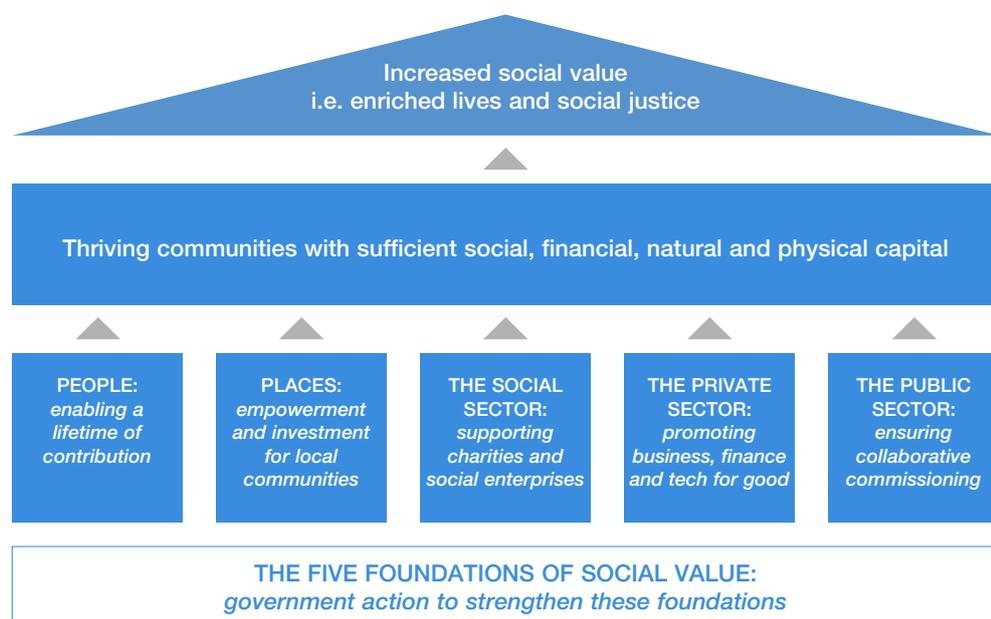
In thriving communities people have a sense of pride in the places where they live, feel able to get involved and take action to improve local life, and have control over the decisions which affect their neighbourhoods.<sup>5</sup> There is a rich diversity of civic institutions, formal and informal associations, shared spaces, and activities. Local public services are properly part of the community, as they are responsive and accountable to the people they support, and local businesses recognise and fulfil their obligations to the places they work in.

Thriving communities make life better for everyone and naturally prevent or reduce social problems. This is something long recognised by the traditional social sector, including individual philanthropists, trusts, and foundations, as well as major public institutions like Big Lottery Fund and Arts Council England, who invest in the capabilities and infrastructure of communities.

Thriving communities protect and promote the rights and interests of the vulnerable and disadvantaged in society. This includes those with characteristics that are protected under the Equalities Act 2010. The social sector has long played a vital role in ensuring protection and representation for these groups and strong communities embrace this mission, creating integrated and thriving places for people to live and work together.

The role of faith groups is also essential. They play a vital part in meeting the need for greater integration and community cohesion. They are embedded within communities, well-able to recognise real local need and offer important services, particularly for marginalised and isolated groups. As with the wider social sector they speak out on important issues on behalf of those in need.

To help communities to thrive in this way, the government believes we need to strengthen the ‘five foundations of social value’, namely people, places, the social sector, the private sector, and the public sector. To strengthen these foundations, the government needs to take action. The approach is summarised in the illustration below.



The government recognises that prosperity and wellbeing depend primarily on the work of businesses, local public services and communities themselves. But there is a vital role for the government in boosting, and bringing together the capabilities and resources which a community needs in order to thrive.

The government's Industrial Strategy, published in November 2017 seeks to rebalance the UK's economy, boosting productivity and growth across the whole country.<sup>6</sup> Alongside this, the government's 25 Year Environmental Plan seeks to support sustainable development, to achieve clean growth, and increase our resource efficiency for the benefit of the environment, the economy, and our society.<sup>7</sup> A central plank of both strategies is the recognition that the people best placed to drive forward local and sustainable economies are those who live, work, and do business in them.

The Civil Society Strategy takes this agenda forward. It complements the Integrated Communities Strategy green paper that invited views on the government's vision for building strong integrated communities where people – whatever their background – live, work, learn, and socialise together, based on shared rights, responsibilities, and opportunities.<sup>8</sup>

The following chapters address the 'five foundations of social value' in turn. Together, they detail a series of commitments and ambitions for the government, including support for volunteering and community action, investment and empowerment of people in places, a new model of commissioning public services including a focus on services delivered locally by organisations owned by staff, the community or service users, catalysing more social impact investment and developing new community investment models, and supporting the spread of digital tools for connectivity.

People should be able to take positive action on issues that they care about. This Strategy sets out a vision for all people of all ages to be able to thrive, connect with each other, and give back to their communities – building an integrated society that works for everyone, where people have a sense of control over their future and that of their community.

There is a special role for young people in the vision set out in this Strategy. The government is ambitious to meet the demand among young people for the opportunity to make a contribution, and to harness their energy and skills for the benefit of society.

The Strategy also addresses how business operates and how individuals and institutions invest their money. It is designed to speak to the broad sweep of responsible businesses and investors, as well as mission-led businesses and social enterprises.

## How government plans to work

The government will convert into action the argument at the core of this Strategy: that the complex challenges facing society cannot be solved by the government alone, but by bringing together the energy and resources available across society. We will convene partners and deploy capital to harness the expertise of charities and social enterprises and the power of the private sector.

The ambition is to bring into the mainstream the work already well advanced in parts of civil society, including among responsible businesses and progressive

public sector commissioners, where social value is in the forefront of what these organisations do. To this end, it is necessary to enrich the measurement of social value and to achieve consistency across public and private sector understandings of the concept. As detailed below (see ‘Measuring success’) **the government will work with partners to design a coherent measure of social value.**

The dormant accounts scheme demonstrates how effectively public, private and social sector parties can work together. Banks and building societies have voluntarily contributed more than £1.1 billion to the scheme, and hundreds of millions of pounds have been made available for good causes.

**The government is ambitious to build on these successes, and has allocated £135 million from dormant accounts to Big Society Capital to invest in providing homes for vulnerable people and to support local charities and social enterprises.**

**The government will also work with Big Lottery Fund to direct £145 million from dormant bank accounts to two new organisations, both of which will be independent of government, with their own governance structures. With a small core team, they will be tasked with deploying this funding to tackle some of the most serious social injustices: youth unemployment and financial exclusion.<sup>9</sup>**

**Dormant account funding is unique. It provides the opportunity to deliver bold, innovative approaches and invest in long-term solutions. The approach being adopted here will allow interventions to be properly tested and evaluated over time, developing a lasting legacy of expertise and evidence not seen on these issues before.**

**The new organisations will provide the opportunity to catalyse partnerships that bring together the expertise of charities and social enterprises with the reach of the private sector (big business and local employers) to benefit some of the most vulnerable in our society. The new organisations will also seek to bring in additional contributions and investment from interested parties, further boosting the support available.**

## Next steps

This Strategy sets out a wide range of activity that the government either already is undertaking, or plans to undertake, to strengthen the foundations of social value, as well as ambitions for the long term.

A number of these actions take the form of commitments to work in collaboration with partners in civil society and in business and with the public, to develop further plans in a range of areas. This Strategy is therefore not intended as the final word on the government’s role in supporting civil society; on the contrary, it is the beginning of what will be an ongoing and evolving programme of work across government and civil society, united in a shared responsibility for our common good.

## Ministerial statement: responsible business



Through the government's modern Industrial Strategy, which I launched in November, we are deliberately strengthening the five foundations of prosperity: ideas, people, infrastructure, business environment and places. I welcome and support this complementary Civil Society Strategy which will build on these foundations and bring further energy and partnership between government, business, civil society and local communities to bring improved prosperity across the UK.

Responsible business is a key part of that partnership and to forging an economy that works for all. Society rightly expects high standards from business. Corporate social and environmental responsibility should be an integral part of how our businesses operate and how they plan for long term success, including managing risks and sustaining trust in their goods, services and brands. We want businesses to communicate and be clear about their corporate responsibility and our world-leading corporate governance reforms will enable this, not only increasing the expectations of business but also encouraging a wider, positive discourse with civil society around transparency and accountability. Many of our leading businesses already connect or partner with community and voluntary groups as part of their corporate responsibility, and I want to encourage more of this.

Growing the economy and strong communities are mutually reinforcing and I very much welcome the steps which this new Civil Society Strategy takes to build on the Industrial Strategy approach, particularly to involve communities more strongly in local planning for economic growth, prosperity and employment. Businesses of all sizes are part of the fabric of communities up and down the country. They deliver prosperity, jobs and livelihoods. Our Industrial Strategy recognises that the people best placed to drive forward local economies are those who live, work and do business in them. Now this Civil Society Strategy builds on that work to grow thriving communities across the UK.

### **The Rt Hon Greg Clark MP**

Secretary of State for Business, Energy and Industrial Strategy

# This Strategy

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## Developing the Strategy

### Engagement

In spring 2018 the Office for Civil Society in the Department for Digital, Culture, Media and Sport carried out a public engagement exercise. The purpose was to develop the Strategy through discussion and debate across the country and across sectors, building on the experiences and knowledge from the past and shaping the future of the country we want to live in.

We invited views and ideas on how the government can work with and for civil society to:

- support people of all ages and backgrounds to play an active role in building a stronger society
- unlock the full potential of the private and public sectors to support social good
- help improve places to live and work in, including breaking down barriers in our communities and building a common sense of shared identity, belonging and purpose
- build strong local public services that respond to the needs of communities and draw on the talents of diverse people and organisations from across different sectors

We encouraged people to share their views using our [online platform on GOV.UK](#). We also encouraged people to have group discussions and feedback via the online platform. We offered guidance and toolkits to help facilitate these conversations.

We held a number of workshops. These included regional workshops in Birmingham, Leicester, London and York, cross-government workshops with officials from different departments, co-hosted workshops with social sector partners such as the Small Charities Coalition, five workshops with young people specifically facilitated by youth organisations, and workshops on emerging issues such as social value and digital skills.

We held a ministerial conference in May, and over 100 leaders across sectors took part. We also held discussions at Office for Civil Society stakeholder forums, including the Large Charities Group.

In total we received 513 responses via the online platform and over 90 standalone responses by email or post. To analyse the responses and discussions we used

both qualitative and quantitative approaches. Annex A outlines demographic information about respondents to the online platform. A summary of what we heard is set out below. While the responses and discussions have been fundamental in shaping the Strategy, and all views have been considered, not everything that was said is picked up in the Strategy itself. The summary therefore does not represent a statement of government policy.

## What we heard

We heard that the government's relationship with civil society should build on a number of values and behaviours. Commitment was a key value raised. Participants told us this meant commitment to engage over the long-term, beyond electoral cycles, and a commitment to genuine partnership. We also heard that the government should commit to a genuine cross-government approach when working with and for civil society. It should work with the complexity of civil society, recognising and accepting that civil society is hugely diverse and cannot be 'tamed' towards overarching goals. Trust was a further key value participants highlighted. We heard that the government should trust in local knowledge and experience, and devolve decision-making.

Participants also told us respect is essential. We heard that the government should respect and value civil society by engaging and listening, and feeding back what is being done as a result. The government should acknowledge the important role charities play in increasing democratic engagement and civic participation. It should recognise and promote more social enterprises and mission-led businesses, as well as value the contribution of smaller, local organisations. The need to listen to young people's voices also came through strongly throughout the engagement exercise. We also heard that the government should be transparent about decision-making and public sector funding.

Inclusion was an important value raised throughout the engagement exercise. The government's work with and for civil society should be inclusive of people of all ages, backgrounds, and abilities. It should include not just urban, but also rural areas, and not just bigger civil society organisations, but also smaller ones.

To demonstrate its commitment to and investment in civil society, we heard that the government should play a range of different roles. It should encourage and enable people to take part. This includes, for example, promoting a range of opportunities that are flexible and suit people's abilities and life circumstances. It involves increasing people's understanding of their civic responsibilities, and their ability to influence change at a local and national level, starting from a young age. Enabling people to contribute to society also requires the government to ensure that people have sufficient access to services and opportunities to meet their basic needs in the first instance.

Participants told us that the government should enable capability and capacity building in civil society. Training, advice, guidance, and sharing of best practices were examples of the forms this could take. Further examples included the funding of core costs, a focus on the resilience of civil society organisations, and support for activities and services that work, not just innovation and growth. Supporting the use of digital technology to reach audiences, beneficiaries, and donors was another way for the government to build capability and capacity.

We also heard that the government should build the evidence base of what works and promote improvement of civil society activities and services. To do so, the government should recognise how hard it can be to clearly and quickly demonstrate the impact of work, which is often only measurable a long time after a project is completed. The government should support the measurement and demonstration of social value, especially by smaller civil society organisations.

Participants told us that the government should facilitate partnerships and promote sharing within communities and across sectors. This includes the sharing of information, data, ideas, and networks. Sharing more physical and virtual spaces, places, and events would allow more people to come together, connect, and work towards shared goals. The government should bring people and organisations together to pool funding and leverage new sources of funding to address issues.

We heard that the government should re-evaluate its approach to funding and financing civil society organisations. For example, it should recalibrate its focus on social investment to ensure that an appropriate range of funding and financing models are available to the social sector. We heard that the government should provide more of the right kind of funding, including smaller and regular grants, offer multi-year funding, and seed funding. Further examples include the pursuit of asset transfer policies with greater vigour, the growing of social investment, blended finance, and start-up loans, as well as promoting alternative and new models of funding such as crowdfunding, community shares, and match-funding. Participants told us that the government should influence the wider funding environment through place-based investment strategies, leveraging funding from new sources, encouraging philanthropy, and the imaginative use of dormant assets.

We heard that the government should improve commissioning. This includes, for example, reforming the Social Value Act, genuinely co-producing services, enabling local solutions, and using a range of financial models in commissioning.

Participants also told us that the government should ensure the legal framework enhances civil society. We heard calls to reform regulatory policy to protect and promote independence, voice, and the right to campaign. Views ranged from abolishing the Lobbying Act to clarifying it. Participants also told us to strengthen the Social Value Act.

People and organisations who took part in the engagement exercise said that the government should ensure that tax frameworks support civil society. This included suggestions to bring greater coherence to taxing charities, social enterprises, cooperatives, and businesses. We heard that the government should publicise existing tax reliefs better, expand Social Investment Tax Relief, and incentivise cross-sector collaboration.

We would like to thank everyone who took the time to engage with us, sharing views, ideas, knowledge, and experience.



(Photo credit: Policy Lab)

## Scope of the Strategy

The Civil Society Strategy extends to England only. Policy responsibility for civil society matters are devolved in Northern Ireland, Scotland, and Wales. However, the Strategy references some policies which extend beyond England. In these cases the extent of the policy is highlighted in the text or an endnote.

## Defining civil society

In its original meaning, 'civil society' refers to the institutions which exist between the household and the core functions of the state. More recently, the term has become synonymous with a 'sector', sometimes called the 'voluntary', 'third' or 'social' sector – essentially the range of organisations not owned by the government and which do not distribute profits.

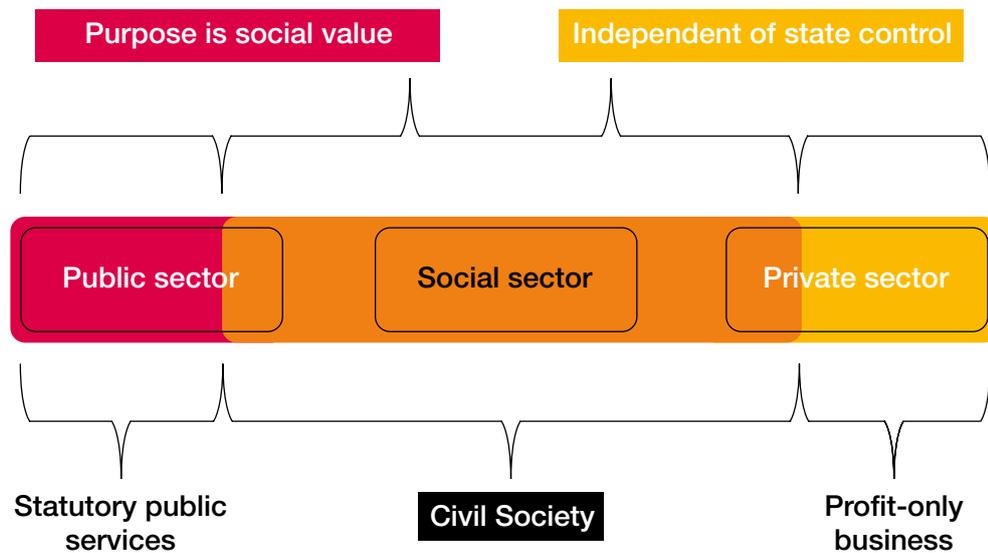
The responses that the government received during its engagement exercise, and the conversations we held with public, private, and social sector leaders in preparation for this Strategy, have convinced us that the original meaning is too broad and the recent meaning is too narrow.

For the purposes of this Strategy, therefore, we define civil society not by organisational form, but in terms of activity, defined by purpose (what it is for) and control (who is in charge).

Civil society refers to all individuals and organisations, when undertaking activities with the primary purpose of delivering social value, independent of state control.

This definition includes the social sector of volunteers, charities and social enterprises. It excludes a lot of private sector and public sector activity – the private sector work for which the governing purpose is to deliver profits for owners, for example, or the public sector work delivered solely with statutory

resources. But it includes parts of those sectors, as the following graphic illustrates:



As this suggests, it is not possible to draw precise boundaries around civil society without losing important aspects of it. The common definition of civil society as the ‘third sector’ not only demotes what is, in fact, older than both the modern state and the corporation; it also implies a tidy separation between spheres which overlap. These overlaps are where a lot of value lies.

Businesses are changing, to pursue social as well as economic purpose. The state is helping public service employees take control of their service through creating mutuals, reforming commissioning to support local and non-profit providers, and localising power. All of this is ‘civil society’ – not a sector, but a range of independent activity aimed at achieving social value.

In what follows we use the term ‘civil society’ in this hybrid sense, and ‘civil society organisations’ may be charities, public service mutuals, or businesses with a primary social purpose. To describe the ‘core’ of civil society we refer to ‘voluntary, community, and social enterprise organisations’, or simply ‘the social sector’.

## Measuring success

The Civil Society Strategy sets out a clear intent from the government to enhance the strength of the five foundations, namely the work of people, places, the social sector, the private sector, and the public sector.

A desire for better impact measurement is already apparent throughout civil society and much work is done across different organisations and sectors to achieve this. Intentions and methods are often aligned and the government is keen to shape this thinking. As part of the Civil Society Strategy, the government will explore effective indicators to measure the strength and growth of the five foundations. We want to explore the best means of measuring the wellbeing of communities and the social value created, such as the positive outcomes that thriving communities deliver. However, there exists a significant knowledge gap in terms of what makes some communities thrive more than others, and how, for example, different resources and capabilities come together in different places.

**The government will explore options to develop an empirical and practical knowledge base for evaluating the financial, physical, natural, and social capital of communities.**

To show the government's ongoing commitment to the Civil Society Strategy, the Department for Digital, Culture, Media and Sport will give a biennial public update report on the ambition and commitments of the Strategy.

## The document

Chapter 1 of this document focuses on the role of citizens in civil society and the importance of a lifetime of contribution to society, with particular reference to the role of young people. Chapter 2 presents a vision of 'place', and the role of government in supporting local communities. Chapter 3 explains the government's approach to the core of civil society, referred to as the 'social sector', comprising charities, voluntary organisations, and social enterprises, including mutuals. Chapter 4 outlines the role of government in supporting the contribution of business, finance, and tech to civil society. Chapter 5 explains how the government sees the future role of civil society organisations in the delivery of public services.

The Strategy outlines a bold vision that will be realised over the long-term. This period will span multiple parliaments and government spending periods. The Strategy sets out numerous areas of interest and commits to exploratory work to shape the projects and programmes that will help to realise this vision. The emergence of new pieces of work will inevitably depend on the outcomes of this exploratory work and decisions taken at future reviews of spending with the agreement of all relevant departments.

Throughout the document are case studies and illustrations of the work done by government, business, and communities to strengthen civil society and create social value, as well as key messages and quotes we have heard throughout the engagement exercise.

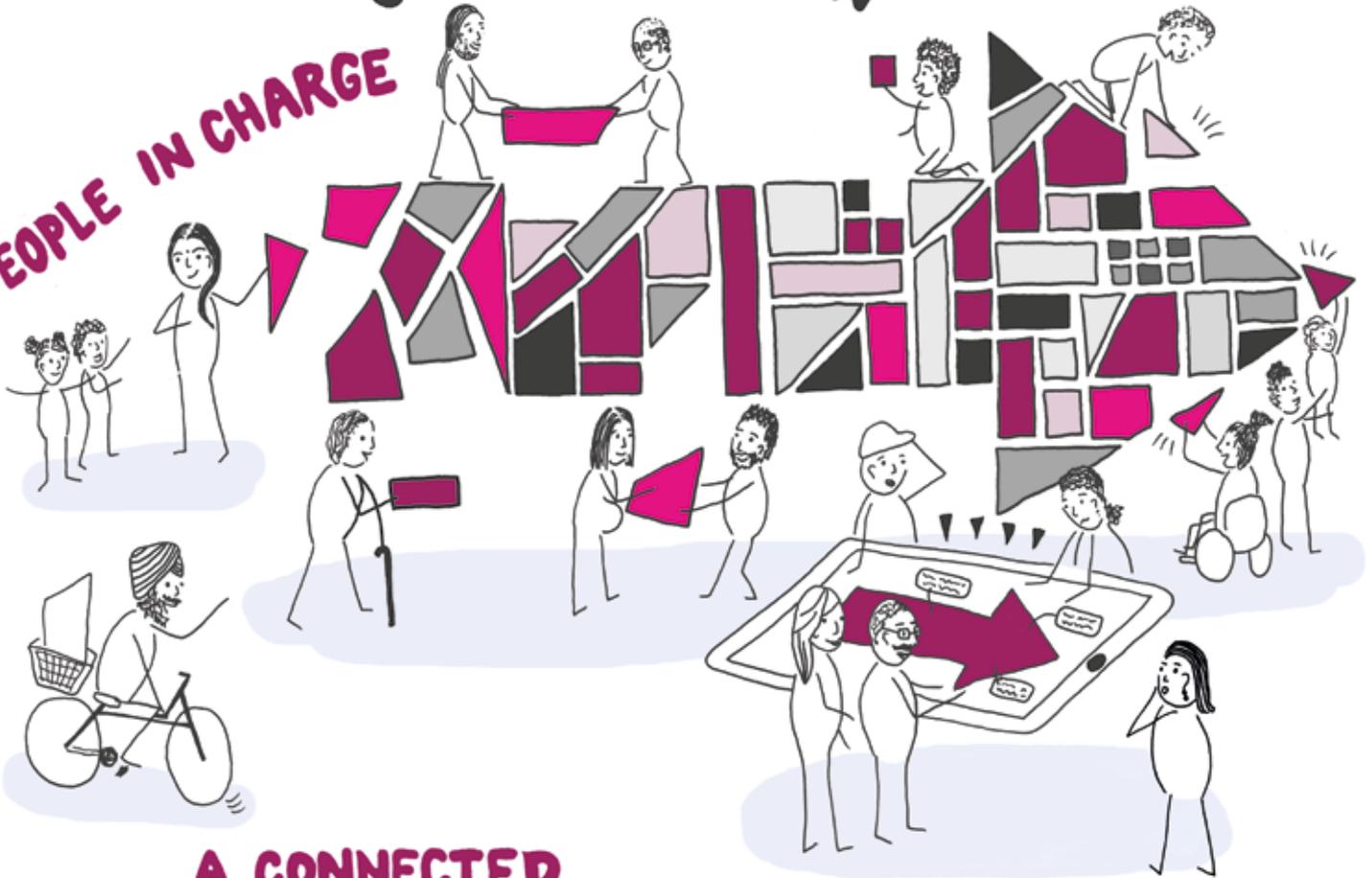
We also feature short articles authored by ministers from across government, highlighting how a civil society approach is helping meet public policy priorities.



# PEOPLE

ENABLING A LIFETIME  
OF CONTRIBUTION

PEOPLE IN CHARGE



A CONNECTED,  
RESOURCEFUL  
SOCIETY

OPPORTUNITIES  
FOR YOUNG  
PEOPLE

# Chapter 1. PEOPLE: enabling a lifetime of contribution

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## Introduction

From individuals' acts of kindness to their neighbours, to the work of charities and faith groups, to mass movements for change, people taking action is the bedrock of a strong society. The emerging social and economic model of the future has responsible citizens at its heart: the 21st century needs 'people power' more than ever.

England has a great record of people helping others. Almost a quarter of the population formally volunteer at least once a month, and many more do so informally. Almost two thirds of the adult population give their time to a social cause at least once a year.<sup>10</sup> Among young people, 40% take part in meaningful community action.<sup>11</sup>

Taking action on the issues people care about has enormous benefits for individuals and for society. There is evidence that being involved is good for your health and that it can lead to increased life satisfaction, wellbeing, and self-esteem.<sup>12</sup> It helps develop empathy, problem solving, cooperation, grit, and community involvement.<sup>13</sup> These benefits can build healthier, more connected communities and are increasingly necessary in the world of work.<sup>14</sup> The government is continuing to build an evidence base for what works by testing and enabling the development of initiatives that have an impact, based on work with Nesta through the Centre for Social Action, the Enabling Social Action programme, and the #iwill campaign and fund.

People should be able to take positive action on issues that they care about throughout their lives. Ideally, the habit forms early. Research suggests that if children are involved in action for the benefit of others before the age of 10, they are twice as likely to sustain it throughout their lifetime as young people who only start at age 16 to 18.<sup>15</sup>

Despite the personal and societal benefits of getting involved and making a difference, there are a number of obstacles in the way of people becoming the active citizens that many wish to be. Our engagement exercise revealed a range of practical and emotional barriers to participation. These include 'red tape', such as multiple forms, antiquated offline processes, rigid volunteering profiles, and inflexible opportunities that do not fit around other commitments. People also feel they need 'permission' before getting involved or believe they lack the necessary skills, capability, and confidence.



The government's vision is for people from varying backgrounds and of all ages to be able to thrive, connect with each other, and give back to their communities – building an integrated society that works for everyone, in which people have a sense of control over their future and that of their community.

To do this, people will have the ability to flex and adapt their contributions to fit with their life circumstances. Throughout their lifetime, they will have the skills and confidence to take action on issues they care about, with flexible and inclusive opportunities that will enable them to contribute alongside other responsibilities and personal circumstances.

## Mission 1: a connected, resourceful society

### Loneliness and social connections

The government values the role of civil society in supporting people and communities through friendship, neighbourliness, groups, and clubs. Strong relationships, support networks, and a sense of belonging are associated with higher wellbeing,<sup>16</sup> and social capital is linked to a range of benefits for society and individuals.<sup>17</sup>

**In January 2018, the Prime Minister announced that Tracey Crouch MP would lead cross-government work on loneliness. This will include a strategy on tackling loneliness in England, due to be published by the end of 2018.<sup>18</sup> The government will also develop the evidence-base around the impact of different initiatives in tackling loneliness and establish appropriate indicators of loneliness across all ages.**

**In June 2018, we announced £20.5 million of grant-funding for charities and community groups working to bring communities together.** This is made up of the £11.5 million Building Connections Fund, a partnership between the government, Big Lottery Fund, and Co-op Foundation, plus an additional £9

million through separate funds run by the People's Postcode Lottery and the Health Lotteries.

In the same month, June 2018, the consultation on the government's Integrated Communities Strategy green paper concluded. Supported by £50 million in total, the government is funding community based English language learning, working in partnership with five integration areas to develop ambitious local integration strategies, seeking proposals to support the Integration Innovation Fund, and backing the establishment of a professional Cohesion and Integration Network. The government will publish its response to the consultation later this year.

### **Civil society and disaster response**

Civil society has played an important role in responding to major incidents such as the terrorist attacks in London and Manchester, the Grenfell Tower fire in 2017, and flooding, for example in Cumbria in 2015. Civil society organisations have been involved in all stages of response to these major incidents from first response through fundraising and distribution to recovery and longer term support for communities. National organisations can bring their capability, expertise and resources to bear, while local organisations understand the needs of, and are trusted by, their local communities.

Civil society organisations, supported by the Charity Commission, are currently developing a framework to strengthen the coordination of their activity.<sup>19</sup> In January 2018, the Charity Commission convened a roundtable attended by 25 large and small charities, umbrella bodies, fundraising platforms, and charity regulators to coordinate the social sector's future response to national critical incidents. The meeting was to review lessons learned from the incidents in 2017, hear feedback from beneficiaries and those affected, and see how the sector could maximise its effectiveness in any future response to national incidents.

The project is making good progress and is considering first response, fundraising, fund-distribution, and recovery. The Charity Commission and the government have also been working with civil society to tackle barriers to their effective response.

As part of these efforts the government will actively explore further initiatives based on the learnings from the funding model adopted by the social sector during the Grenfell response. These could include looking at models that reduce the burden on community organisations of accessing funding and maximising the use of assets and local knowledge to respond to community issues and ambitions.

## Ministerial statement: policing and civil society



As a former Minister for Civil Society, I know the crucial role that the social sector plays in bringing us together, giving people a voice and strengthening the community. As Policing Minister, I also know the importance of volunteers to one of our most important public services.

Volunteers have long formed part of the fabric of policing – special constables (policing volunteers with full policing powers) have existed in various forms since 1831. As the demand on policing changes and becomes increasingly complex, the additional skills and experience that volunteers bring to police teams are more important than ever. The Citizens in Policing programme supports volunteers from across all ages and backgrounds to get involved in keeping their communities safe – from the Mini Police at primary school, through the Volunteer Police Cadet programme for young people, to adult roles in the Special Constabulary or as Police Support Volunteers.

I have been astounded and thoroughly impressed by the breadth of contributions made by volunteers. At last year's Lord Ferrers Awards for volunteers in policing, finalists included volunteers using specialist cyber skills to work on digital investigations, a special constable working with the Ambulance Service to improve patient experience following serious incidents, and volunteer police cadets organising residential camps for young people affected by the Grenfell fire. The Policing and Crime Act 2017 supported that diversity of voluntary roles by enabling chief officers to designate a wider range of powers on volunteers.

It is not only volunteers working directly for police forces who contribute to preventing crime and supporting victims. The Police also work on a daily basis alongside a range of other volunteer-led organisations, like Neighbourhood Watch and Victim Support. Local Neighbourhood Watch groups set their own priorities working alongside police forces on everything from reclaiming parks for the whole community that have been taken over by gangs, to helping people keep safe online and making sure that communities are aware of current scams and threats. They also play an essential role by making sure that the vulnerable are safe and checking that the elderly and infirm are not putting themselves at undue risk. Volunteers also support Police and Crime Commissioners to hold their local police force to account – checking the care of people in police custody, the welfare of their working animals or providing advice through Independent Advisory Groups.

As well as bringing different skills and backgrounds to policing, volunteers help to forge vital links between the police and local communities. I would like to thank these volunteers for everything they do to support our police forces, and to encourage people from all backgrounds to get involved and make sure that the police, at all times, should maintain a relationship with the public that gives reality to the historic tradition that the police are the public and the public are the police.

### **The Rt Hon Nick Hurd MP**

Minister of State for Policing and the Fire Service

## Case study: Grenfell voluntary, community and social enterprise organisation funding approach

*By the Ministry of Housing, Communities and Local Government*

In the aftermath of the Grenfell Tower fire we all saw the vital role that local and national civil society organisations made to ensuring help was given to those who needed it. The government worked in close partnership with funders and civil society representatives to support this vital work.

This included working in partnership with London Funders on a series of collaborative grant programmes, giving greater autonomy to organisations that had a better understanding of the issues and needs on the ground.

The government sought to reduce the bureaucratic barriers that would have prevented funding reaching those who needed it the most, and aimed to strike the right balance between knowing when to step in and when to get out of the way. This way of working was helped by all parties forging good relationships and working flexibly to a common purpose. It is important that the government in particular looks at what it did differently to support the local civil society response and applies these lessons more broadly.

The **Community Core Costs Fund** distributed £1,148,789, largely granted from the Ministry of Housing, Communities and Local Government, with some additional independent funding, to 100 community organisations to help meet the immediate costs of responding to the emergency. Funders stepped outside their normal practices in the following key ways:

- collaborative delivery: led and facilitated by The Tudor Trust, grant managers from seven different funders were involved in community outreach to understand the needs, and collective decision-making on that same day
- retrospective funding: organisations could ask for funds to cover costs they had already incurred
- commitment to speed: organisations had cash in the bank the day after their application was approved. The programme was announced within two weeks of the fire, and the funds were allocated within a month
- light-touch: a commitment to very light processes throughout, including a simple application form, which could be completed on the spot at outreach surgeries and a follow-up monitoring call

The **Children and Young People Funders Coalition** enabled a total of eight independent foundations and local and central government funders (Big Lottery Fund, The Tudor Trust, BBC Children in Need, City Bridge Trust, John Lyon's Charity, The Kensington and Chelsea Foundation, Royal Borough of Kensington and Chelsea, and Department for Education) to distribute £1,078,000 to 61 community organisations for summer holiday activities starting less than eight weeks after the fire. A second phase secured funding of £1,288,553 from 10 funders to support young people's needs over the forthcoming school year.

Funders stepped outside their normal practices in the following key ways:

- a single application form: applicants made one request for funding to multiple funders. This was posted on a shared online matching portal developed by London Funders and used by all participating funders to select bids that met their criteria
- shared intelligence: John Lyon's Charity initiated and facilitated the fund and provided an initial check of the triage function. All funders, to a greater or lesser extent, relied on its local knowledge and expertise as part of their own due diligence
- quick learning: the Coalition evolved and adapted in response to feedback from community organisations and funders. This delivered, for example, improvements to the portal, greater clarity of funding commitments, and clearer communication with applicants and grantees at each stage

London Funders commissioned a learning evaluation of this approach from the Institute for Voluntary Action Research. This is set out in their report 'The Possible, not the Perfect: Learning from funder responses to emergencies'.<sup>20</sup>

This identifies learning for responding to future emergencies, along with recommendations for funder's day to day grant making practice. This include streamlining core processes, acting collectively to reduce the burden of fundraising for community organisations, shifting towards a relationship based funding approach, and learning together.

London Funders is working with its members from across sectors to put these recommendations into practice – for example, through City Bridge Trust's Cornerstone Fund, which will make use of the online portal to engage aligned funders to make grants to civil society support organisations to deliver London-wide systems change projects.

## Mission 2: people in charge

### **Active, mobilised citizens**

To realise the vision of a lifetime of contribution, we need active and mobilised citizens who are able and willing to play a responsible role in their communities. We also need the government and public sector agencies to open up and involve people in the decisions that affect their lives and that of their communities.

In 2017, the government published its Democratic Engagement Plan, 'Every Voice Matters: building a democracy that works for everyone', which makes explicit the importance of the social sector in helping to reach audiences that are less likely to respond to traditional channels.<sup>21</sup> The social sector has also been an expert partner in the delivery of many democratic engagement projects, including the co-creation of democratic engagement resources. For example, the Democratic Engagement team at the Cabinet Office has previously worked with civil society groups to develop lessons and activities for young people, to create an easy read guide to voting, and to deliver a social media campaign guide. Government has also held the first National Democracy Week in 2018 which was developed and delivered in partnership with the National Democracy Week Council, a collective of forty organisations, including many from civil society.

The Localism Commission report examined the need for ‘localism’ to be considered from a different perspective, moving away from seeing it as giving away power from the top down to seeing it as harnessing the power that already exists within local communities.<sup>22</sup> This means harnessing communities’ collective ideas, innovation, creativity, local knowledge and fostering their sense of belonging, connectedness, and shared identity.

People should be supported to find their own solutions to challenges in their communities, encouraging a sense of confidence and control. At the touch points where individuals come into contact with public services, there is a huge opportunity for services to empower people, rather than treat them as passive beneficiaries. Public sector workers, from Jobcentre staff to social workers, prison officers to teachers and doctors, have a critical role to play in enabling people to feel hopeful about their lives, identify their own goals, and build confidence. The systems that these vital frontline staff work within should facilitate this, not undermine their ability to empower people.

During the engagement exercise people said they felt they needed permission to act, as well as needing the skills and confidence to take action. A precondition of community action is the confidence of individuals in their own capacity to make change in their lives and the world around them. This inner confidence, called ‘self-efficacy’, is the hidden resource of our society.<sup>23</sup> There is also evidence that high levels of self-efficacy are linked to a “better health, higher achievement, and better social integration”.<sup>24</sup>

**To support community action, as well as all the other personal and economic benefits that flow from people becoming more socially active, the Department for Digital, Culture, Media and Sport will explore where appropriate, ways of putting ‘self-efficacy’ at the heart of programme evaluation.** This means that policy and services will be judged on how far they help people develop confidence and capability for personal and social responsibility.

**The government will work with Nesta, Osca and Big Lottery Fund on the Good Help programme, which aims to ensure that when people have contact with public services, this contact empowers them to take action and increase their sense of control over their lives.**

Community organising builds relationships and inspires local communities to deliver positive social and political change led by residents. The government has trained 6,500 individual community organisers, including 900 young people, who between 2010 and 2014 listened to over 150,000 residents, worked in over 400 neighbourhoods, and supported over 2,000 community projects which mobilised people to take grassroots action on the issues that they care about.

**Between 2017 and 2020 another 3,500 people will be trained in community organising through a national network of Social Action Hubs and partnerships with public and social sector organisations.**

**The government will consider how best to support and encourage the sustainability and spread of community organising in the longer term.** We know that where Community Organisers are at work, people feel a stronger sense of belonging to their neighbourhood, they feel more valued, and they become more likely to team up and improve their area.<sup>25</sup>

To enfranchise individuals and grow ‘self-efficacy’, it is crucial that people of all ages have the skills they need to fully participate in society. As outlined in the government’s UK Digital Strategy,<sup>26</sup> while we live in an increasingly online world, a significant part of the population remains digitally excluded and the latest data shows that the slowest adopters of basic digital skills are disabled and older people.<sup>27</sup> The government is committed to addressing this digital divide, between those who have been able to embrace the digital world and those who have not.

Civil society is uniquely placed to reach the most excluded in our society, and could play a crucial role in helping others to be able to use digital technology to navigate the digital economy and society. **The government is eager to work in partnership with civil society to tackle the digital skills gap, and in future will aim for interventions and learnings from these two groups to be scaled and shared with other digitally excluded groups.**

More broadly, we are committed to helping to mobilise the time and talents of people of all ages, including those in later life, and of all faiths, communities, and backgrounds. We know that there are health and wellbeing benefits associated with making community contributions.<sup>28</sup>

**We are working in partnership with Nesta to back innovations which support these volunteering opportunities, especially for older adults. For example, our recently launched Connected Communities Innovation Fund is supporting projects that mobilise people across their lifetime to help them and their communities to thrive.** The projects are focusing on areas where volunteering can have an impact alongside public services, around themes such as community connections and thriving places, community resilience in emergencies, digital innovation or improving our environment.<sup>29</sup>

To support these opportunities further, **our forthcoming review with the Centre for Ageing Better will set out principles for how to most effectively support people in later life to contribute their time, skills, and experience to their communities.**

## Case study: Community Organisers – building relationships across diverse communities

In 1992 local people set up the Selby Trust in Tottenham in recognition of the need for a multi-purpose centre led by the community and civil society organisations. The centre is located in an area of high deprivation. It brings together a rich mix of individuals and organisations, primarily from black and minority ethnic backgrounds, refugees and other historically excluded communities locally and beyond.

As part of its commitment to strengthening the wider Tottenham community, the Selby Trust is training 120 local people in community organising between 2017 and 2020. It is one of 20 Social Action Hubs across England that the government is supporting through the Community Organising Expansion programme.

The Selby Trust has a wide-ranging, ambitious vision as a Social Action Hub to embed community organising in relationships at all levels between residents, hubs, institutions, and within communities on their doorstep.

Leading the community organising work at the Selby Trust is Moussa Amine Sylla. Moussa's work has led to local people setting up a highly successful food project. Tasted Not Wasted connects the food waste from retailers to emerging enterprises led by black and minority ethnic women from the Kurdish and Somali communities in Tottenham.



*(Photo credit: Selby Trust – Moussa Amine Sylla, Community Organiser, at certificate presentation on Enterprise Start Up programme at Selby Centre)*

## Government and public sector open to citizen input

The government wishes to create opportunities for people to change their own lives and the world around them, for instance by involving them in national and local decision-making, and in public service design and delivery.

Chapter 2 'Places' details the government's ambition to pass meaningful power to local places. As well as increased devolution from Westminster to cities and towns, this means we will work with local authorities to trial innovative forms of participatory democracy to involve people in the decision-making that affects their daily lives.

People want the opportunity to affect the life of their neighbourhoods, to have a say in local decision-making and to play a part in making change happen. Usually it is the people who deal with issues every day, who know the best way to tackle them. But they are rarely asked their opinion or given the opportunity to be part of the solution. The government wants to change this dynamic and find ways to open up decisions and services to input by people.

The government is currently running the Place Based Social Action programme with Big Lottery Fund. This enables residents, community groups, businesses, service providers, and the local authority to work collaboratively to create a shared vision for the future of their place, and address local priorities through co-production of services, volunteering, and community action. The response to this opportunity – the demand from local authorities and civil society organisations wishing to take part – has been considerable.

**The government will explore how we can build on existing programmes, such as the Place Based Social Action programme and Communities Fund, so that collaborative working between people and statutory and non-statutory organisations to identify issues, and develop and deliver solutions together, becomes more widespread.**

As set out in Chapter 5 'The public sector', the government also expects public services to become more receptive and supportive towards citizens wishing to play a role in service design and delivery. One of the big advantages experienced by the growing number of public service mutuals as an alternative delivery mechanism is the freedom to innovate and diversify beyond the 'basic' contract and work beyond traditional organisational boundaries.

Through the Enabling Social Action programme, we are working in partnership with the Universities of Sheffield and Hull to support local authority commissioners to co-design and co-deliver services with local people, service users, and civil society organisations. Similarly the government has also worked with Leeds Beckett University.

**The government will build up good practice by local authority commissioners working with service users on user-centred and community-led service provision. The government will create a peer network to enable commissioners, voluntary, community, and social enterprise organisations, and councillors to share information, learning, and good practice across the country to create a long-term culture change in local authorities.**

There is also an opportunity to support volunteering in the health service. As Nigel Edwards, CEO of the Nuffield Trust, puts it, "there is a huge resource of 'people power' available to the NHS and social care if relationships can be made to work – an army considerably larger than the NHS workforce."<sup>30</sup>

**NHS England will strengthen volunteering within the NHS, spreading impact volunteering opportunities in priority areas across the NHS.**

**Building on the Centre for Social Action, the #iwill Fund, and the Enabling Social Action programme, the government will look at how to further embed and scale people taking action as a core part of how public services are delivered and explore how the government can best continue to back and scale high impact social value initiatives.**

### Mission 3: opportunities for young people

The government is committed to making sure all young people have opportunities to develop the skills, networks, and resilience that can improve their life chances, fulfil their potential, and to support them to avoid negative pathways in future, including those at risk of serious violence or exploitation.

The government makes a significant investment in helping young people participate in culture and sport. **The government has announced almost £500 million of funding between 2016 and 2020 for a diverse portfolio of music and arts education programmes that are designed to improve access to the arts for all children, regardless of their background, and to develop talent across the country.** This includes £300 million for music education hubs, almost £120 million for the Music and Dance Scheme, which allows exceptionally talented children to attend specialist music and dance institutions, and over £16 million for cultural education programmes including Saturday Art and Design Clubs, the National Youth Dance Company and the BFI's Film Academy programme.

**Between 2016 and 2021, Sport England is investing over £194 million in projects focusing on children and young people.** This includes specific funding for college and university students, as well as a £3 million Potentials Fund, which looks at ways to get young people aged between 10 and 20 involved in social action and volunteering using sport and physical activity. Up to £34 million will go towards Satellite Clubs: outposts of community sports clubs on school or college campuses which encourage young people to transition from school sport to being active in their own time.

**The government and Big Lottery Fund are jointly investing £80 million until 2020, through the Youth Investment Fund and #iwill Fund, in voluntary and community organisations that work with young people.**

**The government continues to make significant investment in the National Citizen Service (see 'Habits of social responsibility') and is currently designing the £90 million dormant accounts funding to help young people facing barriers to work to reach their full potential (see 'Helping the most disadvantaged young people').**

#### Local youth services

The public funding of open access youth services has always been the responsibility of local authorities.

The government recognises that despite the pressures on public sector finances new thinking has emerged, supporting innovation, new partnerships, and collaboration spanning public, private, and civil society partners. One model is Local Young People's Foundations where imaginative local trusts, such as John

Lyon's Charity, local government, business, and the independent youth sector have come together to develop new partnerships and services for young people. Another is that of mutuals such as Knowsley Youth Mutual, an organisation run jointly by staff and young people, which was supported by the government to spin out from the local council and continues to thrive in its fourth year of operation. There is also the Onside Youth Zone programme, providing large, state-of-the-art '21st century youth clubs' in towns and cities across England, funded through a partnership of councils, businesses, and philanthropists.

While the government recognises the priority that local authorities must place on functions such as child protection, it also recognises the transformational impact that youth services and trained youth workers can have, especially for young people facing multiple barriers or disadvantage. The guidance which sets out the statutory duty on local authorities has not been revised since 2012. Much has happened to change the way these services are provided in the intervening years. **The government will therefore review the guidance which sets out the statutory duty placed on local authorities to provide appropriate local youth services. We expect that the review will provide greater clarity of government's expectations, including the value added by good youth work.**

The government recognises that, to date, not enough has been done to identify and articulate the benefits of high quality youth work and is committed to improving the quality of the data and evidence base. Over the past four years we have set up and invested £1 million in the Centre for Youth Impact. The aim is to review and build the evidence base for the effectiveness of youth services to establish what works and develop a shared approach to evaluation and the understanding of impact. **The government is also supporting a £1 million evaluation of over 90 projects across the UK, engaging hundreds of thousands of young people, through the Youth Investment Fund.** As a result of this, by the end of 2020 we aim to have a shared impact measurement framework for open access youth provision that uses data to improve services, measure outcomes, and predict likely impact. This will be supplemented by a solid evidence base of what works in open-access youth services.

### **Habits of social responsibility**

Alongside providing opportunities, the government also wants to empower young people to shape the future of the country. This means helping them to develop the skills and habits of social responsibility during their childhood and youth.

A significant youth programme is the National Citizen Service, set up by the government in 2011.<sup>31</sup> This year the National Citizen Service is expected to reach its 500,000th participant. The programme is helping to create a more responsible, more cohesive, and more engaged society. Consecutive independent evaluations show that following the National Citizen Service participants are more likely to use their time to help others.<sup>32</sup> National Citizen Service will continue to support young people to develop vital skills, build confidence and resilience, and help to tackle issues they care about. **The government wants it to be a key step in young people's development that is fully embedded in the wider youth sector.**

**In 2017, the National Citizen Service Act received Royal Assent and the National Citizen Service Trust was granted a Royal Charter. Together these changes will establish the National Citizen Service Trust as an independent public body that is accountable to Parliament and ministers, and give us**

## **the statutory power to fund this organisation to deliver the National Citizen Service programme.**

From the age of 18, young people can take part in the International Citizen Service, which deploys 18 to 25 year olds from the UK on three month placements to tackle the causes of poverty overseas. This helps prepare young people for a lifetime of social action when they return from their placement to the UK, and helps to extend Britain's culture of civic participation abroad.

**Through the #iwill Fund, supported by the government and Big Lottery Fund, 20 new match-funding partners have created opportunities for young people to take action on issues they care about in areas such as environmental action, education, health, loneliness, and sport, along with opportunities in specific geographies.** The government estimates that this will lead to at least 650,000 new opportunities for young people to take part, though this is likely to increase as we make further investment. This year the #iwill campaign has been working with NHS England, the Department of Health and Social Care and wider partners to celebrate 70 years of the NHS. In 2019 the campaign will work with the Department of Food, Environment and Rural Affairs to focus on engaging young people in helping the environment and supporting the 25 Year Environment Plan.

## **Helping the most disadvantaged young people**

The government recognises that some young people require additional support, advice, and guidance to access the full range of opportunities available to them, and in our current and future work the government will seek to ensure this support is in place.

In January the government announced that £90 million from dormant bank accounts would be spent to help young people facing barriers to work to meet their full potential with particular focus on the data from the Race Disparity Audit.<sup>33</sup>

This pot of money is unique. By being outside the usual constraints of government funding, we are free to consider bold approaches to investing in long-term solutions. We also have a great opportunity to properly test and evaluate different interventions over time, leaving a legacy of increased youth employment in target areas, a decreased black and minority ethnic youth employment gap nationally, and a solid evidence base for targeted interventions supporting the most disadvantaged young people, including those at risk of serious violence.

To effectively support young people with multiple barriers to employment we need a team effort. **This is why we will work with Big Lottery Fund to direct this funding to a new organisation, which will operate independent of government to harness the experience of grassroots youth workers, businesses, and other local services to build a strong partnership of support around each young person.** The government has consulted with the youth sector, employers, and with young people on this programme. It is putting the young people that we want to benefit from this money at the centre of designing the programme.

**The government will also work with uniformed youth groups to consider how they can further expand in disadvantaged areas.**

**In addition, the Inclusive Economy Partnership (see below, Chapter 4 'The private sector') is exploring how the work that businesses do to help young**

**people gain employment could support the ambition of the new £90 million initiative which is to be funded by dormant accounts.**

**Given the particular challenges faced by children in care and care leavers, government is launching the care leaver covenant, which provides a way for wider civil society to pledge concrete offers of support to care leavers – such as work experience, internships or mentoring support – that help them to make a smooth transition from care to independence.**

### **Social responsibility in and out of school**

Schools also play an important role. The government believes that social action, volunteering, and active citizenship opportunities are most effective when they are reinforced by knowledge of the rationale for being a good citizen. Citizenship teaching in schools, both as a discrete curriculum subject and as part of a whole-school approach, has been shown to enhance and reinforce participation individually and at school level. Citizenship, for example, is a mandatory part of the national curriculum in maintained secondary schools. At Key Stage 3 pupils are taught about the roles played by public institutions and voluntary groups in society, and the ways in which citizens work together to improve their communities, including opportunities to participate in school-based activities. At Key Stage 4 pupils are taught about the different ways in which a citizen can contribute to the improvement of their community, to include the opportunity to participate actively in community volunteering, as well as other forms of responsible activity.

There are many examples of programmes, such as the ‘Community Apprentice’ run by Envision, that work in schools to help young people set up their own social action projects and develop skills. The Association for Citizenship Teaching (ACT) has also produced a set of resources for schools including ready-made activities that link the National Citizen Service and citizenship education for use in lessons or as off-timetable activities and school events. The Department for Education is working with a number of local authorities to pilot how a multi-agency approach in out-of-school settings such as these can support safeguarding and help ensure children and young people have access to these opportunities in a safe environment. The Department for Education has committed £3 million to deliver this pilot.

**The Department for Digital, Culture, Media and Sport will work with the Department for Education to develop proposals to help young people gain the attributes needed for active and positive citizenship.** This includes options to support citizenship education in primary and secondary schools to giving opportunities for young people to come together to tackle the local issues they care about within school and in the wider community.

There is also a need for businesses to recognise the skills that job applicants have developed through youth voluntary action. This is why **we are pleased to support the commitment made by the Careers and Enterprise Company to create a toolkit to help embed social action as part of a young person’s career pathway.** The government is also impressed with the work of Business in the Community to enable culture change in businesses recruiting young people, supporting them to place emphasis on skills and attitude and the attributes that young people develop through social action, as well as on work experience and educational qualifications (see the government’s response to the Full Time Social Action Review).<sup>34</sup>

## **Building on our offer for young people**

Now is the time to consider how we can broaden our approach so that all young people from an early age can access a range of positive and integrated activities including youth programmes, cultural activities, and volunteering. The government wishes to build on the cross-sector partnership created by the #iwill campaign to explore how the existing offer for young people can be improved.

We anticipate that there are opportunities to better coordinate existing national and local activities and support young people to access and shape them more effectively. This would include youth organisations, such as uniformed groups and youth clubs, as well as the National Citizen Service, businesses, and public services.

## **Young people and national policy design**

It is essential that central government engages meaningfully with young people when it is creating policy or designing programmes which affect them. The government would like to change the culture of policy design and implementation so that young people are systematically involved in shaping the policies that affect them. As an individual put it during the engagement exercise: “Young people have a voice, we don’t need to give them one, we just need to listen more to the one they already have”.

The government is committed to working with the youth sector to develop more effective channels of communication between all parts of the sector, young people themselves, and central government. As part of the Civil Society Strategy, we have engaged with young people both through workshops and through the online platform and we are grateful for their input. The Department for Digital, Culture, Media and Sport is ambitious to lead the way in enabling effective youth participation in national policy-making and to pioneer approaches which can be adopted across government.

**A Civil Society Youth Steering Group will be set up within the Department for Digital, Culture, Media and Sport to oversee the development and implementation of policies affecting young people, including the plans set out above.**

**The Department for Digital, Culture, Media and Sport will also set up a national Young Commissioners and Inspectors Group to involve young people directly and meaningfully in the commissioning, monitoring and evaluation of national programmes affecting young people.**

**With respect to future policy, the government will build systems to ensure that young people both have their views heard and are able to play a role in delivery. As a first step, new digital solutions will be explored to enable large numbers of young people to play a role in consultations and programme design across the government.**

## Case study: National Citizen Service – individual experience, Rais Aslam

The National Citizen Service is a government-backed programme established in 2011 to help build a more cohesive, mobile and engaged society. By bringing together young people from different backgrounds for a unique shared experience on a two to four week programme, the National Citizen Service helps them to become better individuals, and in turn better citizens. The National Citizen Service participants have now given ten million hours in social action.

At the age of just 17, Rais, from Bradford, has started up his own not-for-profit business, aimed at providing education for girls in Africa – something he would never have done were it not for him going on the National Citizen Service programme.

Having travelled extensively as a teen, Rais was used to new environments, but said “the National Citizen Service was like nothing I’d experienced. It was great to meet so many young people who actually want to make a change – I’m so grateful for that.” After developing his confidence on the programme and beginning to see how much of a difference he could make in the world, he began seeking business advice from the National Citizen Service to start his own company.

Once given the advice he needed, Rais set up a project called ‘Africademics’ which is designed to advocate for girls’ rights in Africa. At present, he manages a team of four who are focused on enabling existing schools in Africa to adopt a set curriculum with extra-curricular activities, by finding teachers and voluntary staff to deliver them.



(Photo credit: NCS Trust)

## Case study: Team London Young Ambassadors – young people improving their schools and communities

Team London Young Ambassadors is the Mayor of London's school volunteering programme. It connects young Londoners with their communities through social action.

Since launching in 2013, thousands of young people have improved their school and communities by setting up projects on issues they really care about, such as LGBTQ+, food poverty, homelessness, bullying, gender equality and refugees. Through the support received from the #iwill Fund Team London Young Ambassadors will enter its second phase of delivery, which focuses on deepening engagement and reaching young people who have not previously volunteered.

Schools that participate in the Young Ambassadors programme attend an assembly and a workshop to introduce them to volunteering. Schools also get invitations to youth summits, handbooks and campaign kits. They are also eligible to apply for reward and recognition opportunities such as small grants funding and Team London Awards. The programme is delivered by WE Charity.

91% of young people involved have demonstrated increased leadership among their peers, from organising projects and events to encouraging their peers to get involved. 89% of young people feel a greater connection to their local community. The programme has reached 2,116 schools – 85% of all London schools. Over 430,000 young people have been engaged.

An example of a school social action project under the programme has taken place at Hendon School in Barnet. Students have made a significant impact on mental health awareness across their borough through the 'Stamp Out Stigma' (SOS) Campaign. They have led discussions with Barnet Council and the Clinical Commissioning Group to improve mental health services, obtained funding for school teachers in Barnet to receive First Aid Mental Health training, and worked with Middlesex University to design an App which helps users find mental health care in Barnet. Students are also passionate about the role of peer education and host an annual mental health conference for local schools which includes workshops, inspirational speeches and resources from mental health charities. They are also co-designing a mental health peer-mentoring scheme, which will be rolled out in all schools across the borough. Students are offering the voice of young people in Barnet, including presenting a paper to the CEO of BEH-Mental Health Trust.



*(Photo Credit: Team London Young Ambassadors)*

## Ministerial statement: crime and civil society



Civil society plays a central role in the fight against crime. Services and projects working with young people in the community can set them on the right path, encouraging them to make positive choices. Civil society is uniquely well placed to tackle the root causes of offending and provide young people with the skills and resilience to lead productive lives free from crime.

If people do get involved in crime, the wider social sector is a vital partner to the Prison and Probation Service. Charities and social enterprises work in custody with young and adult offenders to address their offending behaviour, deliver family support and education, and help them to prepare for release. Often, it is volunteers and charity workers – including former offenders who have turned their own lives around – who meet ex-offenders at the prison gate and help them resettle in the community.

The government is committed to supporting this ‘end-to-end’ role of civil society in the criminal justice system. The government’s Serious Violence Strategy, published in April 2018, announced a collaboration between a range of government departments and partners in the social and private sectors.<sup>35</sup> Our ongoing reforms to the prison and probation systems will give a greater role to social sector providers in the delivery of major contracts for prison management and rehabilitation.

Just as we know that society cannot arrest and imprison its way out of crime, we know the state cannot reduce offending on its own. Crime is a social phenomenon and society, as well as the state, needs to play its part in stopping it.

**Rory Stewart OBE MP**

Minister of State for the Ministry of Justice





## Chapter 2. PLACES: empowerment and investment for local communities

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### Introduction

‘Global Britain’ is rooted in ‘local Britain’. Our success in international trade, diplomacy, and culture depends on the strength of our communities at home. Businesses which deal nationally and internationally still operate in local places. As individuals we benefit from the cultural and economic opportunities that globalisation brings. We also benefit from a sense of belonging geographically, from feeling connected to our neighbours, and from taking some responsibility for the places which are ours.

The Industrial Strategy is the government’s long-term plan to boost productivity and the earning power of people in all parts of the country. As explained elsewhere in this Strategy (see Chapter 5 ‘The public sector’), a new model of public services, rooted in communities, is emerging. And through its devolution programme the government is actively transferring power from Westminster to local authorities, including the new city regions and combined authorities.

The government’s vision is that in the future, the public sector will take a more collaborative place-based approach. By working with service providers and the private sector as well as individuals and communities in a place, we will make more sensitive and appropriate policy, achieve better social and economic outcomes and make brilliant places for people to live and work in.

A place-based approach calls on people to work differently. Rather than public servants working in silos accountable to Whitehall, they need to work together and with local communities to co-design services and pool budgets. While most public servants welcome this ambition, the reality of the structures they work in often makes it difficult. As a review of evidence on place-based work concluded, the approach “takes time”, “It is tricky and uncomfortable by nature and requires open, trusting relationships”, and “Change needs to be embedded in the whole local system”.<sup>36</sup>

Key to successful place-based work is involving the voice of local people in the decisions that affect them. People, communities, and services operate in complex systems. Bringing services closer to those they are intended to benefit and putting communities at the heart of their design and delivery can improve how services work and their impact for citizens. Throughout the engagement exercise the government heard that communities and local people often know best what their own local challenges are and what assets they have, but that they cannot

achieve change alone. They need to be informed, equipped, and trusted to make decisions on matters that affect them.

Local partnerships involving the local community are key to tackling local crime, including serious violence which is disproportionately concentrated in certain places. There is strong evidence that place-based interventions with proactive prevention activity is successful in reducing crime in these ‘hotspot’ areas. It is crucial that communities including young people living there see this as a shared problem which they are committed to addressing, and that they are given the support and connections with programmes to do this, and this in turn, builds confidence and isolates offenders.

The government recognises that places are not all starting from the same point. The factors that distinguish communities from one another, such as levels of deprivation and segregation, will affect a community’s ability to take greater control. The government will take steps to ensure that efforts to empower communities described in this Strategy have the potential to benefit all communities, regardless of circumstance.

## Mission 4: empowerment

### Onward devolution

The first requirement for a flourishing community is empowerment. Previous attempts to ‘regenerate’ local places have under-achieved because well-meaning schemes were imposed from outside, and therefore lacked both local knowledge and legitimacy.<sup>37</sup> The government is determined to ensure that place-based solutions are designed and delivered with and by the people they are intended to help. This includes a central place for civil society organisations.

There is evidence that people want a greater say over the decisions that affect their neighbourhoods.<sup>38</sup> The Department for Digital, Culture, Media and Sport’s Community Life Survey indicates that only 26% of people feel able to influence decisions affecting their local area.<sup>39</sup> This also came through strongly in the responses to the engagement exercise. For example, an organisation said “localism must be about giving voice, choice, and control to communities that are seldom heard by our political and economic institutions.”

The government has an ambitious programme of devolution. It has sought to decentralise power through structural and legislative changes. The introduction of directly elected mayors with specific powers and responsibilities has enhanced local control and accountability. In addition, the Community Rights introduced through the Localism Act 2011 created new rights for communities, giving them an opportunity to take into local ownership community assets, shape planning and development in their area and gave options for voluntary and community organisations to deliver local services. Just as the UK is bringing back power over its laws, money, borders, and trade from the European Union, so local places are taking economic, social, and cultural policy away from Westminster and Whitehall.

The government wishes to go further and devolve more power to community groups and parishes. As proposed by the National Association of Local Councils and the Local Government Association there are opportunities for ‘onward’ devolution of service delivery and decision-making beyond the large regions to smaller geographies.<sup>40</sup> **The government will explore with the National**

**Association of Local Councils and others the option for local ‘charters’ between a principal council, local councils, and community groups setting out respective responsibilities.** This could include joint service delivery or the transfer of service delivery responsibilities to local councils, parishes or community groups, the transfer of borough council assets to local councils, or from councils to parishes, and the opportunity for councils or parishes to ‘cluster’, that is to form a consortium with sufficient scale to commission or deliver larger service functions. There are also useful models in other parts of the public sector – notably health and social care systems – which are building formal alliances with the local social sector to co-deliver services.

## **Participatory democracy**

A vital part of building a strong civil society is creating opportunities for people to participate in the public decisions that affect their lives. Many people feel disenfranchised and disempowered, and the government is keen to find new ways to give people back a sense of control over their communities’ future.<sup>41</sup>

Civil society organisations play an invaluable part in helping councils to address the challenges they face, working as partners to help overcome the barriers to engagement experienced by particular groups. This allows government to speak with those audiences through trusted local messengers, and enable everyone to have their say in our democratic processes.

Participatory democracy methods, such as Citizens’ Juries, can make a profound difference to people’s lives: evidence shows that enabling people to participate in the decisions that affect them improves people’s confidence in dealing with local issues, builds bridges between citizens and the government, fosters more engagement, and increases social capital. It also increases people’s understanding of how decisions are taken, and leads to authorities making better decisions and developing more effective solutions to issues as a broader range of expertise can be tapped into to solve public issues.<sup>42</sup>

**The government will launch the Innovation in Democracy programme to pilot participatory democracy approaches, whereby people are empowered to deliberate and participate in the public decisions that affect their communities.<sup>43</sup> The government will work with local authorities to trial face-to-face deliberation (such as Citizens’ Juries) complemented by online civic tech tools to increase broad engagement and transparency.**

## **Community assets**

Since the 2011 Localism Act, communities have had a preferential right to bid for public buildings and other assets which have a clear community value when they come up for sale.

The government wishes to build on the Community Rights programme to enhance the capacity for community action and community building. This is an important agenda which is intended to endow neighbourhoods with the ownership and responsibility for managing the buildings and spaces that they use. It has the potential, in the words of an organisation participating in the engagement exercise, to “capitalise the community [...] reshape public services and create the conditions for sustainable growth.”

**The government will continue to encourage communities to use the community rights available to them. We will issue revised guidance to help communities take ownership of local assets. We will signpost support and advice available to communities to improve and shape where they live through the new Community Guide to Action and the MyCommunity website, the licence for which we have recently renewed.**

**As set out elsewhere (see ‘Mission 5: investment’), the government is exploring means of ensuring community-led enterprises which take over public assets or services are able to secure the funding they need.** It is recognised that these initiatives must acquire a genuine asset, not simply a liability, and that they often need non-repayable finance in the form of equity or grants to get going.

Many public libraries have an established track record in providing opportunities to facilitate this. Many are actively developing their role as community hubs bringing together local people, services, and organisations under one roof. There is a growing number of public libraries which are directly run or managed by the communities themselves or as mutuals by the people who work in them (or as a combination of the two), with varying levels of support from local councils at all levels.

**The government will encourage further peer learning and support between mutual and community-managed libraries, and ongoing positive relationships and support between them and their local library authorities.**

Library services wishing to become mutuals can apply for support funding under the government’s Mutuals Support programme.

There are many communities without high-quality facilities and the capacity to manage them. **The Department for Digital, Culture, Media and Sport, in conjunction with the Ministry of Housing, Communities and Local Government, will design a programme to look at the barriers to and opportunities for more sustainable community hubs and spaces where they are most needed. The government will consult with key partners with a view to launching some pilot projects later in the year.**

The Community Asset Fund is a Sport England investment programme dedicated to creating more opportunities for more people to be active, by enhancing places and spaces in local communities. The aim of the fund is to help community organisations to create good customer experiences and financially sustainable facilities that benefit the wider community in the long-term. To date the programme has invested £13 million in local communities across 429 projects with a further 200 projects in development.

The government aims to deliver an ambitious response to the Select Committee Inquiry into the future of public parks. The creation of the Parks Action Group which comprises experts from across the parks, leisure, and heritage sector and cross-Whitehall departments has fostered joint working between parks groups and volunteers and key government departments. The Parks Action Group is working collaboratively to identify how valuable shared community spaces can be protected and improved to provide important areas of social mixing, positive health outcomes, educational and training opportunities and encourage business investment.

**The Ministry of Housing, Communities and Local Government is exploring the potential of transfers of public land to community-led housing initiatives, such as Community Land Trusts, by which residents become members of a trust which holds land and housing on behalf of the community.**

## Case study: a collaborative approach to commissioning and community participation

*By the Ministry of Housing, Communities and Local Government*

Cornwall council undertook the process of passing powers down (double devolution) to communities and Town and Parish Councils, with the aim of sustaining locally-led services during a period of spending restraint. Cornwall developed a devolution framework which uses the Community Right to Bid and community ownership and management of assets. The framework sets out how Town and Parish Councils and Community Groups in Cornwall can work with Cornwall council at a level that suits them, from service monitoring and influencing contracts through to taking on and delivering local services and assets.

Partnership working is central to successful engagement and delivery and it was important that the council developed a culture of collaboration and partnering by:

- close working relationship with Cornwall Association of Local Councils representing over 80% of the 213 Parish and Town Councils in Cornwall and Cornwall Society of Local Council Clerks
- establishing a Service Level Agreement with Cornwall Association of Local Councils
- establishing a joint training partnership (including voluntary community and social enterprise organisations, and Cornwall Association of Local Councils and Cornwall Society of Local Council Clerks)
- partner representation and presence in the Devolution Programme Management process and submitting evidence to Localism Policy Advisory Committee (latterly Neighbourhoods Overview & Scrutiny Committee)
- partner attendance at PROJECT meetings
- establishing thematic forums to help review and co-design processes – for example planning policies and agency agreements
- establishing 19 community network areas across Cornwall, local partnership forums comprising Cornwall Councillors, Town and Parish councils and local partners

As a result, many local councils and communities have secured the future of assets and services important to them by taking over their ownership or management as part of Cornwall council's devolution programme. To date, in partnership with local councils and community organisations, Cornwall council has devolved or transferred local management of 75 public assets (pool, green spaces, play areas and historic buildings, libraries, and car parks), 223 public toilets, one place-based town package with 36 individual elements, each a project in its own right including play areas, green spaces, buildings, sports clubs, verges, town spaces, toilets and a car park, and three public libraries.

Cornwall council has achieved success in the following:

- a £196 million budget savings
- reduced pressure on discretionary and mandatory community based services
- closer working with Town and Parish Councils/voluntary, community, and social enterprise organisations
- 160+ Agency Agreements with TPCs, 50+ Neighbourhood Plans being developed, 90+ Community assets listed, 30+ Community Emergency Plans in place / being developed
- devolving decisions on funding to support devolution, local partnership working and local highways schemes to Community Network Panels

## Case study: Suffolk Libraries

The government recognises the role libraries play in supporting the transformation of individuals, communities, and society as a whole. They not only provide access to books and other literature, but also help people to help themselves and improve their own opportunities. They bring people together and provide practical support and guidance.

Suffolk Libraries is a public service mutual, an organisation which has left the public sector (also known as 'spinning out'). It has a significant degree of staff influence or control in the way it is run, and continues to deliver public services. Suffolk Libraries was set up in August 2012 and is contracted by Suffolk County Council to run the library service for the benefit of the people of Suffolk. Since becoming a mutual it has maintained its statutory library service of 44 libraries, with the same or increased opening hours, as well as a mobile and home library service. Suffolk Libraries is community owned with a membership of 44 – a community group for each library which support their libraries and have a say in how they are run.

Six library services became Arts Council England National Portfolio Organisations in April 2018, including Suffolk Libraries which is receiving £704,000 in total from 2018 to 2022 to provide an innovative arts and culture programme to engage young people. This will fund a programme of activities across the library service to improve the service to 11 to 24 year olds and help build their skills and confidence in using digital technology and equipment. In the first year Suffolk Libraries is working closely with the arts organisation METAL, based in Southend-on-Sea, Liverpool and Peterborough, who have a strong track record for excellence with young people in the arts.



*(Photo credit: Suffolk Libraries)*

## Mission 5: investment

### Strategic spending

The government has committed to creating a UK Shared Prosperity Fund once we have left the European Union and European Structural and Investment Funds. The UK Shared Prosperity Fund will tackle inequalities between communities by raising productivity, especially in those parts of our country whose economies are furthest behind.

#### **The government intends to consult widely on the design of the UK Shared Prosperity Fund this year, as we committed to in the Industrial Strategy.**

There will be opportunities for civil society and communities to consider their role in supporting inclusive growth and driving productivity. Anecdotal evidence has emphasised that EU Structural and Investment Funds have been difficult to access. The design of the UK Shared Prosperity Fund provides us with an opportunity to simplify the administration and ensure that investments are targeted effectively to align with the challenges faced by places across the country.

Alongside the development of the UK Shared Prosperity Fund, the government is working with places to develop Local Industrial Strategies that will provide distinctive and long-term visions for how a place can maximise its contribution to UK productivity. Government has made strong progress with Greater Manchester, the West Midlands, and partners across the Cambridge-Milton Keynes-Oxford corridor on developing Local Industrial Strategies, and recently confirmed that all mayoral combined authorities and Local Enterprise Partnerships will have Local Industrial Strategies. These strategies, led by Local Enterprise Partnerships and Mayoral Combined Authorities where they exist, will align to the national Industrial Strategy and reflect local priorities.

As set out in the Industrial Strategy, Local Enterprise Partnerships will play an increasingly active role in delivering an economy that makes the most of the opportunities available across the country as we leave the European Union. As part of this, the government has committed to work with Local Enterprise Partnerships to bring forward reforms to leadership, governance, accountability, financial reporting, and geographical boundaries. In July 2018 government published a clear policy statement on Local Enterprise Partnerships' roles and responsibilities.<sup>44</sup> This made clear that in line with the Industrial Strategy, all Local Enterprise Partnerships will have a single mission to deliver Local Industrial Strategies to promote productivity. Included in this statement is government's recognition that successful Local Enterprise Partnerships work closely with the social sector and other key economic and community stakeholders. It is government's expectation that Local Enterprise Partnerships continue this collaboration in order to draw on the best local knowledge and insight.

Local Enterprise Partnerships prioritise policies and actions on the basis of clear economic evidence and intelligence from businesses and local communities. Local Enterprise Partnerships are required to have the organisational capacity to fulfil their roles and responsibilities. They must have the means to prioritise policies and actions, and to commission providers in the public sector and private sector and voluntary and community sector to deliver programmes. Their interventions are designed to improve productivity across the local economy to benefit people and communities, with the aim of creating more inclusive economies. Successful Local Enterprise Partnerships work closely with universities, business representative

organisations, further education colleges, the social sector, and other key economic and community stakeholders.

In line with the Industrial Strategy, all Local Enterprise Partnerships should continue to address the foundations of productivity and identify priorities across ideas, people, infrastructure, business environment, and places. We also recognise that in many areas their role goes beyond this to ensure the benefits of growth are realised by all, and that there are the right conditions for prosperous communities in an area. Dependent on local priorities, this could range from promoting inclusive growth by using existing national and local funding, such as in isolated rural or urban communities or working with relevant local authorities in the delivery of housing where it is a barrier to growth.

Government expects all Local Enterprise Partnerships will produce an annual business plan and end of year report which would also include details on how the Local Enterprise Partnership plans for consultation and engagement with public, private, and voluntary and community based bodies.

Government acknowledges that we need to do more to improve the diversity of Local Enterprise Partnership Chairs and board members, both in terms of protected characteristics and also in drawing from a more diverse representation of sectors, with representation from more entrepreneurial and growing start-ups and from the voluntary and community sector bodies who will often work with and deliver services on behalf of the most vulnerable in society.

## **New models of finance**

The government believes there is a need for long-term, sustained relationships between communities and investors, with local funding that meets the specific investment requirements of the community, develops local resilience, and has the ability to attract private capital at scale.

This requires new models of investment and funding in communities, which bring together finance from a range of sources and have a clear mandate to raise social and economic outcomes.

There is particular need for new approaches in communities that have not benefited from the growth seen in some of our major cities and where there is often a lack of capacity and capability within these communities to access investment. This is exacerbated by siloed sources of finance from separate institutions with limited coordination, no specific mandate to focus on place, and limited ability to customise the finance to meet local needs.

**Short-term funding is already available through the pilot fund and research grant Financing For Society: Crowdfunding Public Infrastructure.** The project is supporting local councils to use crowdfunding for new, socially-beneficial public infrastructure projects (including an elderly care facility, community regeneration programme and green energy projects), and helping people to invest directly in their communities.

In addition, **the government will continue work to consider additional measures it could take to unlock and boost social impact investment.** For instance, the Secretary of State for Housing, Communities and Local Government is considering how we can increase the use of social impact investment to tackle homelessness, housing for vulnerable groups, and the regeneration of places at risk of falling behind.

**The government will work with Big Society Capital and others to develop new models of community funding, which bring together social impact investment with philanthropic funding, crowdfunding, community shares and corporate investment to create substantial place-based investment programmes.** This will be funded by money unlocked from dormant accounts, contributed by banks and administered by Reclaim Fund Ltd.

**Big Society Capital and Access (The Foundation for Social Investment) will devote around £35 million of dormant accounts funding to initiating this effort.** The funds will deliberately design in a high level of flexibility and the ability to respond to local needs, and will be co-designed with communities. Big Society Capital will work closely with other national and local funders and civil society organisations to ensure the work is fully joined up with other activities and to promote the principle of collaboration.

### **Supporting local sports, arts and culture**

The government recognises the social and cultural roots of economic growth. Places need to be ‘liveable’ as well as ‘productive’. The government’s Industrial Strategy included among the ‘foundations of productivity’, (as well as ideas, infrastructure, and business environment) people and places. Research shows the value of attachment to place for boosting investment in a local economy, motivating people to find work in a particular place, and encouraging young people to remain in those places where they have strong social capital.

The argument which runs through this Strategy is that government action should focus on boosting, and bringing together, the resources of a community, so that life becomes better for everyone and social problems are prevented or reduced. This is an argument for public spending on civil society, and it applies as much to local government and to other independent commissioners of local services, such as Clinical Commissioning Groups or Police and Crime Commissioners, as it does to central government.

The government recognises that finance is critically pressing for civil society in many places. Sustained, long-term investment in the social fabric of places is vitally necessary.

**Through the Cultural Development Fund, a commitment in the government’s Industrial Strategy, funding is provided to towns and cities across England to support them to develop and implement transformative culture-led economic growth and productivity strategies by investing in place-based cultural initiatives.** The fund will support place-shaping by investing in culture, heritage, and the creative industries to make places attractive to live in, work, and visit.

**12 Local Delivery Pilots which, between them, will receive up to £100 million of Sport England investment over the next four years, are a brand new approach to addressing the inactivity challenge.** The Local Delivery Pilots will trial innovative ways of building healthier and more active communities across England. They will adopt a ‘whole systems’ approach, bringing together a broad range of organisations from different sectors including health, travel, and education to tackle inactivity and reach underrepresented groups.

## Ministerial statement: communities and civil society



Communities are socially and economically stronger, more confident and integrated where people have a real say over the decisions that matter most to them in their local area, including how local services are provided, facilities are used and how their neighbourhood is developing. Government will work with civil society to ensure that community voices are heard, valued and produce change so that no community is left behind.

### **The Rt Hon James Brokenshire MP**

Secretary of State for Housing, Communities and Local Government

## Case study: Greater Grimsby Town Deal Proposal

Located at the heart of the Humber 'Energy Estuary', Grimsby and North East Lincolnshire are building a new economic future. Over the next decade and beyond, there are strong prospects for growth in offshore wind and the continuing transition to a low carbon economy, and for export-led growth in port-related logistics and manufacturing, chemicals, petrochemicals and food processing.

Greater Grimsby's fishing and maritime heritage remain central to the town as it diversifies and grows. The area has already come a long way in recent years, yet there is much more to do for Greater Grimsby to deliver its opportunities for growth and to ensure that it achieves truly inclusive and sustainable growth.

Despite this jobs growth, productivity in North East Lincolnshire is just over 72% of the England average (measured by gross value added per head) and there is an over-representation of low skilled/low value process operator jobs (particularly in the food sector). There are also low levels of business investment in innovation – though efforts to drive down offshore wind operations and maintenance costs, decarbonisation in our energy intensive industries and changes in business models post-Brexit, particularly in the food industry, present future opportunities. Too many young people leave school without having achieved their full potential. Low aspiration and academic underachievement are common.

In the Industrial Strategy white paper, the government announced its intention to a pilot Town Deal for Greater Grimsby. The Town Deal seeks to test a new, place-based approach to towns that have not fully benefited from economic growth, which will explore how the government, local councils, Local Enterprise Partnerships, businesses, and local people can work together to deliver social and economic growth in the area. It is an agreement with Greater Grimsby for a package of government support which garners departmental expertise and capacity. This mixed model of government and other investment support drives economic development and housing delivery in places. It has the potential for accelerated growth and enhanced

contribution to the UK economy. The Town Deal affords a unique opportunity to demonstrate how places like Greater Grimsby can realise their potential.

Underpinning this is a strong commitment from the Greater Grimsby Partnership Board to work together to deliver inclusive growth and a place-based approach to the regeneration of the area.

The Town Deal will help shape and support housing and town centre regeneration, drive economic growth by helping to deliver 195 hectares of employment land across six Enterprise Zones, and raise aspirations and drive up educational and skills attainment. In doing so it will accelerate the delivery of jobs and new homes set out in the Council's adopted Local Plan, which sets out ambitious targets for 8,800 jobs and over 9,700 new homes by 2032.

The Department for Digital, Culture, Media and Sport has been a key part of this process, helping shape the Town Deal, which has a strong 'quality of place' agenda. The Department for Digital, Culture, Media and Sport's role in both driving economic growth and making the places people want to live and work in by bringing the civil society, arts, culture, and heritage sectors together – all the things that make life worth living – is crucial to the overall ambition for the town.

Phase 1 of the Town Deal, announced on 5 July includes plans for a £3.7 million Heritage Action Zone, partly funded by Historic England, which will see premises, docks and the town centre given a new lease of life for business and community use. Phase 2 presents a range of further opportunities for enhanced joint working – including developing new models of community action to support the Town Deal, identifying ways in which social impact investment can help fund projects, as well as plans to create community hubs, improving the offer for young people in the town and making the most of existing community assets such as libraries.

## Case study: Greater Manchester Combined Authority – the role of place, community engagement and public sector reform

The devolution of previously Whitehall-based budgets and responsibilities to Greater Manchester have led the combined authority to think about place, people, and services in a new way.

Greater Manchester Combined Authority believe that local decision-making allows for better alignment across local organisations and budgets, the creation of integrated teams working across organisational boundaries and local engagement and decision-making that best reflects the specific circumstances of a particular area.

More flexible, place-based, funding can deliver better value for money and improved outcomes for local people.

Greater Manchester Combined Authority seeks to involve communities in all stages of strategy development. Key forums for this include an innovative Youth Combined Authority, a voluntary, community and social enterprise reference group, an older people's network and a business advisory panel. Greater Manchester Combined Authority is clear that no organisation, sector or individual place within the city-region can work in isolation. Collaboration is fundamental to their approach and is helping them achieve their strategic ambitions. To achieve this vision, they try to ensure the voices of their communities are heard in all strategic planning.

Public service reform sits at the heart of the Greater Manchester Combined Authority's approach, enabling the development of whole system approaches which are based on the following principles:

- integrated service delivery across the whole system in a place
- a focus on early intervention and prevention
- taking a holistic approach to the needs of the person in their context (including physical, mental, social, and environmental needs)
- taking an asset-based approach to people and place
- developing a new relationship with people and communities, helping people to help themselves
- developing new behaviours, skills, and roles in the public service workforce

Place-based integration has led the way and moved beyond strategic development and into implementation. At neighbourhood level, the focus is on integrated place-based services that are able to be responsive to local need and build on the assets of the community. This means one front-line team, knowing their area and each other. It must remain person-centred, starting with one person at a time, understanding their needs in the context of their family and their community, and building up a true picture of demand locally. Through this approach people are co-designing new solutions and services.

Voluntary, community and social enterprise organisations have been closely involved in the development and implementation of this new way of working. The sector's local body, Greater Manchester Centre for Voluntary Organisations, signed a final document as co-owner of the shared strategy

alongside Greater Manchester Combined Authority and the Local Enterprise Partnership. The Greater Manchester Strategy sets out the ambition to extend this into a new relationship with the voluntary, community, and social enterprise sector across a broad range of activities. This is supplemented by a new Accord with the sector setting out the principles of a new relationship and a specific investment fund based on long-term funding arrangements, which extend beyond annual contracting and cover core costs not just project finance.

## Case study: West Midlands Combined Authority – towards an inclusive growth model

The West Midlands is undergoing a social and economic renaissance – powered by a vibrant jobs market, real energy in growth sectors such as advanced manufacturing and life sciences, and a model of collaboration that is encouraging investment in the region's infrastructure, connectivity, and human capital. The region is large, complex, and diverse – with a population that is young (30% under 25), diverse (30% non-white), and which will challenge traditional ways of delivering services and enabling opportunities across the public, private, and social sectors.

Its ambition as a region is to support inclusive growth that all residents can appreciate – connecting 'cranes to communities' and using devolution as a lever for meaningful policy change. The West Midlands Combined Authority is at the centre of this ambition. It is itself a collaboration – between local authorities, public service, business, and social partners and a directly elected Mayor – helping the region to work and achieve more together.

This has translated into some good early progress in skills, housing, transport, and inward investment – with ambitions to embed a bold social and human capital strategy into its Local Industrial Strategy. A recently launched Inclusive Growth Unit will help make sure the agenda is as inclusive and citizen-focused as possible.

The West Midlands Combined Authority is building on the energy already evident in the region – such as Coventry's role as a 'social enterprise city', the Black Country's maker movement, and Birmingham's thriving social innovation sector.

Enabling civil society to thrive is at the heart of these ambitions. The local authority is working with partners to add value in the following areas:

- Industrial Strategy – with inclusive growth at its heart – which will focus on the West Midlands strategic advantages and high-growth sectors, but also on the cross-cutting enablers – digital, skills, and public services – that will be needed to sustain ambitious plans for industrial growth
- inclusive digital – the West Midlands digital economy is growing fast – with a 20% growth in digital Small and Medium Enterprises predicted by 2020 and a region-wide commitment to 5G that could radically lower the barriers to social and economic participation for marginalised citizens
- Social Economy Taskforce – convened by the West Midlands Combined Authority, the taskforce is exploring the ways in which the region could boost the role of social economy organisations within its growth strategy, and the specific ways in which devolution can unlock new models of financing and growth for what is already a thriving social economy sector in the region
- Inclusive Growth Unit – the West Midlands Combined Authority has established an embedded unit (a partnership with Barrow Cadbury Trust, Public Health England, Joseph Rowntree Foundation and others) whose job is to maximise the inclusivity of policy agendas, and ensure they are measuring and holding themselves to account against the right things

- social value – the West Midlands Combined Authority’s social value policy has been collaboratively developed and will be at the heart of major transport, skills, and housing procurement planned by the West Midlands Combined Authority and partners. West Midlands Combined Authority is working with colleagues from the Department for Digital, Culture, Media and Sport to explore the application of social value principles into areas like loneliness, social isolation, and new models of health and care
- citizen and civil society engagement – as part of its work on inclusive growth the local authority is rebooting deliberative engagement with citizens and civil society organisations. Working with Localise West Midlands, the Royal Society of Arts and the Barrow Cadbury Trust, it is committed to making sure that citizen voice is at the centre of strategic plans and public service reform agenda
- region of sport and culture – the region is playing host to UK City of Culture, City of Sport and the Commonwealth Games over the next five years, creating a unique opportunity to build a legacy and bridge over its commitments to inclusivity with the aspiration and opportunity represented by these events
- faith engagement – building on the Mayor and Faith Conference in November 2017, the West Midlands Combined Authority has brought together a unique coalition of different faiths who are committed to exploring using their resources in different ways to combat some of the most pressing social issues in the region
- inclusive leadership – the West Midlands Combined Authority has worked for the past ten months on collating evidence on the leadership diversity deficit and will begin a period of internal review and engagement with external partners on effective recruitment, retention, and progression, making the business case for diverse leadership and creating better pathways for diverse talent



# THE SOCIAL SECTOR

## SUPPORTING CHARITIES & SOCIAL ENTERPRISES



## Chapter 3. THE SOCIAL SECTOR: supporting charities and social enterprises

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### Introduction

Charities and social enterprises – ‘the social sector’ – are the core of civil society. A healthy, independent, and engaged civil society is a hallmark of a thriving democracy. A robust sector is a sign of a confident democracy, which offers many ways in which citizens’ views and concerns can be amplified. This country has a long tradition of philanthropic organisations, both small and large, set up independently of government to respond to the challenges of society. A poignant example is civil society’s role with regards to combating threats to democracy, ensuring that broad debate and political campaigning continue to thrive, online as well as offline. It is essential that these organisations can access the necessary support to adapt to meet the challenges of the future.

Throughout this Strategy there are proposals that will benefit social sector organisations. For instance, in Chapter 1 we talk about citizens, including young people, in supporting society. In Chapter 2 we describe place-based investment and empowerment. Chapter 4 describes a range of benefits that business, the finance sector and new technology can bring to civil society. In Chapter 5 we explain plans to reform commissioning in favour of charities and social enterprises.

There remains a range of issues concerning the role and management of social sector organisations themselves, which are dealt with in this chapter, namely the sector’s voice, its funding, its leadership, support, regulation, and its digital capability.

Significant steps are already being taken from within the social sector to address these issues. The government cannot and should not ‘lead’ or organise civil society. But the government has a clear role to play, including where only the government can act, or where government intervention has the potential to offer significant additional value.

In particular the government is keen to work alongside the social sector to realise a future in which organisations are able to adapt and thrive, strengthen public trust and find new ways to resource and deliver their missions. This includes all in the sector feeling that their voice is respected in policy debates, where there is strong support available and ongoing and effective investment in leadership and governance. Finally, the government wants charities and social enterprises to be able to employ strong digital skills to deliver social good.

## Mission 6: the voice of civil society

### The rules on campaigning

Civil society has a long and proud tradition of campaigning for change and providing voice for the disempowered and disadvantaged in society. Civil society organisations have successfully campaigned for changes in the law and national policy, and at local level supporting access to services and challenging public sector organisations to improve.

Charity law enables charities to undertake campaigning, including political activity, to support the delivery of their charitable purposes. Charity law prohibits charities from supporting a political party or candidate. It is also right that we have a longstanding framework under Electoral Law to provide transparency of third party campaigning in the period before an election. This is necessary to ensure that an election outcome cannot be unduly influenced through excessive spending.

Some civil society organisations believe that the space for campaigning and advocacy has closed in recent years, creating a ‘chilling effect’ on civil society campaigning and advocacy.<sup>45</sup>

Evidence from the engagement exercise is that the government should improve its engagement with civil society, consult charities, and community groups, consider what is said and be transparent about decision-making, include diverse civil society voices in policy development, and that beneficiaries especially young people should be engaged and involved in policy making in a meaningful way. One organisation of many stressed during the engagement exercise that charities “play a vital role in shining a light on key issues and the government should support and champion them in doing this”.

The government is ambitious to play a key role internationally in standing up for free speech and a vibrant civil society.

### Hearing from civil society

The government is determined that charities and social enterprises should be fully confident in their right to speak in public debates, and to have a strong campaigning and advocacy role. It is right that we have government grant standards which prevent taxpayers’ money being spent on political campaigning or lobbying. However, simply being in receipt of taxpayers’ money should not inhibit charities from making their voices heard on matters of policy or practice.

The government is committed to embedding open policy making across departments – giving civil society significant opportunities to achieve policy change – and is currently developing a commitment to this as part of the UK’s next National Action Plan for Open Government.<sup>46</sup>

The government also recognises that there is a job to do to reach a collective approach across Whitehall in the way that we work with and for civil society. We are therefore keen to get our internal workings in order to ensure that we effectively join up at crucial stages of policy development to reflect the voice of the sector and to obtain valuable and early insight into how our policies are likely to impact communities and the sector. As mentioned in other chapters, strong partnership working with the sector is key to effectively deliver policies that tackle a number of issues faced by communities and to strengthen the resilience of the sector.

**The government will renew its commitment to the principles of the Compact.**

The Compact is a document that sets out a series of principles and commitments governing the relationship between the social sector and the government. It was last published in 2010.<sup>47</sup>

**The government will convene a cross-government group to work with civil society to establish the principles of effective engagement in the policy-making process, learning from the examples of good practice that already exist. This includes a focus on the effective engagement of young people** (see ‘Young people and national policy design’).

**The government will work with civil society, the Electoral Commission and the Charity Commission to explore what other non-legislative steps could strengthen civil society’s confidence in its campaigning and advocacy role.**<sup>48</sup>

For example, the Electoral Commission has already started work on improving its third party campaigning guidance for civil society organisations.

## Ministerial statement: the voice of civil society



Knowing the issues that affect the most vulnerable in our society is the first step towards finding solutions and bringing justice to a community. Charities and the social sector play a vital role in representing people who are unable to advocate for themselves to ensure that the right policies and programmes are in place to protect the most marginalised in our society.

Imagine living with an aggressive partner – coerced and violently attacked in your own home, sometimes for decades – and too scared to speak out for fear of retribution. Or being trafficked from another country and not being able to make or exercise any choices free from duress, pressure or undue influence in order to protect oneself from abuse, neglect and exploitation. The reality is that there are many people whose individual circumstances preclude them from being able to take part fully in important decisions or even discussions that they themselves are the subject of.

In my previous career as a criminal barrister I specialised in prosecuting serious organised crime so I saw how law abiding people could be exploited by criminal gangs. As Minister for Crime, Safeguarding and Vulnerability, it is my responsibility to ensure the Home Office is taking the best possible action to protect the most vulnerable and prevent exploitation and criminality.

We frequently rely on the charity sector often working in partnership with the police to flag issues that we need to be aware of and we work in partnership with them to decide on the best options going forward. We are committed to introduce a landmark Domestic Abuse Bill to further transform the response to these heinous crimes. We have also recently published a Serious Violence Strategy which sets out the government's response to serious violence and recent increases in knife crime, gun crime and homicide. The strategy focuses on early intervention and prevention which can help catch young people before they go down the wrong path into situations where they are exploited frequently as drug runners and through threat and violence to prop up criminal networks.

Delivery of the Modern Slavery Act relies on our social sector partners working alongside charities to ensure that supply chains and other situations where bonded labour or other forms of exploitation may be involved are identified and dealt with. We work closely with a wide range of civil society organisations, including specialist victim support services, to support delivery of our work. Freeing the nation from the cruel acts of modern slavery and other forms of exploitation remains a priority for the Home Office and the UK government and it is only by working in partnership that we can achieve our aims.

### **Victoria Atkins MP**

Parliamentary Under Secretary of State for Crime, Safeguarding and Vulnerability

## Mission 7: funding and financing the social sector

### Diversifying funding and finance

The social sector has experienced major turbulence in the funding environment in recent years. Diversification of income is often the way that social sector organisations are responding to this turbulence.

The picture on civil society funding and finance is a mixed one. There are positive signs about the social sector's overall financial health. Figures from the National Council for Voluntary Organisations Almanac show that overall income for charities is up since 2009/10, and in 2015/16, total income reached £47.8 billion, an increase of £1.6 billion from 2014/15. However, the largest 3% of organisations receive 80% of the sector's income and only 18% of organisations (those with an income of £100,000 or more) saw their income grow in 2015/16.<sup>49</sup> This is creating considerable income disparity between small, local charities and large, national charities.

The way that civil society organisations are funded by central and local government has also changed with contract funding increasingly replacing grant funding. However, a range of new funding opportunities has emerged which supports small and local charities. There has been a 10% growth in earned income (trading) in the small charity sector.<sup>50</sup> Since 2012, following policy direction from the government, Big Lottery Fund has focused almost exclusively on supporting local civil society, particularly by empowering people to play an active role in their communities.<sup>51</sup> New technologies and a renewed focus on place and communities are offering opportunities to enhance the funding and finance environment. **The government will continue to explore opportunities, working with sector partners, to make access to funding and finance easier, particularly for the small social sector and community organisations. This will include exploring the potential of technology.**

Adding to this growing momentum in social impact investing in civil society has created several valuable income streams and improved access to finance. The government is keen to use various tools to support the future funding and finance environment for the sector. Promoting philanthropy, ensuring taxes and regulation support civil society, and bringing different sources of funding and investment together for social impact, are all ways in which the government will support resilience and increased impact of the sector.

A supportive policy environment creates the opportunity for social investment to support civil society, but that opportunity can only be realised if there are sustainable social business models in which it is possible to invest. Existing social organisations and new social entrepreneurs often need help to develop and grow these models, through some combination of national and local support.

**The Department for Digital, Culture, Media and Sport is supporting the development of enterprise activity to grow and diversify income, and improving access to social investment for charities and social enterprises through a £60 million endowment to Access (The Foundation for Social Investment). Under its new 2018 to 2023 strategy, the Access Foundation is committing £40 million to help charities and social enterprises to develop enterprise models which help increase their earned income and thereby build resilience.**

**The government also supports building the awareness and understanding of social investment through its partnership with the Access Foundation to fund GoodFinance.org.uk. Good Finance provides charities and social enterprises with a comprehensive digital resource to help them effectively navigate the social investment market.**

There is also a growing movement of what is called blended finance, in which a mixture of funding from different sources is made available, on a variety of terms, to single projects or initiatives.

The government has partnered on funds like the Arts Impact Fund, Dementia Discovery Fund, Northern Cultural Regeneration Social Investment Fund, and Building Connections Fund which have all attracted a mix of funding from different sources to collectively focus on a specific theme or issue.

The government announced in January 2018 that up to £10 million of funds from dormant accounts will be allocated to the Access Foundation to support blended capital approaches. The government will continue to work with funders to create co-investment opportunities to fund solutions to social challenges.

**There has been great progress over the last decade to grow access to repayable finance. As detailed elsewhere (see ‘Alternative financial models’ and ‘Social impact investment’), the government will continue to support innovative approaches which bring together these different types of finance.**

## **Philanthropy**

Philanthropy is a vital income stream for civil society. The UK public donated £10.3 billion in 2017.<sup>52</sup> Legacy giving alone is worth £2.5 billion per year and payroll giving is consistently over £1 billion.<sup>53</sup> These generous amounts make up about 40% of social sector income.<sup>54</sup>

There are opportunities to build on the generosity of individuals and grow philanthropy even further. The government aims to make giving as easy and as compelling as possible, and has a strong track record in this area.

Our Small Charities Fundraising Training programme helps to equip staff at small charities with the skills needed to attract and engage a greater range of donors. Major match funding programmes, such as the Community First Endowment Match Challenge, encouraged donors to invest in an endowment now worth in excess of £140 million, and which provides around £5 million a year in grants for communities.

**The government is working with the Charity Commission and UK Community Foundations to release at least £20 million over the next two years from inactive charitable trusts to grassroots community organisations.**

The government recently convened a cross-sector roundtable to provide advice on how the government can support the growth of giving and the strengthening of the UK's role in global philanthropy, with a view to establishing a longer-term advisory group. Although the government should never seek to influence or direct the way that private philanthropy is directed, the government is ambitious for the UK to become the global centre for philanthropy practice, including the role of corporate philanthropy.

**The government will explore how to encourage more collective giving, a collaborative, peer-influenced form of philanthropy that has the potential to**

**develop larger funds to tackle problems.** Initiatives include issue-based funding networks, such as the Environmental Funders Network, the Rough Sleepers Funding Network, and the place-focused London Funders model, and we will look to see how the government can support this movement to grow.

The government and the social sector also need to learn the lessons from the public response to the Grenfell Tower disaster, when £28.4 million was donated to support the community affected by the fire. The sector rose to an incredibly challenging situation with extraordinary capability (see also ‘Civil society and disaster response’).

The growing focus on place-based work in public policy (see ‘Public investment in places’) is reflected in an emerging model of local philanthropy, including ‘civic philanthropy’ programmes supported by city mayors. Place-based giving schemes bring together local philanthropists and funders with the community and local voluntary groups to raise money to tackle local issues in a particular place, such as rough sleeping, activities for young people or social isolation, or serve as investment funds for larger scale infrastructure projects. A culture of philanthropy in local areas is common in the United States. It was common in the Victorian era and left an important legacy in many of Britain’s towns and cities. As an organisation told us during the engagement exercise: “a 21st century version of civic philanthropy would empower local people to adapt to the challenges of the future, be a catalyst for growth and development, and help reinvigorate a sense of civic pride, shared identity and belonging in Britain’s cities”. The key now is to build strong local philanthropic roots that enable everyone, whatever their level of wealth, to be able to give and contribute to a local response to local issues.

**The government will invest over £750,000 before 2020 in the growth of place-based giving schemes, to support civic philanthropy, informed by research commissioned by the Department for Digital, Culture, Media and Sport in 2018.** This funding will support areas to develop schemes that bring together local funders, philanthropists and businesses with civil society organisations and residents, to tackle local needs in a collaborative way.

## Tax and Regulation

The government is already supporting charities with considerable tax exemptions and reliefs. Provisional figures from Her Majesty’s Revenue and Customs for 2017-18 indicate the total amount of relief to charities is estimated to be £3.62 billion, which is an increase of £220 million on the previous year, continuing the long-term upward trend. Ten years ago, reliefs to charities totalled £2 billion.

**The government has committed to reviewing the Social Investment Tax Relief in 2019.**<sup>55</sup> Reducing restrictions on the size and type of projects which can claim Social Investment Tax Relief could accelerate communities taking ownership of important community assets and expand the use of small scale finance for community energy projects. In these areas Social Investment Tax Relief could play a bigger role in helping social sector organisations to be more financially resilient.

The government also recognises the strong demand from the social enterprise sector for a simpler relationship with Whitehall. **The Department for Digital, Culture, Media and Sport will establish a regular forum for social enterprises to coordinate relations with the government.**

## Case study: Big Lottery Fund

The Big Lottery Fund is the largest funder of community activity in the UK. This brings it into close contact with civil society every day. It distributes money raised by the National Lottery to thousands of organisations across all parts of the UK every year. Its approach to grant-making now focuses on the skills, assets, and energy that people within communities bring, and the potential in their ideas. The Fund believe that communities thrive when people are in the lead. In 2010, the government agreed with the Big Lottery Fund that the large majority of its funding should go towards civil society. Since 2010 over 95% of its funding, some £5 billion, has supported civil society organisations across the UK.

Over the next three years the Fund will commit over £1.5 billion of funding raised by the National Lottery to civil society across the country, in addition to a range of joint funding initiatives with the government and other partners. The Fund has also been investing in strategic programmes in England to improve collaboration between civil society, the government and the public sector more broadly, in areas such as early years development, adolescent mental health, and older people. Representing over £500 million of funding over 10 years, these strategic programmes are driven by 58 place-based public, private, and social sector partnerships. They are already beginning to yield lessons with the potential of informing policy and practice.



*(Photo credit: the Big Lottery Fund and Manchester Cares Project)*

## Mission 8: leadership, support and regulation

### Leadership

Many social sector organisations are responding well to their changing operating environment, for instance by increasing their income from trading. This demands the best possible leadership from both trustees and, where they are in place, chief executives.

One organisation that contributed to the engagement exercise stated that “if we want to strengthen civil society, a good place to start is to invest in these 160,000 chairs who are already there: skill them up, resource them, support them.”

The government funded jointly commissioned research by the Charity Commission, Cass Centre for Charity Effectiveness, Cranfield Trust, and National Council for Voluntary Organisations to investigate trustees’ understanding of their role and duties, and the sufficiency of sources of advice and guidance. This research confirmed a need to invest in key skills, for example legal, digital, and fundraising.

The joint research also found a significant lack of diversity amongst trustees and highlighted informal recruitment practices, which make it harder for people from different backgrounds and with different skills to get involved.<sup>56</sup>

We have also heard that time poor charity chief executives, focused on maintaining frontline services, feel unable to invest in their development. Generally charities report a need to develop key skills, but state that cost and ability to take time out prevent them accessing training.<sup>57</sup> This is a particular challenge for small and medium sized organisations. The 2013 review of Skills and Leadership in the voluntary, community and social enterprise sector stated that “Organisations can feel guilty about spending money or time on leadership development [...] All of us are collectively better off, including our beneficiaries, if we avoid this narrow thinking”.<sup>58</sup>

There are many great examples of strong leadership across the social sector, and significant civil society led efforts underway to spread best practice and strengthen leadership and governance. However, we believe that the government has a role to play in supporting these efforts to help drive the pace of change.

**The government will convene key civil society stakeholders over the next year, to explore the potential for a common vision and mission for strengthening the leadership of social sector organisations and the potential for specific government interventions.**

**The government will work with civil society stakeholders and the Charity Commission to explore and agree on collective action to open up trusteeship to people from different backgrounds and with a broad range of skills, and encourage more young people under the age of 30 to become trustees.**

### Local support system

Just as business depends on available infrastructure to flourish, like transport and finance systems, social sector organisations depend on an appropriate support system. This includes the right people and networks, information and advice, knowledge and skills, adequate and affordable places to work from, and opportunities and incentives to collaborate.

Some of this support can be delivered at a national level, but there is an important role for support that takes account of the local context. One respondent to the engagement exercise described the core purpose of local support providers as “to develop and support a thriving local ecosystem, where a diversity of charities and community groups can bring about social change.”

Such support can help ensure representation for disadvantaged local communities, provide a voice for the smallest social sector organisations, and help to support local partnership working.

Despite the value of local support the current model, largely made up of Councils for Voluntary Services, faces significant challenges. The 2015 Independent Commission on the Future of Local Infrastructure found that “good quality infrastructure support is not universal”.<sup>59</sup> It also highlighted a rise in demand for support and a decline in resources, which would mean that even the best infrastructure bodies will need to find new ways of working. These concerns were reflected strongly in the engagement exercise for this Strategy.

The social sector should have access to a robust, diverse, and effective support system. Realising this vision is a challenge that will require a collective effort, which the government believes should be led by the social sector. However, we recognise that we have a role to play in supporting this effort, by convening key players and contributing to the discussion on solutions.

**The government will convene key stakeholders to explore how we can collectively help to develop strong local support systems for social sector organisations.** This process needs to look at what has worked in the past, what is working now, and how this can be improved. It includes considering alternative models of support, drawing on capacity, knowledge, skills, and resources from across sectors.

## **Charity regulation, transparency and safeguarding**

The government has an ongoing role to ensure that the regulation of charities is fit for purpose, including ensuring that the regulator is appropriately resourced and that we reduce the regulatory burden where it is appropriate to do so. In addition to this core work, in recent years we have taken steps, in partnership with the charity sector and the Charity Commission, to respond to challenges that have emerged around fundraising and safeguarding.

The Fundraising Regulator has shown that independent non-statutory regulation by consent can protect the public interest. Its Fundraising Preference Service has given people more control over the fundraising approaches they receive from charities. It has also recently introduced new transparency requirements for online fundraising platforms, to ensure that members of the public are clear about fees and charges before they set up a fundraising page or make a donation.

Safeguarding summits in March and June 2018 for UK charities agreed that strong safeguarding is about having the right leadership, culture, policies, and processes in place. The focus is on protecting people at risk whether young or old and whether they are service users or staff and volunteers. Charities are leading the work supported by the Charity Commission and the Department for Digital, Culture, Media and Sport. A parallel work stream led by the Department for International Development is considering safeguarding in the international development context.

**The government will further develop and implement measures to strengthen safeguarding in charities, including new guidance and support to help charities.<sup>60</sup>**

**On fundraising, the government will review the operation and impact of the Fundraising Regulator, the self-regulatory body tasked with setting and enforcing high fundraising standards.<sup>61</sup>**

The Charity Commission is widely respected for its knowledge and expertise in charity regulation and its independence. **The government will work with the Charity Commission to explore options for placing it on a secure and sustainable financial footing and ensuring it is adequately resourced to meet future challenges.**

## Case studies: civil society and family support

### Chelmsford Central Family Hub

Civil society has a critical role to play in helping families who require support. Countless civil society organisations across the country provide a vital lifeline to families which are in need.



*(Photo credit: Chelmsford Central Family Hub)*

Chelmsford Central Family Hub provides support for families with children aged 0 and 19 under one roof and actively connects them with the social sector and other services across Chelmsford, including in other 'delivery sites'. Virgin Care run the hub, which is based in the inclusive and non-stigmatising environment of the city library, in partnership with Barnardos.

Through this hub and spokes model it's a nerve centre of the city's support system, where families who would otherwise struggle alone can find the help they need and thereby overcome the barriers currently stopping them from doing well at school, thriving in work and flourishing in their relationships.

The wide range of early help includes coffee drop-in sessions where parents can build their own support networks and share advice, as well as evidence-based parenting support for children across the age range. The Hub provides access to superb early years services such as health visiting, breastfeeding support, 'rhyme time' which boosts the development of infants' communication through singing, interaction, and movement and help to address fussy eating in toddlers. Parents are also supported to overcome drug and alcohol problems, improve their mental health and stop smoking.

## Save the Family



*(Photo credit: Save the Family)*

Save the Family is a charity founded over 40 years ago to support families with multiple and complex needs. This includes providing residential accommodation and support for troubled families that are homeless, at risk of becoming homeless or are fleeing domestic abuse. The organisation is based outside Chester and has 26 self-contained residential units, a community hall, sports hall, training kitchen, creative space, and a Children's Centre including a library and Sensory Room. Almost half of the families are referred from within Cheshire West with others from the Wirral, Merseyside, Warrington, Cheshire East, and even Manchester. A tight mesh was embodied in the charity's day to day methodology that enabled families to be reunited with their children either by being brought back out of care or preventing them entering the system in the first place. It was necessary for the founders to think 'outside the box' and not along traditional lines.

Save the Family spends time with families, preparing and mentoring them for independent living. The charity achieves this through skilled role-model family mentors and by teaching basic life-skills as well as essential daily and weekly routines. Save the Family helps to bring the family back together and prepare it for multi-agency support as well as the move back into the community. The charity strives to address homelessness, family breakdown, domestic abuse, alcohol and substance misuse, debt, mental health, child protection, and poor parenting, with support from mentors to develop their parenting skills. This can only be accomplished by establishing trust between staff and family members.

## Safe Families for Children

Safe Families for Children is a charity working hand-in-hand with children's services to link families in need with a network of local volunteers who can offer them support. The organisation accepts referrals from partnering local authorities, matching struggling families with caring volunteers in their area who can provide tailored help and 'wrap-around' care. Involvement with Safe Families makes a crucial difference for some families in preventing the need for children to go into care.

Safe Families for Children has a strong relationship to churches in local communities, which is where it finds most of its volunteers. Safe Families is a very broad-based organisation spanning all the major church denominations and traditions – Anglican, Catholic, Baptist, Methodist, Pentecostal, Reformed etc. They recruit mentors from faith groups to help house and mentor mothers who lack parenting skills and who would otherwise be in local authority care at a cost of £2,000 per week.

To date, Safe Families has provided over 4,000 respite bed nights to children in the UK, with thousands of children benefiting from the support.



*(Photo credit: Safe Families for Children)*

## Mission 9: a social sector confident with digital

### Digital

Digital is the way of using modern technologies to transform your business process and engagement with users – to enable new opportunities and possibilities.

Throughout the engagement exercise participants highlighted that digital technology offers unprecedented opportunities for the way in which we approach social challenges. On a daily basis we witness technology's role in transforming the way we communicate and connect with one another, from digital platforms that build and sustain communities, to fintech applications that help people to donate, through to campaigning for good causes using emerging technologies like virtual reality.

Digital technology does not bring progress when it simply creates efficiency. It brings the most progress when it puts the user first, and when digital services are focused foremost on meeting human needs. As one organisation argued during the engagement exercise: “Unless they stay abreast of technological advances, non-profits will be unable to champion and safeguard the most disadvantaged in society [...] By acting right now to support non-profits to embrace digital, we have the chance to reinvigorate a sector that many feel has lost its way and make it not only fit-for-purpose but leaders in a responsible, ethical society.”

That is why it is essential for the social sector to be part of the digital revolution, and why the government is committed to bringing together digital and civil society.

The use of social media, big data, and artificial intelligence are beginning to reach the social sector and there is increasing awareness that adoption of digital techniques can make charities more resilient and sustainable. But the rate of adoption is slow by comparison with other sectors.

While 62% of charities are taking active steps to improve the culture so digital can flourish, only 9% of charities say that everyone in the organisation understands and is on board with the digital vision. 72% of charities see digital's potential to deliver their strategy more effectively yet only 32% have a strategy for how digital can help achieve their goals. 2% of charities (around 3,500) struggle to access basic digital tools and 26% find it hard to attract or retain digital talent.<sup>62</sup>

While some charities are already capable of pushing the boundaries of technological innovation, the government recognises that digital needs in the social sector are diverse. Digital maturity varies greatly between organisations, and the 2017 Lloyds Business Digital Index demonstrated that the digital skills gap between large and small organisations is only widening.<sup>63</sup> Therefore a multi-faceted approach is needed in order to close the gap within and between this sector and others. The government welcomes the Big Lottery Fund's intention to launch a new £15 million digital funding programme to support applications from organisations seeking to maximise the opportunities that digital offers.<sup>64</sup>

The government's Digital Strategy set out a range of measures designed to strengthen local communities. These included investing in local digital infrastructure to ensure places are well-connected, investing in skills development to support individuals to fully participate in their local digital economies, and creating a better dialogue between communities and government by engaging with citizens and business around the UK using better, more coherent digital platforms.



The government will continue to work through the Digital Skills Partnership to help civil society organisations to build their skills, boosting collaboration between the government, civil society, and business to tackle the digital skills gap. The Office for Civil Society will work through the Digital Skills Partnership's Digital Enterprise Delivery Group, specifically chairing the taskforce focused on building digital confidence in charities. The Department for Digital, Culture, Media and Sport will explore what support and provision has been put in place for Small and Medium Enterprises and apply this learning to civil society organisations who often face similar challenges.

The government will continue to support the establishment of Local Digital Skills Partnerships, which bring together stakeholders from local government, civil society, and business to address digital skills gaps and increase digital inclusion. Two Local Digital Skills Partnerships have been set up so far and the government will be helping more to launch.

The government will support the development of an effective Charity Digital Code of Practice for charity leaders and trustees, developed by Zoe Amar, Office for Civil Society, Charity Commission, National Council for Voluntary Organisations, Association of Chief Executives of Voluntary Organisations, Wales Council for Voluntary Action and Small Charities Coalition among other sector partners.<sup>65</sup>

The government will work with sector partners to deliver a #DigitalTrustees campaign to promote digital confidence on charity boards.

### Case study: Centre for Acceleration of Social Technology (CAST) – helping people use digital for social good

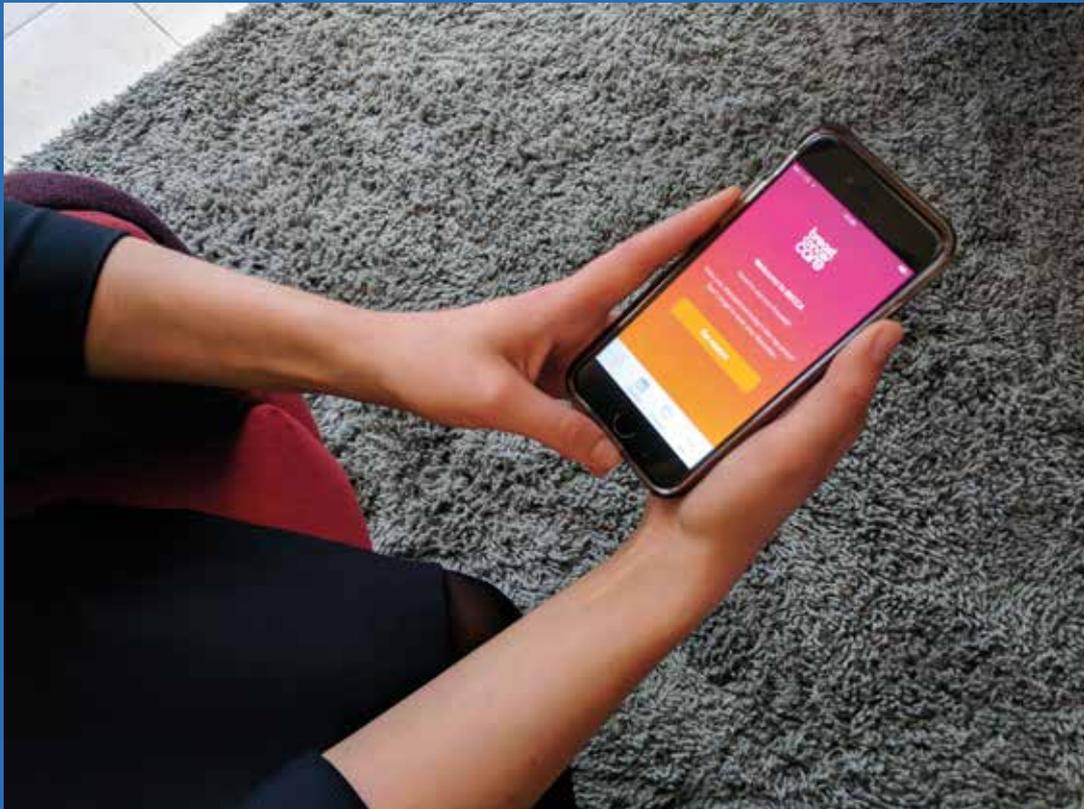
CAST works to increase the resilience, responsiveness, and impact of charities of all sizes across the UK by creating a step-change in their use of digital. From light-touch mentoring to intensive service design, CAST and its cross-sector partners are helping charities to use digital tools and techniques to transform their strategy, services, and culture.

Since its launch in 2015, CAST and its network of partners have supported thousands of charities and social enterprises, helping them to break out of old patterns and silos, respond more effectively to their users, and collaborate with other charities in reusing existing tools and creating new shared solutions that meet their users' multiple and complex needs.

Breast Cancer Care, seAp, Age UK and SafeLives are among the many charities that have benefited from Centre for Acceleration of Social Technology's support, using digital to re-think their practices and engage users in the design of new services:

- Breast Cancer Care's BECCA app, which responds to the well-evidenced need for providing emotional support after clinical treatment has ended, has engaged 15,000+ users in just one year and aims to support 36,000+ women by 2020. The plan for the coming year is to open source BECCA's code for other charities to use, not just within the health space but across the sector

- seAp works to protect the rights of society's most vulnerable people, ensuring they get the health and social services they need. Using an interactive website that is anonymous, free and accessible to those with multiple social exclusions, seAp has moved from supporting 100 people in the disability benefits assessment process to more than 206,000, multiplying their client reach 2000 times for just 10 times the level of investment in their face-to-face service
- Age UK's tablet-based tool, Steps, enables care workers to conduct guided conversations with older people that uncover their health and social needs, helping to create personalised action plans for greater independence
- SafeLives has created the #EveryStoryMatters campaign to capture voices (through written, video, and audio uploads) of domestic abuse survivors, which has helped them to place their users front and centre of designing new services and advocacy programmes. This is one example of how SafeLives is achieving its ambitions much faster, more cheaply, and more effectively by embracing digital



*(Photo credit: CAST)*

## Ministerial statement: education and civil society



Education is about more than the lessons children need to pass exams. They also need to develop the wider knowledge, values and attributes that will enable them to engage positively with their peers and society, and be prepared for adult life – both inside and outside of the workplace.

This happens outside the classroom as well as in it.

That is why good schools work with local charities and businesses, to give students the real-life experience, contacts and character they need to succeed.

That's why I want schools to be at the heart of the communities they serve, so children grow up with all the skills they need to flourish as adults.

**The Rt Hon Damian Hinds MP**

Secretary of State for Education

# THE PRIVATE SECTOR

PROMOTING  
BUSINESS,  
FINANCE &  
TECH FOR GOOD



## Chapter 4. THE PRIVATE SECTOR: promoting business, finance and tech for good

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### Introduction

Responsible business is essential to building a stronger society that works for everyone. The government's Industrial Strategy prioritises long-term business growth as central for national prosperity, and we support responsible business as a force for good in our society. Therefore this chapter is addressed to all businesses and investors, as well as civil society organisations.

Our leading businesses increasingly put social and environmental responsibility at the heart of what they do. It is key to their strategies for long-term, sustainable value, including how they manage risk, and how they sustain public and investor trust in their brands and business models.

Alongside this, a new generation of businesses now go further and commit themselves explicitly to social and environmental purposes or missions, alongside profit, in their goods, services and how they operate.

The same goes for the role of finance and technology. In both these areas, the UK leads the world in creating social value. New models of social finance and social impact investing are opening new sources of capital to organisations that tackle social challenges, as well as enabling people to use their financial assets to invest in line with their values. The potential of digital and data to transform our society for the better – enhancing collaboration, enabling innovation, and creating efficiencies – is significant, and already we are seeing great progress.

In both areas, however, we have a long way to go to realise this potential. Too little of the UK's £6.9 trillion investment capital is devoted to businesses and sectors which directly create social and environmental capital. Too few civil society organisations are realising the opportunities that tech offers them. We risk falling behind as other countries catch up with the financial innovations the UK has led the way in.

Now more than ever, contributing to building a strong society should be part of being a successful business in the UK. We want to show to trading partners, investors, suppliers, and consumers worldwide that the UK is not just one of the best places to do business, but where we aim to do business the best. We also want to build on the leadership shown by the UK in developing responsible business practices internationally.

Growing socially and environmentally impactful businesses can be supported by the right sort of financing that facilitates a focus on delivering mission

related objectives alongside financial returns. Social impact investment is particularly appropriate to these businesses and the UK has been a pioneer in its development. This can create a virtuous circle in which impact focused investors finance responsible businesses. These in turn serve engaged consumers, meet social needs, and distribute profits which can be reinvested. The government wants to continue to grow the market for social impact investing.

An increasing number of people want to reflect their values in the things they choose to buy, the places they live and visit, and the jobs they do. People care about the impact that their choices have on our environment and humankind. Social impact investing provides individuals with the opportunity to embed their values in their saving and investment choices, empowering them to use their assets to create the world they want to live in.

The UK will continue to have a thriving tech for good sector, and continue to lead the world in social finance innovations. Civil society will be able to take advantage of technological innovations to help solve some of the most pressing social challenges.

## Mission 10: responsible business

### Supporting responsible businesses

The government supports responsible businesses. Our Industrial Strategy provides the context for an ambitious, long-term plan to help responsible businesses create better, higher paid jobs in every part of the UK, with investment in the skills, industries, and infrastructure of the future. Now, with this Strategy, we want to take the role of responsible businesses further. We are exploring new opportunities for responsible businesses to connect with the social sector to tackle social challenges, and we also support the important role which civil society organisations play to hold businesses to account with, for example, ethical expectations of their products or global supply relationships.

The government's vision is one where responsible businesses will play a key role as a force for good in our society. A responsible business might be seen as one which:

- pays its fair share of tax
- aims for positive interactions and relationships with its employees, shareholders, customers, and suppliers
- is transparent and accountable to its shareholders
- is open and communicates what it does for society and the environment
- trades fairly with its customers and suppliers
- recognises the responsibilities it has to treat its employees fairly, including through levels of pay
- protects the natural environment from its impacts and uses resources sustainably
- genuinely invests in and becomes part of the communities in which it operates

Our leading businesses put these precepts into practice. Examples include supporting diversity in their organisations and family friendly working practice, offering apprenticeships and work experience, considering the environmental footprint of their goods and services, paying their suppliers promptly, and sourcing from local small firms.

The government is supporting these developments in a range of ways, at home and internationally. It is driving business action to become more inclusive and representative of the UK population, improving the gender balance in business leadership and targeting barriers to participation and progression by black, asian and ethnic minority people.

**The government is implementing the Good Work Plan to respond to Matthew Taylor's review of the labour market and modern working practices, to focus on improving the quality of jobs and the wellbeing of workers across our economy.**

**The Clean Growth Strategy is key to the Industrial Strategy, to grow the UK's national income while cutting greenhouse gas emissions.**

The government recognises the importance of UK businesses acting responsibly and purposefully in their international operations, and is itself playing a leading part. The UK was the first country to launch a national action plan on business and human rights in response to the United Nations' Guiding Principles. Internationally, we work with businesses to build sustainable and inclusive supply chains and to tackle modern slavery. We also work with organisations such as the United Nations Global Compact – the world's largest corporate sustainability initiative.

In our globalised economy, the Organisation for Economic Co-operation and Development Multilateral Enterprises Guidelines set out how internationalised businesses ought to behave. **The government operates a National Contact Point, which considers complaints, often by civil society organisations, in relation to UK businesses' conduct overseas against this framework and offers a good conduit for conciliation services. The Department for International Trade will facilitate an OECD-sponsored peer review of the effectiveness of the UK's National Contact Point later this year.**

The government will build on its conversation with the business community and others as to what it is to be a responsible business in our society, at home and abroad. The government will champion the positive contribution that business can make to society, and the importance of this for long-term business success. **The government will continue to build its support for responsible business and will update on its approach in 2019, detailing how it is taking this important agenda forward, contributing to the objectives set out in the Industrial Strategy and in this Strategy.**

**The government will also establish a responsible business Leadership Group to lead the debate about the role of business in society and to develop actions – for both businesses and the government – to support businesses to fulfil this role.** This Leadership Group will comprise senior business leaders, investor leaders, and social sector representatives, and will report to ministers from Department for Business, Energy and Industrial Strategy and the Department for Digital, Culture, Media and Sport. It will be established by the end of 2018.

## **Supporting Socially and Environmentally Purposeful Businesses**

Across the UK, a growing number of businesses are adopting purposeful business models, looking to meet citizens' changing expectations of the social contribution of business. These businesses are moving beyond a focus on 'corporate social responsibility' as a distinct function alongside their corporate activity, and placing positive social and environmental impact at the core of their operations.

This trend is not confined to niche businesses, and purposeful business models are increasingly being adopted by mainstream businesses. This reflects growing pressure from shareholders, workers, and consumers.

The government is backing the growing numbers of purpose-led businesses, which commit to social or environmental objectives alongside profit. In 2016, the government commissioned the independent Mission-led Business Review, chaired by Nigel Wilson, CEO of Legal and General Group Plc. The Review highlighted the burgeoning scale of this business movement, and some ways in which it could be encouraged further.

Since the Review, the government has encouraged the growth of purpose-led businesses and worked to make acting purposefully accessible to all businesses. The government encouraged business-led development of Purposely, a tool that enables social entrepreneurs to embed purpose into their business's DNA by using the flexibility of the Companies Act, and the government also established the Inclusive Economy Partnership to harness the power of business as a force for good.

**In order to facilitate the continued growth of purposeful businesses, the government will explore further support for the development and expansion of the Purposely tool, which assists businesses to make the most of the flexibility within existing Company Law to embed purpose in their legal documents.**



## Updating corporate governance

The government sets the frameworks and so influences market conditions for corporate responsibility. Accordingly, we are working to keep our corporate governance framework up to date. The UK's framework supports our global reputation as a dependable place to do business. The Companies (Miscellaneous Reporting) Regulations 2018 have recently passed Parliament and have introduced new Companies Act reporting arrangements on executive pay, corporate governance arrangements and how directors should have regard to their company employee interests, and the need to foster relationships with suppliers, customers and others within the meaning of Section 172 (a)-(f) of the Companies Act 2006.

**The Financial Reporting Council recently consulted on proposed changes to the principles of good corporate governance for listed companies, set out in the Corporate Governance Code. The Financial Reporting Council announced on 16 July a revised Code, which places emphasis on businesses building trust by forging strong relationships with key stakeholders. The Code also calls for companies to establish a corporate culture that is aligned with the company purpose and business strategy, promotes integrity, and values diversity.**

**The government will develop further its work with the business community on guidance on Section 172 to support wider good corporate practice.** In this context, the Guidance developed by the Institute of Chartered Secretaries and Administrators Governance Institute in 2017 will be developed in the light of the intended Companies Act legislation, and the GC100 is updating their guidance for general counsels and company secretaries of FTSE 100 companies for later this year. The government welcomes other contributions to support good corporate practice by members of the business community and wider society.

## Partnerships with business on social challenges

The government encourages businesses to contribute towards our society and environment through actions and investments. Many businesses already do this in a variety of ways. The government wants more to do so and is supporting this development.

The Grand Challenges set out in the Industrial Strategy (on artificial intelligence and data economy, clean growth, the future of mobility, and ageing society) are set to transform industries and societies around the world. By addressing the Grand Challenges, we will make the UK world-leading in the industries of the future, and competitive in the face of the most significant global economic trends. The Grand Challenges represent a new approach and encourage collaboration between the government, business, academia, and civil society.

The Inclusive Economy Partnership supports greater collaboration between business, civil society organisations, and government departments to solve some of the toughest challenges in society. The Inclusive Economy Partnership harnesses the power of partnership through collaboration, innovation, and a shared determination to make the UK a better place to live and thrive.

The first phase of the Inclusive Economy Partnership brought together over 120 organisations to focus on three flagship challenges: financial inclusion and capability, mental health at work, and transition to work for young people. The programme is backing 18 small social innovators with impactful solutions to these

challenges to scale their activity through partnerships with other organisations. It has also initiated a number of ‘Big Idea’ projects – new initiatives to tackle the challenges – with the backing of business, charities, and other government departments (see case study below, ‘The Inclusive Economy Partnership’).

**Cabinet Office and the Government Inclusive Economy Unit will build on early experience of the Inclusive Economy Partnership, by working with business and civil society leaders to increase the impact on the challenges it is helping to solve through cross-sectoral partnerships. The government will publish an update on next steps for the Inclusive Economy Partnership by the end of 2018.**

**The government is also working in partnership with business to accelerate progress and help smaller businesses take action against modern slavery, through the government’s Business Against Slavery Forum, chaired by the Home Secretary.** The UK is the first country in the world to require businesses to report on the steps they have taken to tackle modern slavery. We have seen thousands of transparency statements published and many businesses are now more focused on this issue than ever before. CEOs from a range of multinational organisations work with the government to share experiences and galvanise action on this issue.

### **Promoting visibility and transparency**

Businesses communicate what they do for society and the environment in a range of ways. The government encourages businesses to do this as effectively and visibly as possible. There are wide audiences including shareholders, investors, customers, suppliers, and employees, as well as the communities in which the companies operate.

Reporting is one of the ways in which companies communicate on these issues. In 2016, the government amended the Companies Act to transpose the European Union Directive on Disclosure of Non-financial and Diversity Information. This introduced an additional requirement for the Strategic Reports prepared by large companies to cover their social and environmental impacts, from financial years 2017 onwards. **The Department for Business, Energy and Industrial Strategy will lead an evaluation of this reporting on social and environmental impacts.**

**The Government Inclusive Economy Unit will lead cross-government work to follow up the relevant recommendations from the advisory group on growing a culture of social impact investment in the UK, including further consideration of business transparency on social and environmental contributions, in the UK and internationally.**

The government recognises the increasing business interest in the United Nations Sustainable Development Goals (see ‘Sustainable Development Goals’), particularly as a means to frame and communicate what they do for society and the environment to wide audiences. The seventeen Sustainable Development Goals set an ambitious challenge for action worldwide, over the period to 2030, to combat the most pressing challenges of our time, including eradicating extreme poverty, ending hunger, protecting the environment and reducing inequalities. The Sustainable Development Goals are now the pre-eminent, comprehensive international framework for sustainable development.

## Sustainable Development Goals

In 2015, the UK committed with other United Nations' countries to deliver the Sustainable Development Goals. The Sustainable Development Goals aspire to end poverty, protect the planet and ensure prosperity for all, by achieving 17 goals by 2030. The Sustainable Development Goals apply domestically (as well as internationally) and call upon the private sector (in particular, businesses, and investors) to contribute towards the achievement of the Sustainable Development Goals.

There are 17 Sustainable Development Goals, substantiated by a further 169 targets and indicators. The 17 Sustainable Development Goals comprise:

- **goal 1.** No poverty: end poverty in all its forms everywhere
- **goal 2.** Zero hunger: end hunger, achieve food security and improved nutrition, and promote sustainable agriculture
- **goal 3.** Good health and wellbeing: ensure healthy lives and promote wellbeing for all ages
- **goal 4.** Quality education: ensure inclusive and equitable quality education, and promote lifelong learning opportunities for all
- **goal 5.** Gender equality: achieve gender equality and empower all women and girls
- **goal 6.** Clean water and sanitation: ensure availability and sustainable management of water sanitation for all
- **goal 7.** Affordable and clean energy: ensure access to affordable, reliable, sustainable and modern energy for all
- **goal 8.** Decent work and economic growth: promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all
- **goal 9.** Industry, innovation and infrastructure: build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation
- **goal 10.** Reduced inequalities: Reduce inequality within and among countries
- **goal 11.** Sustainable cities and communities: make cities and human settlements inclusive, safe, resilient and sustainable
- **goal 12.** Responsible consumption and production: ensure sustainable consumption and production patterns
- **goal 13.** Climate action: take urgent action to combat climate change and its impacts
- **goal 14.** Life below water: conserve and sustainably use the oceans, seas and marine resources for sustainable development
- **goal 15.** Life on land: protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- **goal 16.** Peace, justice, and strong institutions: promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels
- **goal 17.** Partnerships for the Goals: strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development

The government supports the realisation of the Sustainable Development Goals and it welcomes the emerging UK business response. Many of our leading businesses are considering their social and environmental responsibility, both what they do and how they communicate this, in the light of the Sustainable Development Goals. Many businesses are prioritising their efforts within the Sustainable Development Goals, for instance, acting to counter climate change, adopting sustainable resource use, guarding against modern slavery in supply chains, or supporting diversity and fairness in the workplace.

**The government is exploring wider UK business engagement with the Sustainable Development Goals. The Department for Business, Energy and Industrial Strategy and the Government Inclusive Economy Unit are exploring how businesses are engaging with the Sustainable Development Goals to see how to respond to this trend.** The government is interested to understand how businesses' use of the Sustainable Development Goals to frame their approach to social and environmental responsibility may facilitate comparison, raise standards, and stimulate investment.

**The Department for International Development is supporting the World Benchmarking Alliance, which will rank the world's biggest companies on their contribution to achieving the Sustainable Development Goals. The government is also helping businesses which operate abroad to demonstrate the returns possible from investing in work that helps meet the Sustainable Development Goals.**

### **Case study: the Inclusive Economy Partnership – using the power of partnerships to create positive social change**

The Inclusive Economy Partnership, set up in September 2017, aims to develop best practice in partnerships between civil society, business, and the government, to tackle challenges affecting disadvantaged communities. The first phase of the partnership is focused on three social challenges: financial inclusion and capability, mental health, and transition to work for young people.

The Inclusive Economy Partnership development phase identified 18 civil society organisations who are working on the challenge areas and who had identified an opportunity to scale up their impact through partnerships. They are currently going through a process, facilitated by Nesta, to find suitable partners.

Inclusive Economy Partnership working groups also generated 'big ideas'. These 'big ideas' are new projects tackling these challenges and four are due to be initiated in summer 2018:

- Nationwide Building Society are launching a project in collaboration with other Inclusive Economy Partnership members focused on harnessing the Open Banking changes to develop new technology solutions to financial inclusion and capability

- the Department for Digital, Culture, Media and Sport is working with Inclusive Economy Partnership members and across government to identify new ways to provide access to affordable credit for those in problem debt
- the Department for Work and Pensions is collaborating with Inclusive Economy Partnership members and the Disability Confident network to develop a new set of mental health and wellbeing metrics that organisations can voluntarily report against
- Accenture, O2, Movement to Work, UnLtd and Youth Employment UK are teaming up with the West Midlands Combined Authority to work on a project that's focused on enabling young people in the West Midlands who are furthest away from the labour market to build skills and aspiration and create pathways to work they find meaningful

This final project will build links between the Inclusive Economy Partnership and the new youth initiative, which will be established with £90 million of dormant accounts funding (see 'Helping the most disadvantaged young people').

Over 120 organisations are involved in the Inclusive Economy Partnership. Most of the 18 innovators are now in active partnerships or negotiating formal delivery partnerships as part of the process. At least three brand new collaborative projects are being initiated across each of the three challenge areas.



(Photo credit: Cabinet Office)

## Mission 11: finance for good

### Social impact investment

Social impact investing is a means of bringing significant commitments of capital to some of the UK's biggest opportunities for social progress, including in places where traditional investment capital does not flow in sufficient quantity. We should be thinking imaginatively about how to deploy a wide range of our country's resources in order to maximise the opportunities before us. This was strongly urged by participants in our engagement exercise.

The UK has seen significant growth in the social impact investment market and the government has played an important role in building this strong foundation. Big Society Capital was established in 2012 following the government's decision on the use of dormant accounts. Big Society Capital has committed up to £436 million of capital, leveraging over £804 million of co-investment into innovative investment models addressing entrenched social challenges. **In the coming years Big Society Capital will focus its strategy on providing homes for people in need, supporting communities to improve lives, and investment in early action to prevent social problems.**

Social impact investing is especially suited to providing individuals with opportunities to invest and save in line with their values. People increasingly seek to use their assets – their skills and their money – to create the world they want to live in. Social impact investing creates opportunities for people to embed their values in their saving and investment choices, empowering people to take a greater stake in a stronger, shared society. Pension investments are a particular area of opportunity here, as an example of the need for a wide conception of effective stewardship which ensures strong alignment with investor needs and preferences as well as consideration of wider stakeholders.

In June, the government published its response to the report: 'Growing a culture of social impact investing in the UK', which was produced by a government-appointed advisory group chaired by Elizabeth Corley, vice-chair at Allianz Global Investors.<sup>66</sup>

**The government endorsed the ambition of the report, with ministerial determination 'that social impact investment should become 'business as usual' for individual and institutional investors'. The response set out the government's commitment to support ongoing work by industry, alongside government actions across a number of areas** (see opposite, 'The government's response to the Corley Review').

## **The government's response to the Corley Review**

### **Improving deal flow and the ability to invest at scale:**

- the government is undertaking work to consider what measures it could take to unlock and boost social impact investment. For instance, the Secretary of State for Housing, Communities and Local Government is considering how social impact investment might support left-behind parts of the country, and help tackle homelessness and provide housing for vulnerable people
- the government will continue to implement the Life Chances Fund and to develop options for the use and growth of Social Impact Bond
- the government has committed to reviewing the Social Investment Tax Relief in 2019

### **Strengthening competence and confidence within the financial services industry:**

- the government is committed to partnering with and providing support to the financial services industry to help build social impact capabilities among investment professionals. It will work closely with regulators and statutory bodies to ensure that, as relevant to their respective mandates, social impact is considered in regulatory frameworks and understanding

### **Developing better reporting of non-financial outcomes:**

- following the transposition of the EU Directive on Disclosure of Non-financial and Diversity Information, the Department for Business, Energy and Industrial Strategy will lead an evaluation of company reporting on social and environmental issues
- the government, as part of its Corporate Governance Reform package, will introduce changes to the Companies Act requirements (Section 172) to improve businesses' reporting on their impacts on employees and other key stakeholders
- the government is exploring how businesses are using the Sustainable Development Goals to frame their social and environmental responsibility and communicate this more strongly
- the Department for Business, Energy and Industrial Strategy will participate in the United Nations' Intergovernmental ISAR Experts Working Group
- the Department for International Development will support the World Benchmarking Alliance to publish league tables ranking company performance against the Sustainable Development Goals

### **Making it easier for people to invest:**

- the government has published a consultation on changes to regulation in order to:
  - allow for consideration of broader financial risks and opportunities, including those related to environmental, social and governance issues
  - strengthen pension schemes' ability to consider member concerns about investments
  - clarify the various ways pension schemes should engage with the firms in which they invest, alongside voting, as an important aspect of stewardship of pension scheme assets

- the government departments will consider, at ministerial level, what more can be done to increase consideration of the wider impacts of pension investments – environmental and social, as well as financial. The government will focus on ensuring that current work is capitalised upon, on identifying and, where appropriate, proposing the removal of longer-term behavioural and legislative barriers, and on improving investor consideration and communication of impact issues
- for example, the government has the aspiration that defined contribution pension schemes could, if they chose and in line with their fiduciary duty, target a minimum percentage allocation of their default funds towards investments that have an explicit social or environmental purpose, and report on that. The government would also like to see investment decisions give greater consideration to the interests of members, whether those are known, for example through member surveys, or can reasonably be assumed, for example through knowledge of broad public opinion or government ratification of relevant treaties. It will work with industry and regulators to explore these ideas, and others, in order to grow the impact of pensions in the UK

## Community shares

Community shares is a sustainable social investment model that gives communities an opportunity to purchase a stake in their local community enterprise. It empowers communities by giving members, as part-owners, a direct say in the success of an enterprise, encouraging them to play an active part in its future.

The government has worked with Co-operatives UK and other partners to successfully increase the use of Community Shares as a way for community enterprises and businesses to engage their communities, raise finance and secure volunteers to help develop and sustain their business models. Between 2012 and 2017, the sector grew from £3 million of capital being raised by organisations to over £100 million, supporting an array of community projects that deliver important services in neighbourhoods through purchasing of community assets such as pubs and community centres and developing renewable energy schemes.

**The government will work with civil society partners, including the Ministry of Housing, Communities and Local Government’s Communities Partnership Board (a forum of social sector representatives) to explore ways of raising awareness and enabling use of this model in options to encourage community ownership of assets and within onward devolution approaches.**

## Financial inclusion

As stated above (see ‘Introduction’), **the government will direct funds for the establishment of a new Financial Inclusion organisation responsible for deploying £55 million of funding from dormant accounts.** It will primarily address the problem of access to affordable credit and alternatives. Over three million customers in the UK currently use high cost credit. They can struggle to access mainstream credit and therefore turn to expensive credit provided by payday lenders, doorstep credit or rent-to-own services. There are social alternatives to high cost credit which promote financial resilience in customers as well as helping to cover short-term expenses. This funding will help the affordable

credit sector to grow and support alternatives, through both investments and grants that support existing and new organisations.

The new organisation will aim to bring in co-funding from a range of investors, including the private sector. It will also build partnerships with the other organisations working hard to develop this sector, including the Financial Conduct Authority, the Financial Inclusion Commission, the End High Cost Credit Alliance, and the social sector more widely. The organisation will develop strategic partnerships with housing associations, as potential partners who deal with many customers at risk of financial exclusion. The direction for this funding was reached following an extensive evidence gathering and engagement exercise consisting of focus groups with individuals suffering from financial exclusion, workshops with the sectors responding to these issues as well as mainstream financial institutions, and input from the Inclusive Economy Partnership.

The organisation will also look to support other ways of helping individuals strengthen their financial resilience. It will work with providers of affordable credit to develop approaches to helping customers save money alongside taking out credit. It will also explore ways to help people protect themselves against income shocks, such as through insurance.

## Mission 12: the role of technology

### Tech for good

**The government's Digital and Industries Strategies set out how we will build on our success to date to develop a world-leading digital economy that works for everyone.** And as outlined in Chapter 3 (see 'Mission 9: a social sector confident with digital'), digital technology offers unprecedented opportunities to re-think the way in which we approach social challenges.

Digital organisations and workers are engaged in one of the most exciting, positive, and important projects in the world – solving problems by harnessing the potential of the latest and most innovative technologies. However, we should not downplay the risk of losing a public that feels excluded by fear of technology, a lack of confidence and skills, or simply an inability to get online.

In an increasingly digital world, we need to make sure that when confronting complex social and environmental issues, we are considering tech as part of the solution. Technology can make our services better and our products faster. It can create wider benefits for communities across the country. Part of maintaining trust is in demonstrating vividly and repeatedly that when society has a problem, technology can play a positive role in addressing it.

The government cannot drive the digital economy alone, just as organisations cannot solve social problems in isolation. The answer lies in working together to create the conditions for success. **That is why the government is eager to explore what more we can do to convene and facilitate partnerships between experts in tech and experts in civil society.**

The government has already played an active and pioneering role in supporting the emerging Tech for Good field. Social tech venture accelerators supported by government funding, such as Bethnal Green Ventures, were the first of their kind in the world. Programmes like these have now supported hundreds of social tech start-ups across the UK, be they for profit or not. The UK has a thriving Tech for Good ecosystem and as a result is viewed as a world leader in this area.

The government has also encouraged digital social innovation focused on specific issues. **In the 2017 UK Digital Strategy, the government announced the Fintech For All Competition – a Tech Nation competition focused on encouraging the development of digital approaches to support financial inclusion.** The competition received over 80 applications from fintech start-ups that serve over 680,000 customers across the UK.

Many Tech for Good organisations interface with the public sector as part of their operating model. We recognise that access to open data and the ability to integrate with public services will be an important part of developing the ecosystem. **The government has also launched a £20 million GovTech Catalyst Fund, which will help public sector bodies take advantage of new and emerging technologies.** It will provide support to define, develop, and test creative solutions to complex public sector problems. Contributing to the government's four Grand Challenges – Artificial Intelligence and Data, Clean Growth, the Future of Mobility, and our Ageing Society – the competition is designed to incentivise Britain's tech firms to come up with innovative solutions to improve public services.

The government will continue to champion technology as a real force for social good. **We will explore what more can be done to harness the power of technology to address complex social issues, including but not limited to tackling loneliness, healthy ageing, online safety, and digital inclusion.**

Participants in the engagement exercise told us that the right funding and support at the right stage can make a big difference to social tech ventures in early stages. While 2017 was a record year for UK tech investment overall, social tech ventures find it particularly challenging to raise venture capital at later stages, in order to realise their full-scale potential. **That is why we want to explore what more we could do to increase access to capital beyond seed stage for social tech ventures.**

During the engagement exercise the government also heard that social tech ventures often find it difficult to articulate and define their business models, which can often be a barrier to funding. **The government is interested in working with sector partners to explore if more could be done to segment and categorise social tech ventures.**

**The government is also interested in exploring how we could improve access to markets for social tech ventures.** This links with implementation of the Social Value Act. The Knight Foundation, a not-for-profit focused on fostering informed and engaged communities, found that some of the biggest challenges facing civic tech organisations were related to the complexities of government procurement.<sup>67</sup> **The government will review the extent to which it is procuring social tech solutions as part of its service delivery. As part of this we will also explore the role of corporate partnerships in the Tech for Good ecosystem.**

Research shows that more than half of UK citizens are interested in investments that support companies that are both profitable and make positive contributions to society, yet fewer than one in ten have actively engaged with such investments.<sup>68</sup> **To help enable individuals to better invest in line with their values, the government will look at how it can support the development of fintech applications that provide investors with direct sight of the social and environmental impact of their investments.**

## Ministerial statement: health and civil society



The NHS and our social care system simply could not operate without volunteers and civil society. There are 78,000 volunteers in NHS acute trusts alone, and many more people give their time in mental health, general practice, ambulance services and other health and care settings.

Civil society has a central role in our vision for healthy communities. We know that social networks are far more effective at conveying public health messages than expensive advertising campaigns. And often, the projects and services run by charities and social enterprises can be a better treatment than medicine. As part of a wider drive to personalise the NHS, social prescribing by which GPs refer people to workers who support them to participate in social projects, like a choir or gardening club – is one of the most promising developments in the modern NHS.

When it comes to coping with illness or injury and recovering after a period of poor health, civil society is a vital partner of the health and care system. From Macmillan Cancer Support to Help for Heroes, major national charities deliver vital resources and expertise to people in need of professional clinical and rehabilitative support. And at a local level, the network of social sector care homes, hospices and patient care groups deliver an extraordinary range of services, powered by experience and compassion.

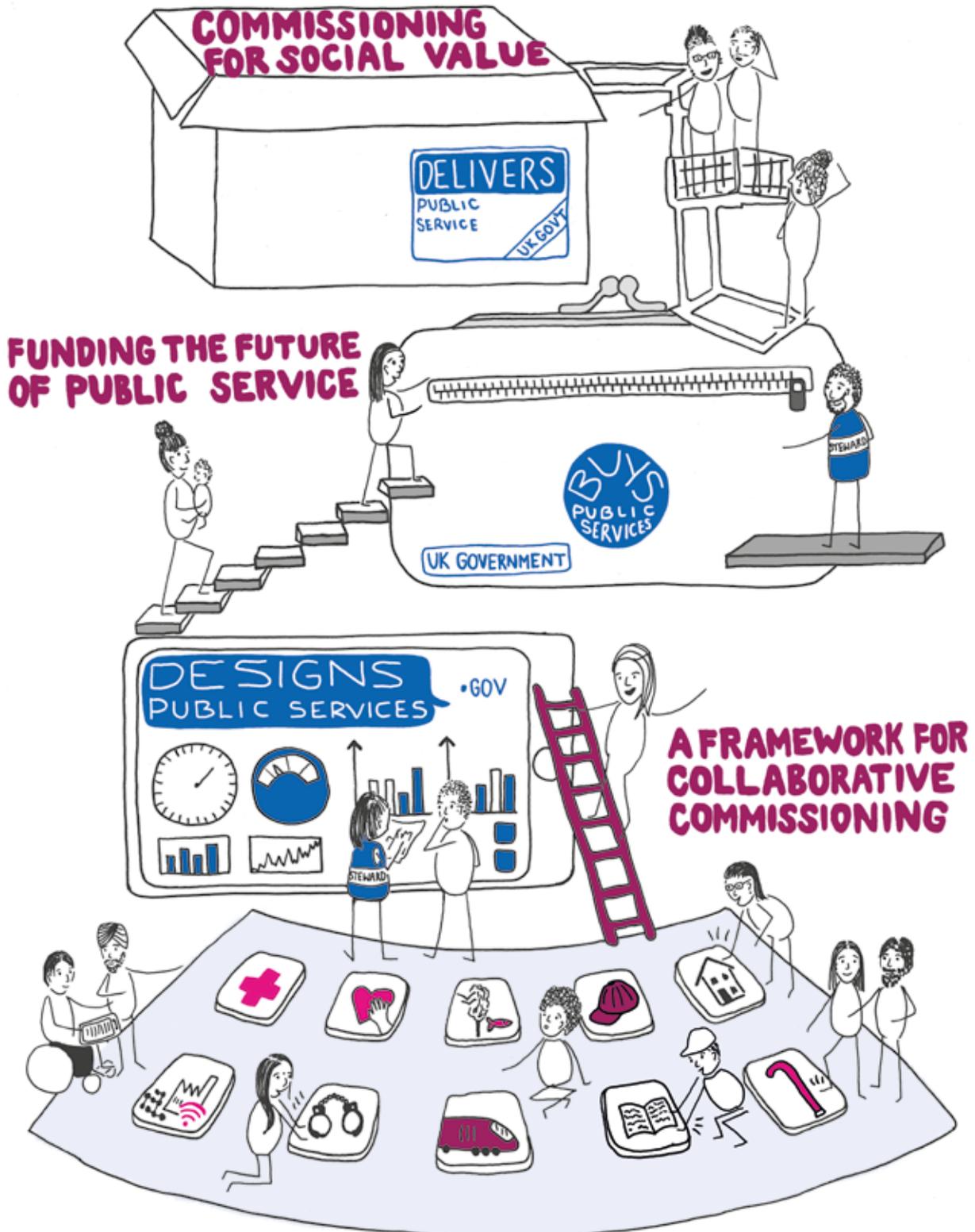
The Department of Health and Social Care is committed to working closely with civil society. The reforms proposed in this Strategy – particularly around volunteering, around local investment and empowerment, and around commissioning – will help deliver a healthier nation.

### **The Rt Hon Matt Hancock MP**

Secretary of State for Health and Social Care

# THE PUBLIC SECTOR

## ENSURING COLLABORATIVE COMMISSIONING



## Chapter 5. THE PUBLIC SECTOR: ensuring collaborative commissioning

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### Introduction

Many of our public services began life independent of government. Individuals and communities developed their own responses to the challenges or injustices they saw around them. The probation service, the National Health Service, and Jobcentre Plus all have their origins in models of charitable and mutual responsibility.

Over time, government stepped in to support and extend the work done by communities and private philanthropy. This helped ensure high standards and universal access, and created a system – the welfare state – which people could trust.

Over the last generation, government has introduced mechanisms intended to deliver greater value for taxpayers' money in public services, and to broaden the supply of services to include independent providers. These mechanisms, including the use of competitive tendering, have helped stimulate a market in which commercial players, as well as charities and social enterprises, take part. The government now spends £200 billion per year on outsourced public services.<sup>69</sup> The benefits for the taxpayer are clear: independent provision by a diverse range of suppliers can offer better value for money, open up to innovative solutions to policy challenges, and give public services access to new expertise and knowledge on complex issues.

The reforms have led to a greater focus on outcomes and costs. However, they have also spurred the development of a transactional model of service delivery, with an often rigid focus on quantifiable costs, volumes, and timescales rather than on the relationships, flexibility, and patience which the reality of life for many people and communities demands.

The commissioning model which applies in many of our public services, including the services commissioned by local authorities, often favours large companies who are better able to navigate complex commissioning systems, bid aggressively (including with 'loss leader' bids to take more of the market), and who can carry the financial risk passed on by commissioners to providers.

The system actively, albeit accidentally, restricts diversity of the market by putting in significant barriers that exclude smaller providers. It fails to recognise the added value that small and local organisations can bring: their local knowledge, the

philanthropy and in-kind or pro-bono resources they attract, their flexibility and commitment to the mission, and the support they have from local people, in short, the trust and social capital that they are stewards of.

Even when social sector organisations do win publicly-funded work, the monitoring and best value measures required by the public sector can result in them simply replicating statutory services provision, rather than allowing them to deliver their work more flexibly and being more responsive to local needs. One of the big advantages of mutualisation as an alternative delivery mechanism is the freedom to innovate and diversify beyond the 'basic' contract.<sup>70</sup>

Market mechanisms, including competition, chosen to suit specific public services challenges play a critical role in some public services, and large corporate players are a useful part of the market. However, all effective markets depend on trust, on understanding and shared goals which ensure the spirit as well as the letter of the contract is fulfilled.

The key to effective public services is the relationships between staff, volunteers, and the users of the service. In instances where this is working well, the accountability arrangement – the relationship – between the service provider and its commissioner is built on a shared mission.

The government's ambition is that the independent origins of our public services should be reflected in the way they work today, and that public service markets should enable collaboration as well as competition.

To this end, the government's vision for public services in the modern era is one of 'collaborative commissioning'. This means that in the future, local stakeholders will be involved in an equal and meaningful way in commissioning and all the resources of a community, including but not confined to public funding, will be deployed to tackle the community's challenges. People will be trusted to co-design the services they use.

Rather than being seen as a place of distinct policy priorities – health or crime or educational underachievement – a community will be seen as a 'system' of interconnected parts, each of which impacts the others.

Rather than being treated as the passive recipients of services designed elsewhere, the people of the community will be the active shapers of their own future, trusted to 'co-design' services, to direct commissioning decisions, and to play their part in making the service work.

Just as there will not be an automatic assumption that the state delivers public services, there will not be an assumption that only large corporations – the ones capable of carrying major financial risk – can be trusted to do important work on the government's behalf.

An important role of the government will be to 'steward' the public service market, using the most appropriate funding mechanism to achieve social value, be that contracts, grants or social investment. This means helping ensure far higher standards by commissioning collaboratively for outcomes.

## Mission 13: A framework for collaborative commissioning

### Supporting civil society from Whitehall

Collaborative commissioning means that local policy-making collaborates across organisational silos and also engages mutuals, social enterprises, community-based businesses, and charities rather than just the ‘core’ public sector. As one organisation urged during the engagement exercise: “instil a culture within public services that celebrates improved collaboration that acts as a catalyst for real partnership between civil society and public services. [...] Collaboration is not a single activity, but a way of working. It is about inclusion and involvement, input, and influence. These come with an equal need for responsibility, accountability, and a willingness to work with others towards a shared purpose.” The design of new policies and programmes should focus on desired outcomes and have regard both for their impact on civil society, and the potential role of civil society in delivery.

**In order for civil society to be represented at the apex of public sector commissioning – the Strategic Supplier Group – the Cabinet Office aims to include social enterprise in this Group.<sup>71</sup>**

**The current support programme for public service mutuals is proving popular and successful. The government is exploring options to extend the support currently offered to public sector teams aspiring to form mutuals to other community-led and social organisations which are already outside the public sector and wish to deliver public services. This would create an environment of far greater user-led, community-led and staff-led delivery. We intend to consult on the implications of this ambition, including the need for a specified threshold of eligibility and the potential value of public recognition of those organisations which meet this threshold – before designing a programme of action if the consultation indicates that this is needed.**

**The consultation will also take views on the impact of national pay deals on locally provided services that are no longer part of formal national arrangements (for example, former NHS or local government organisations).**

### Citizen Commissioners

More than new protocols in the government, the most effective means of ensuring ‘collaborative commissioning’ is by empowering communities directly. Responses to our public engagement overwhelmingly backed the proposal that more public services should be designed and produced with their users.

**The government will support the spread of ‘Citizen Commissioners’, local people supported to make commissioning decisions on behalf of their communities such as the scheme implemented by Sutton Council. This will also include young people (see Chapter 1 ‘People’).**

The government will support local authorities who are leading the way in co-designing, co-producing, and co-delivering their services with users and their local communities. **Building on the successful publication of the Enabling Social Action toolkit, the government will support and share the lessons from these local authorities by setting up learning events, champions, and a peer network.<sup>72</sup>** This will bring together commissioners, civil society organisations, and councillors to share good practice to create long-term culture change in service providers across the country.

## **The role of local government**

Local authorities are uniquely placed to bring together all partners, including the voluntary community and social enterprise organisations, to take a wider view in addressing some of the key challenges faced by communities and to ensure the most vulnerable people are not left behind. As the Secretary of State for the Ministry of Housing, Communities and Local Government said recently at the Local Government Association conference – “the power of local government is an incredible force for good – not as a distant, faceless bureaucracy, but, from the biggest unitary to the smallest parish council, as the heartbeat of the communities it serves”.

In the face of current challenges, local authorities continue to play an active role in communities by helping to establish clear local priorities, including bringing the voices of the voluntary, community, and social enterprise organisations to bear in the design and delivery of local services. Some local authorities, for example Calderdale council, have prioritised maintaining strong links with local social sector organisations to provide vital and tailored services to those who need it most.

Some councils are also increasingly taking a systems-wide approach to commissioning (rather than viewing it through the lens of individual services) to achieve better outcomes for their local population and enable more collaborative and grounded conversations about priorities and organisations’ individual contributions to them. For example, Plymouth council when considering how to achieve savings to their social services whilst maintaining standards of care, the entire partnership of statutory and social sector providers agreed an overall approach which protected mental health services (despite them already being in receipt of the largest budget) as they determined this was the linchpin service for the whole system.

## Case study: government, NHS and voluntary, community and social enterprise partnership working to enhance health and care

Voluntary, community and social enterprise organisations improve health outcomes and tackle health inequalities not only by delivering services but also by shaping their design and advocating for, representing, and amplifying the voice of service users, patients, and carers. Their input is essential to a vibrant local health economy.

The voluntary, community and social enterprise health and wellbeing programme was launched in April 2017. It is the place where the Department of Health and Social Care, NHS England and Public Health England work together with voluntary, community, and social enterprise organisations to drive transformation of health and care systems, promote equality, address health inequalities and help people, families and communities to achieve and maintain wellbeing. The objectives of the programme are to:

- encourage co-production in the creation of person-centred, community-based health and care which promotes equality for all
- enable the voice of people with lived experience and those experiencing health inequalities to inform national policy making and shape the delivery of services
- build evidence of sustainable, scalable solutions to mitigate and prevent inequalities impacting on the health and wellbeing of communities

The programme seeks to achieve its objectives through two co-dependent funded mechanisms:

- a national partnership arrangement: the Voluntary, Community and Social Enterprise Health and Wellbeing Alliance
- funding for bespoke projects: the [Voluntary, Community and Social Enterprise Health and Wellbeing Fund](#)

### Voluntary, Community and Social Enterprise Health and Wellbeing Alliance

The Voluntary, Community and Social Enterprise Health and Wellbeing Alliance is a partnership between the voluntary, community and social enterprise sector and the health and care system, designed to provide a voice and improve the health and wellbeing for all communities. It is made up of 21 voluntary, community and social enterprise members that represent communities who share protected characteristics or that experience health inequalities. It has been established to:

- facilitate integrated working between the voluntary, community and social enterprise and statutory sectors
- support a two way flow of information between communities, the voluntary, community and social enterprise sector and policy leads
- amplify the voice of the voluntary, community and social enterprise sector and people with lived experience to inform national policy
- facilitate co-produced solutions to promote equality and reduce health inequalities



Through their networks Alliance members can link with communities and voluntary, community, and social enterprise organisations across England. Individuals and voluntary, community, and social enterprise organisations who would like to share their experiences and ideas with NHS England, the Department of Health and Social Care and Public Health England can do so via Alliance Members.

*(Image credit: the Department of Health and Social Care)*

## Mission 14: Funding the future of public services

### Alternative commissioning models

To help the next generation of public services take form, communities need a richer, more diverse funding environment than currently. Supported by the government and stimulated by outcome-based commissioning or ‘Payment by Results’ contracts, recent years have seen the emergence of new finance models including Social Impact Bonds. These bring innovation, additional private sector finance, and a wider range of service providers to the task of addressing long-term social challenges. They additionally require a focus on outcomes and as such, enhance the social value of public service contracts. Participants in our engagement exercise argued that Social Impact Bonds had greater potential in commissioning than currently realised.

**The Centre for Social Impact Bonds will continue to provide support to government departments to take Social Impact Bonds to the next level of scale, and the government will continue to work with Big Lottery Fund to ensure that the £80 million Life Chances Fund grows the use of these types of commissioning tools in the mainstream of local public services.**

**The Centre for Social Impact Bonds will continue to build the evidence base for Social Impact Bonds, by supporting the monitoring and evaluation of programmes and further fund our partnership with the Government Outcomes Lab in Oxford University.**

**In addition, the government will work with partners to develop additional financial models for social enterprises which deliver public services alongside debt investment, including non-repayable capital grants, last-call or repayable grants (that are only paid once the enterprise is profitable), and equity investment.**

### Grants 2.0

Throughout the engagement exercise, we heard that the government should re-evaluate and promote the use of grant funding, partly in order to introduce into commissioning a more proportionate attitude to risk. In addition to Social Impact Bonds, and to social impact investment (see Chapter 4 ‘The private sector’), **the government wishes to broaden the range of funding options for community initiatives. This includes a revival of grant-making – ‘Grants 2.0’ – to reflect the fact that grants can combine flexibility with the accountability and performance rigour of a contract, and also bring ‘additionality’, such as philanthropic or in-kind investment.**

**The government recommends that all public bodies, including local government, follow the Grants Functional Standard, which sets out minimum grant standards for general grants, including mandatory training on proportionate grant management for all grant managers. The Cabinet Office Grants Efficiency Function have made available a new e-learning package via Civil Service Learning which is accessible to all public bodies and all grant makers are encouraged to complete this. The government will also promote and open-up access to the Grants Centre of Expertise, an online repository of best practice information for grant makers to all public sector commissioners.**

**Compliance to the Grants Functional Standards is checked on an annual basis and the government is exploring how to supplement this with intelligence from grant recipients.**

**As part of the UK's Open Government National Action Plan, the government is increasing transparency of public sector grant-making by publishing grants data to an open, standardised format, and we are currently developing a further commitment to this as part of the UK's next National Action Plan.<sup>73</sup>**

**The government also wants to see a greater number of grant funders in the UK commit to greater transparency in grants funding data, and will host a ministerial event with key sector partners to discuss how to collectively improve data infrastructure and open data publication to support civil society.**

Recognising that an important role of local government is to 'steward' the public service market and the important role and value of small and local charities, **the government will develop new guidance for all commissioners on grant-making to small and local charities, updating the Department for Digital, Culture, Media and Sport guidance 'Commissioning for social action'.**

The Commissioning Academy continues to support senior decision-makers to consider how to introduce co-design and co-production in their organisation.

### **Flexible contracting**

It is also possible to use contracts to create a more diverse supply of public services. Already commissioners are able to use public money in imaginative ways, if the will and the knowledge are there.<sup>74</sup> As participants in the engagement exercise stressed, more must be done to encourage commissioners to use the flexibilities available to them.

**In addition to the existing learning and development underway for the Government Commercial Function, all central government commercial buyers will be required to undertake training on how to take account of social value in commissioning and procurement.**

The government encourages public authorities to support the learning and development of commissioning skills (for example, through programmes such as the Commissioning Academy) not only commissioners but also for local councillors, for legal, procurement and planning officers, and a wider range of staff.

As explained above (see 'Measuring success'), **the government will consider the most effective ways to measure and evaluate social value. The Department for Digital, Culture, Media and Sport will commence this by publishing a guide to selling to government for voluntary, community, and social enterprise organisations, including social value.**

The Crown Representative for the voluntary, community and social enterprise sector champions an improvement in commissioning practices to enable small voluntary, community, and social enterprise organisations to contribute effectively to public services. The role functions as an intermediary between the government and the social sector both to support and challenge.

**The Crown Representative will run an awareness campaign to encourage use of Contracts Finder and Mystery Shopper services to promote early engagement and co-design and to hold authorities to account for poor practice.**

**The government will explore the potential to use flexibilities in the law governing contracts (such as the Mutuals Reservation) to reserve some competitions to other social purpose vehicles, and explore how the effectiveness of the reservation could be improved.**

Civil society organisations frequently complain that the law requires commissioners to issue a public competition to deliver a service which a civil society organisation has designed, often at significant resource cost. This makes the financial risk of collaborating on service design untenable for some civil society providers and strains relationships with commissioners.

The Innovation Partnership model exists to open up opportunities for commissioners to select innovative providers with whom they can then deliver services outside competitive tendering requirements. However, it is not being used. **The government will review this procedure and explore whether more can be done to encourage contracting authorities to work directly with partners to research and develop an innovative project or service, including trialling the Innovative Partnership model.**

## Case study: public service mutual – PossAbilities

PossAbilities left Rochdale borough council in 2014 to support people with learning disabilities, dementia, brain injury, and young people leaving care. Over the last four years, they've doubled in size and now turn over more than £11 million per year and employ 550 staff. They invest heavily in learning and development, and have seen staff absence drop by over 50% since spinning out. As an independent community interest company, they reinvest their profits into improving the organisation and supporting the local community. They're able to respond quickly to opportunities and develop more innovative services, such as their urban farm and wellbeing centre, which is run by people with learning disabilities. This success is reflected by them being one of the 1% of organisations recognised as "Outstanding" by the Care Quality Commission.

Mutuals have an important role in delivering high quality public services and offer a distinct alternative to in-house delivery or traditional outsourcing. Over 115 mutuals are operating in diverse sectors, from health and adult social care to libraries and youth services, delivering an estimated £1.6 billion of public services. They put more control in the hands of staff and communities, driving more innovative, responsive, better quality services and happier staff. In January 2018 the Department for Digital, Culture, Media and Sport launched a package of support worth £2.7 million to help new mutuals to emerge and existing ones to grow.



*(Photo credit: PossAbilities)*

## Mission 15: commissioning for social value

### Strengthening the Social Value Act

The Public Services (Social Value) Act 2012, known as the Social Value Act, requires public sector commissioners to ‘consider’ economic, social, and environmental factors in their procurement.<sup>75</sup> It was a milestone in the development of civil society. The Act has tremendous potential and we have seen it put to great use.

The government is determined to ensure that public spending is used to generate social value in addition to the services it purchases. There needs to be an increase in social value commissioning across all levels of government. This means improving the use of the Social Value Act.

Evidence provided to this Strategy suggests that too often the Act is treated as an afterthought, and a ‘tick box exercise’ to be performed for compliance only, rather than social value being designed into the service in a purposeful manner.

Alternatively, if designed badly, social value requirements can act as a barrier to entry for civil society organisations. Commissioners can sometimes prescribe too tightly and quantitatively – often for reasons of measurement and evaluation – what ‘social value’ the provider must deliver.

Civil society organisations themselves need to improve their understanding of social value. Commissioners report that too often charities or social enterprises undersell their social value, failing to properly account for the ‘additionality’ they bring.

The solution to these challenges is better information and training for commissioners and bidders, and a strong and public steer from central government about the priorities for public spending.

Another message the government heard during the engagement exercise was for the government to strengthen the Social Value Act. The government’s aspiration is to strengthen and extend the Social Value Act, but first taking into account the concerns and risks expressed to us. This means a phased approach, to take into account the learning and development needs identified and to give public authorities the flexibility to adapt to local market conditions.

The government’s long-term vision is for the principles of the Social Value Act to be applied to the whole of government spending and decision-making, including goods and works, such as building projects, as well as services.

Firstly, as announced on 25 June 2018, **central government departments will be expected to apply the terms of the Act to goods and works and to ‘account for’ the social value of new procurements, rather than just ‘consider’ it as currently. The Department for Digital, Culture, Media and Sport will lead the way by applying this wider remit to major projects, to be followed by other departments in due course.**

Secondly, **the government will explore the potential for the use of social value in grants as well as contracts.**

Thirdly, **the government will explore the suggestion submitted to this Strategy that the Social Value Act should be applied to other areas of public decision-making such as planning and community asset transfer.**

## Ministerial statement: refugees and civil society



The Vulnerable Persons Resettlement Scheme was launched in January 2014. In September 2015 the then Prime Minister stated that this would be expanded to commit to resettling 20,000 of the most vulnerable refugees fleeing the Syrian conflict by 2020. Since then we have resettled over 11,600 refugees under the scheme (11,649 as of March 2018), meaning we are well over halfway towards meeting our target. This is in addition to those resettled under the Vulnerable Children's Resettlement Scheme, which aims to resettle up to 3,000 at-risk children and their families from the Middle East and North Africa region by 2020, as well as our long-running Gateway and Mandate schemes.

The response of the British public to the Syrian refugee crisis has been fantastic. Working with local authorities across the UK, civil society has played a vital role in supporting the more than eleven thousand refugees resettled under the Vulnerable Persons Resettlement Scheme since 2015.

In 2016, the government launched a Community Sponsorship scheme to enable community groups to play a more direct role in welcoming and supporting vulnerable refugees fleeing conflict. Under this scheme refugee families are supported by groups of local people who provide a warm welcome, housing, and access to local services. Crucially, they help refugees to integrate into the communities they are joining. Since then over 130 refugees have been welcomed by more than 20 local community groups across the UK. The sponsoring groups include a variety of faith and non-faith community groups, often working in partnership together, and with the local authority.

For me, community support for refugees is the essence of civil society – groups of people deciding to use their own social capital to help others connect to wider UK society. I am incredibly proud that our country has risen so generously to the challenge of supporting vulnerable refugee families fleeing the conflict in Syria. That is why, on 18 June 2018, I announced the award of £1 million of funding to Reset, a consortium of civil society organisations, to train and support those community groups who want to sponsor refugees through Community Sponsorship.

**The Rt Hon Caroline Nokes MP**  
Minister of State for Immigration

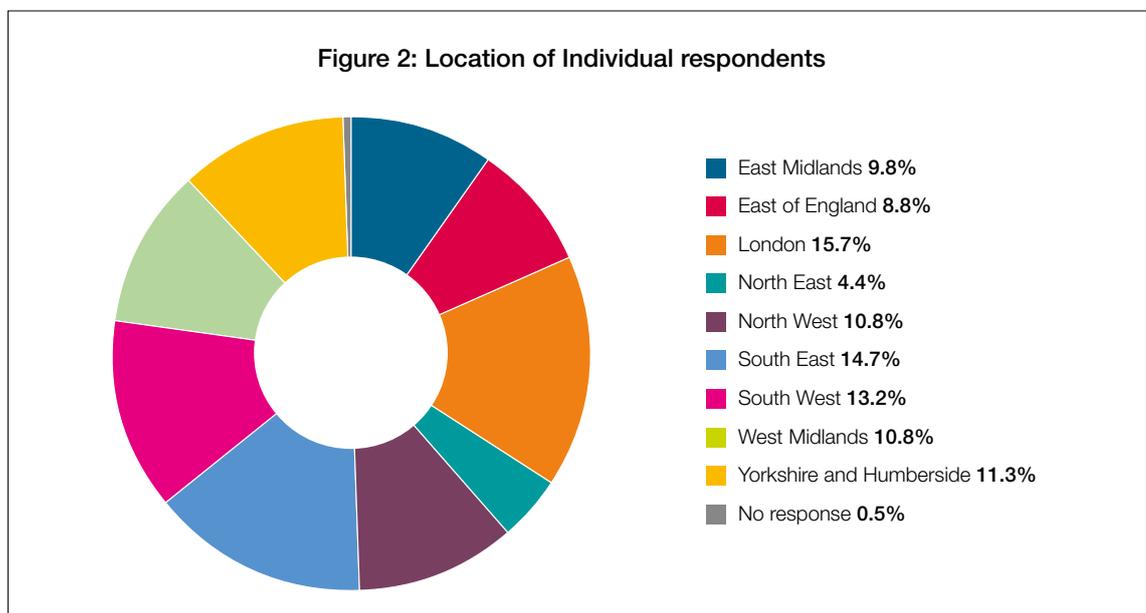
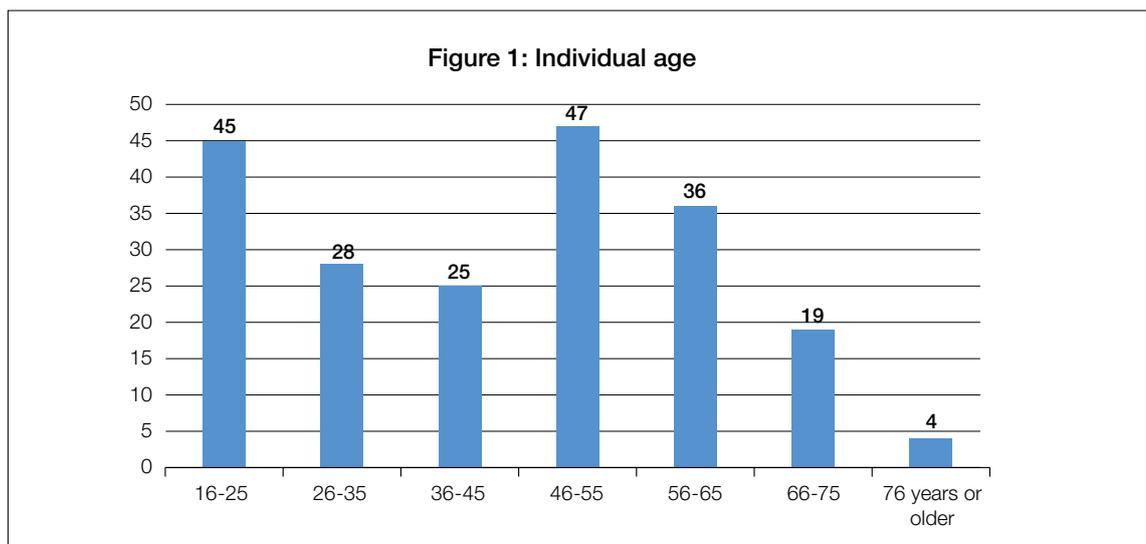


## Annex A. Engagement Exercise: demographic information

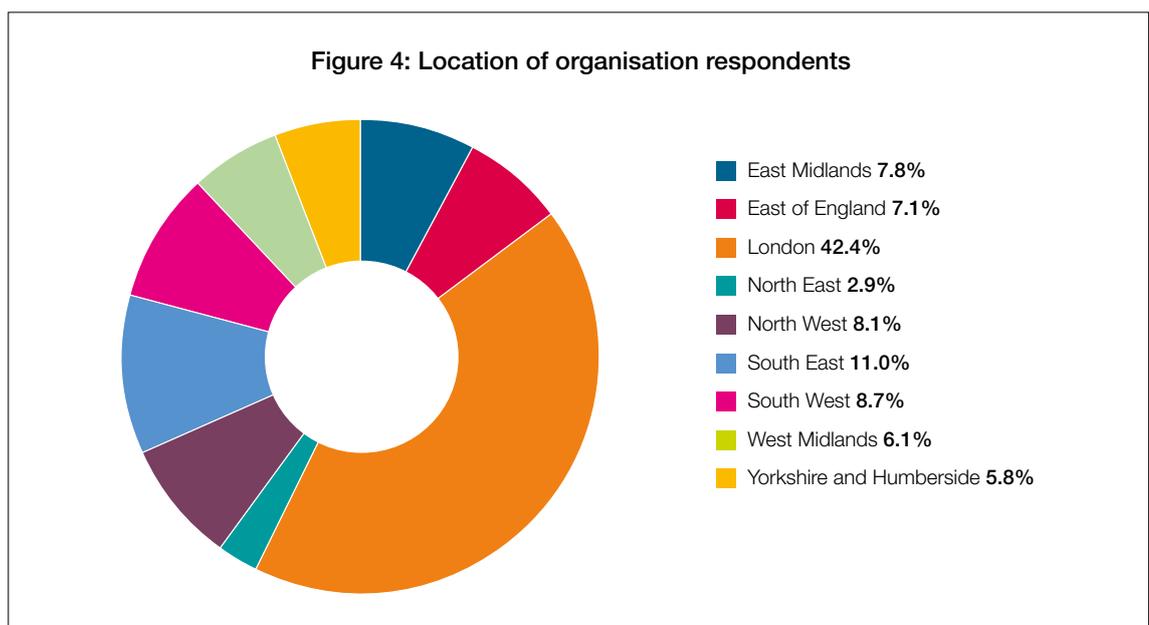
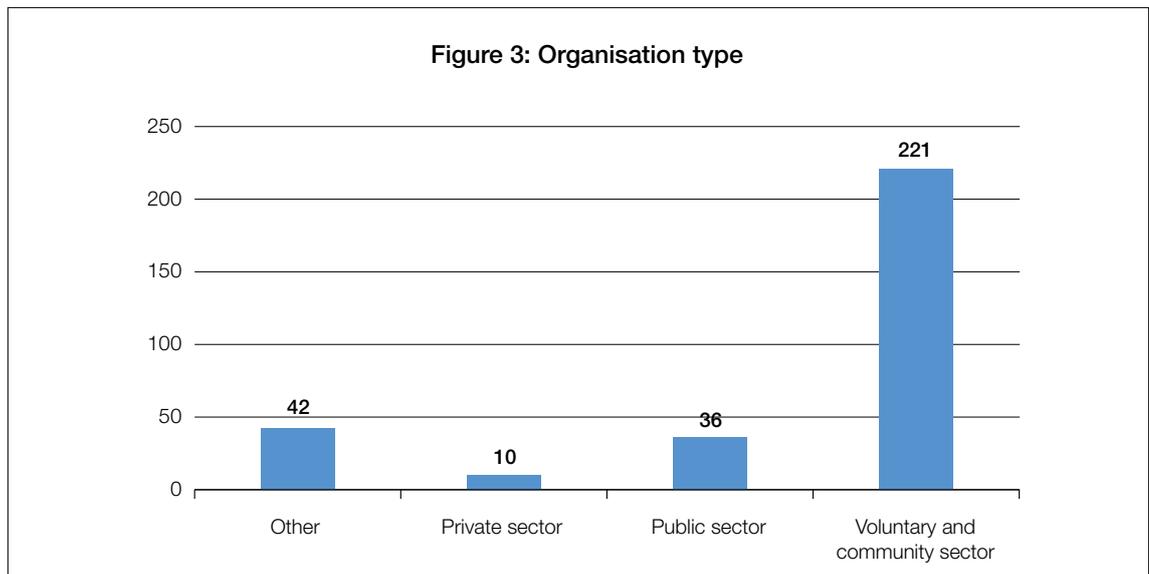
As set out in the beginning of this document (see ‘Developing the Strategy’), the Office for Civil Society carried out a public engagement exercise in spring 2018 to help develop this Strategy.

Through the online platform on GOV.UK, we received 513 responses of which 204 were by individuals and 309 by organisations.

The majority of individuals who responded were aged between 16 and 25, and 46 and 65 (see figure 1). Individual respondents came from all over the country (see figure 2).



Most organisations who responded were from the voluntary and community sector (see figure 3). The location of organisations who responded covered the whole country, however, London had the most respondents (see figure 4).



# Endnotes

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## Ministerial Foreword

1. Letter to Tracey Crouch co-ordinated by Lloyds Bank Foundation for England and Wales, 17 June 2018, signed by Paul Streets (Lloyds Bank Foundation), Vicky Browning (Association of Chief Executives of Voluntary Organisations), Carol Mack (Association of Charitable Foundations), Judith Brodie (Bond), Caron Bradshaw (Charity Finance Group), Kathy Evans (Children England), Anne Fox (Clinks), Debra Allcock Tyler (Directory of Social Change), Peter Lewis (Institute of Fundraising), Tony Armstrong (Locality), Jane Ide (NAVCA), Dan Corry (New Philanthropy Capital), Mandy Johnson (Small Charities Coalition), Rachel Rank (360 Giving)
2. Myron Rogers, chair of the Lankelly Chase Foundation, quoted in '[Lankelly Chase's approach to working with complexity](#)' [blog], 2018

## Executive Summary

3. '[The Compact](#)'
4. '[Growing a Culture of Social Impact Investing in the UK](#)', Department for Digital, Culture, Media and Sport, HM Treasury, 2017

## Introduction

5. The government's Integrated Communities Strategy green paper, published in March 2018, sets out a bold and ambitious vision for integrated communities where people, whatever their background, live, work, learn and socialise together, based on shared rights, responsibilities and opportunities.
6. '[Industrial Strategy: building a Britain fit for the future](#)', Department for Business, Energy and Industrial Strategy, 2017
7. '[25 Year Environment Plan](#)', Department for Environment, Food and Rural Affairs, 2018
8. '[Integrated Communities Strategy green paper](#)', Ministry of Housing, Communities and Local Government, 2018
9. '[Government unlocking £330 million from dormant accounts to build a fairer society](#)', Department for Digital, Culture, Media and Sport, 2018

## Chapter 1

10. '[Community Life Survey 2017-18](#)', Department for Digital, Culture, Media and Sport, 2018
11. '[National Youth Social Action Survey 2017](#)', Ipsos MORI, 2018
12. '[Health and wellbeing: a guide to community-centred approaches](#)', PHE/ NHS England, 2015
13. '[Evaluating Youth Social Action](#)', The Behavioural Insights team, 2016; '[The benefits of making a contribution to your community in later life](#)', Centre for Ageing Better, 2016
14. '[The future of work: jobs and skills in 2030](#)', UK Commission for Employment and Skills, 2014: As the world of work becomes more flexible, employees are expected to shoulder more and more responsibility for skills development. Self-management, alongside core business skills, such as project management expertise, and the ability to promote your personal brand, will become increasingly vital. Personal agility and resilience, such as the ability to adapt to or embrace change is important within this context. Particularly for young people who will be competing for jobs with those that stay in employment longer.
15. '[Habit of Service: The factors that sustain service in young people](#)', University of Birmingham, 2017
16. For example, see '[Sainsburys Living Well Index](#)', Oxford Economics and National Centre for Social Research, 2017; '[You're not alone: the quality of the UK's social relationships](#)', Relate, 2017

17. [‘The well-being of nations: the role of human and social capital’](#), OECD, 2001
18. The strategy will be England-only, but we are working with colleagues in the Welsh and Scottish governments to ensure our work complements theirs already underway.
19. The Charity Commission works across England and Wales.
20. [‘The Possible, not the Perfect: Learning from funder responses to emergencies’](#), Institute for Voluntary Research, 2018
21. [‘Every Voice Matters: building a democracy that works for everyone’](#), Cabinet Office, 2017
22. [‘People Power - Findings from the Commission on the Future of Localism: Summary Report’](#), Locality, 2018
23. ‘Self-efficacy mechanism in human agency’, *American Psychologist*, 37 (2), Bandura, Albert, 1982
24. ‘Self-efficacy: Thought control of action’, Schwarzer, Ralf, 1992
25. [‘Community Organisers – inspiring people to build a bigger, stronger society’](#) [blog], Cabinet Office, 2015
26. [UK Digital Strategy](#), Department for Digital, Culture, Media and Sport, 2017
27. [Internet users, UK: 2018](#) [statistical bulletin], Office for National Statistics, 2018
28. [‘The benefits of making a contribution to your community in later life’](#), Centre for Ageing Better, 2016
29. [‘Government invests £2.7 million to bring communities together through volunteering’](#) [press release], Department for Digital, Culture, Media and Sport, 2018
30. [‘Harnessing social action to support older people’](#), Nuffield Trust, 2016
31. National Citizen Service is open to young people in England and Northern Ireland.
32. [‘National Citizen Service 2016 Evaluation’](#), Department for Digital, Culture, Media and Sport, 2017, (NCS graduates give back an additional 6 hrs per season to their community, p.34)
33. [‘Race Disparity Audit’](#), Cabinet Office, Prime Minister’s Office, Department for Education, Department for Health and Social Care, Ministry of Justice, 2017
34. [‘Government response to the Full Time Social Action Review’](#), Department for Digital, Culture, Media and Sport
35. [‘Serious Violence Strategy’](#), Home Office, 2018

## Chapter 2

36. [‘Historical review of place based approaches’](#), Lankelly Chase, 2017
37. See [‘Historical review of place based approaches’](#), Lankelly Chase, 2017
38. F. Polletta, ‘Participatory Democracy’s Moment’, *Journal of International Affairs*, 2014
39. [‘Community Life Survey 2017-18’](#), Department for Digital, Culture, Media and Sport, 2018
40. [‘One community: A guide to effective partnership working between principal and local councils’](#), Local Government Association and National Association of Local Councils, 2018
41. [‘Community Life Survey’](#), Department for Digital, Culture, Media and Sport, 2018; [‘British Social Attitudes Survey 34’](#), NatCen Social Research, 2017; Suella Fernandes MP, Chuka Umunna MP, and Jon Yates in [‘A Sense of Belonging: building a more socially integrated society’](#), Fabian Society/BrightBlue, 2017; [‘Taking Back Control in the North’](#), IPPR North, 2017
42. Dr. W. Russell, [‘The macro-impacts of citizen deliberation processes’](#), newDemocracy Foundation, 2017; H. Pallett and J. Chilvers, ‘A decade of learning about public participation and climate change: institutionalising reflexivity’, in *Environment and Planning A* 45 (5) 1162-1183, 2013; [‘Communities in the driving seat: a study of participatory budgeting in England’](#), Department for Communities and Local Government, 2011
43. [‘Every Voice Matters: building a democracy that works for everyone’](#), Cabinet Office, 2017
44. [‘Strengthened Local Enterprise Partnerships’](#), Ministry of Housing, Communities and Local Government, 2018

## Chapter 3

45. The Sheila McKechnie Foundation undertook a survey of civil society campaigners in 2017. There were 151 responses, of which 90% thought that there are threats to the legitimacy of campaigning; 63% cited “senior managers and trustees being more cautious about campaigning”, [Campaigner Survey](#), Sheila McKechnie Foundation, 2017

46. [‘Open government’](#) [collection], 2018; UK wide
47. [‘The Compact’](#)
48. The Charity Commission works across England and Wales.
49. [‘UK Civil Society Almanac 2018’](#), The National Council for Voluntary Organisations, 2018
50. [‘Taking the Pulse of the Small Charity Sector’](#), Foundation for Social Improvement, 2017; [‘UK Civil Society Almanac 2018’](#), The National Council for Voluntary Organisations, 2018
51. The UK Government issues Policy Directions for the Big Lottery Fund’s UK-wide and England funding portfolios. Big Lottery Fund receives separate Policy Directions from the devolved administrations with respect to its funding in Scotland, Wales, and Northern Ireland.
52. [‘UK Giving Report 2018’](#), Charities Aid Foundation, 2018
53. ‘Legacy Giving 2017’, Legacy Foresight, 2017; ‘Facts and Figures: legacies for charities’, nfpSynergy, 2017; ‘Payroll Giving Schemes 16/17’, HMRC, 2017
54. [‘UK Civil Society Almanac 2018’](#), The National Council for Voluntary Organisations, 2018
55. UK wide.
56. [‘Taken on Trust’](#), Charity Commission, 2017
57. [‘Small Charities Sector Skills Survey 2016-17’](#), Foundation for Social Improvement, 2016
58. [‘Dame Mary Marsh Review of Skills and Leadership in the VCSE Sector’](#), Cabinet Office, 2013
59. [‘Change for Good: Report of the Independent Commission on the future of local infrastructure’](#), NAVCA, 2015
60. The Charity Commission works across England and Wales.
61. The Fundraising Regulator holds the Code of Fundraising Practice for the UK. It regulates fundraising in England, Wales and Northern Ireland.
62. [‘The Charity Digital Skills Report 2018’](#), [Skills Platform](#), 2018
63. [‘UK Business Digital Index 2017’](#), Lloyds, 2018
64. This programme will be funded by the Big Lottery Fund’s UK Portfolio, and will be open to applications from organisations UK-wide.
65. The Charity Digital Code of Practice will be used in England, Scotland and Wales.

#### Chapter 4

66. [‘Government Response to Advisory Group Report on ‘Growing a Culture of Social Impact Investing in the UK’](#), Department for Digital, Culture, Media and Sport, 2018
67. [‘Scaling Civil Tech’](#), The Knight Foundation, 2017
68. [‘The Value of Being Human: A Behavioural Framework for Impact Investing and Philanthropy’](#), Barclays, 2015

#### Chapter 5

69. [Chancellor of the Duchy of Lancaster David Lidington speech to Reform](#), 2015
70. [‘Public Service Mutuals: The State of the Sector’](#), Social Enterprise UK, 2018
71. Strategic Suppliers are suppliers with contracts across a number of Departments whose revenue from government exceeds £100m per annum and/or who are deemed significant suppliers to government in their sector.
72. [‘Enabling social action: guidance’](#), Department for Digital, Culture, Media and Sport, 2017
73. [‘Open government’](#) [collection], 2018; UK wide
74. [‘The art of the possible in public procurement’](#), E3M, HCT Group and Bates Wells Braithwaite, 2016
75. The Social Value Act extends to England and Wales. The Welsh government and Welsh public bodies carrying out devolved or partly devolved functions are not required to follow the policy.



