

CONSULTATION DOCUMENT

ON

FUNDING FOR THE VOLUNTARY

AND COMMUNITY SECTOR

DSD

Department for
Social Development

April 2000

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CONSULTATION DOCUMENT ON FUNDING FOR THE VOLUNTARY AND COMMUNITY SECTOR

Purpose of the Consultation

Government Departments have been very conscious of the problems for the voluntary and community sector, arising from short-term funding, reducing availability of public sector funds and the wide-range of largely disparate funding sources.

Efforts must be made by both sectors to tackle the issues in a more strategic way. They must recognise the value of a co-ordinated approach by Government Departments, partnership with a voluntary and community sector prepared to review its own position, and involvement of all the key players.

The consultation document is based on a report from an inter-Departmental review group on future funding for the voluntary and community sector. The group's views and recommendations are presented for analysis and comment, following approval of their publication by the then Minister for Social Development and the DSD Assembly Committee.

Particular issues for comment include:-

Government

- the need for a more co-ordinated, strategic approach to the funding of the voluntary and community sector;
- appointment of the Department for Social Development Minister as "*champion*" Minister, supported by effective mechanisms for inter-departmental co-ordination, through the Voluntary Activity Unit of DSD;
- creation of an Active Community Unit, subsuming the Voluntary Activity Unit, with a higher profile, to work across Government;
- dialogue with major funders in the public, charitable and private sectors;
- map the community infrastructure of the voluntary and community sector;

- establish a common database for funding;
- develop a set of core indicators to measure performance and outcomes of funded organisations;
- develop a co-ordinated and integrated approach to local development;

Voluntary and Community Sector

- consolidation of delivery mechanisms;
- implement “*adaptive change*”, looking inwards and outwards using innovation and creativity;
- implement strategic planning, develop new relationships, and continuous improvement;

Both Sectors

- establish a Task Force led by the Voluntary Activity Unit;
- consider the establishment of a Social Capital Fund;
- define sustainability and build this into all programmes;
- ensure all project funding is time bounded, and has clear objectives linked to measurable outputs.

The Process

Responses to this document will be made available to the public on request unless correspondents clearly indicate that they wish their responses to remain confidential.

Responses to the issues raised should be sent by **7th July 2000** to:

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The Voluntary and Community Sector in Northern Ireland

1. There are approximately 5000 voluntary and community organisations in Northern Ireland which provide employment to some 33,000 people. Collectively there are more people engaged in this sector than are employed in manufacturing. The gross annual income for the sector is estimated to be around £500m. Government in its various guises is the major source of funding for organisations and the most recent analysis of Government funding of the sector found that a total of £189m was delivered through 58 different programmes in 1996/97. These included 30 European Structural Funds measures with a value of £64.6m, with £44m made available to the Special Support Programme for Peace and Reconciliation. Of the organisations securing Government funding, two-thirds received this via a single Department. One third came from various combinations of between two and four Departments.

Other significant providers are the National Lottery and various charitable Trusts. In 1996/97 the National Lottery Charities Board contributed £13.3m to 243 projects while the International Fund for Ireland (IFI) contributed some £11.3m.

Background

2. In February 1999 the then Secretary of State commissioned an Inter-Departmental Group to consider and report on what action could be taken in the short term to sustain and protect the voluntary and community sector. This was driven by the likely funding pressures confronting the sector as a result of the anticipated contraction in available resources in 2000 and beyond.
3. The imminent closure of around 50% of funding measures through the termination of the 1994-1999 EU programmes poses an immediate problem for the sector and a threat to the survival of small organisations without alternative funding sources. For each job lost amongst paid employees, two volunteers will be threatened. There will be a knock-on effect on the provision of services delivered to the community.
4. Analysis has suggested that at most risk could be the 4000 jobs in small locally based groups. Contraction of larger organisations could inflate further possible job losses.
5. The problem caused by finite funding programmes is not one for Government or the voluntary and community sector alone. Dealing with sustainability will require a collaborative approach with mutual adjustment on the part of both the voluntary and community sector and the statutory sector.

Terms of Reference

6. The agreed terms of reference for the Group were:

“Having regard to issues of sustainability facing Government and the voluntary and community sector as a result of finite funding programmes and the need to ensure that government funding (including European funding) of the sector aligns with government priorities:

- *To consider options for action which might be taken in the short term to address the issues by:-*
 - *Government;*
 - *The Voluntary and Community Sector;*
 - *Government and the sector jointly.*

- *To make recommendations on action to be taken.”*

Approach

7. The following specific issues were addressed by the Group:

- How consistent has funding for the voluntary and community sector been with Government priorities;
- What the Government and the sector have been doing / can do to address the issue of sustainability;
- The extent of complementarity and interdependence that exists between Government and other funders and the voluntary and community sector;
- The scales and types of funding and means of delivery;
- The scope for further diversification of funding for the sector.

8. In identifying options for action the Group focused on:
 - Priorities for future funding – in particular the areas that should be protected;
 - Means of delivery in order to achieve objectives defined by government priorities;
 - How to develop and maintain a strategic approach that aligns with government priorities and meets needs within the sector.

9. In addition to on-going and completed review work a number of specific exercises was undertaken to inform the Group:
 - The Northern Ireland Statistics and Research Agency (NISRA) analysis on voluntary and community sector funding and its relevance to departmental objectives
 - PriceWaterhouseCoopers (PWC) review of small grants in the context of the Peace Programme;
 - Intermediary Funding Bodies (IFBs)/Sectoral Partners survey on funding for the voluntary and community sector.

Considerations and Findings

Public Funding

10. The overarching message to emerge from the NISRA consultation with Departments was their endorsement that some Government funding for the voluntary and community sector contributes to the Government's spending priorities of education and health and to other key aims in relation to employed and social inclusion. Funding to the sector is generally considered by Departments to contribute positively across a broad spectrum of political, economic, social, cultural and environmental objectives; however it was felt that there was considerable overlap and scope for rationalisation and a greater coherence in delivery.

11. From the political dimension, it was considered that support to voluntary and community sector groups contributes to the peace process by promoting a more equitable society, by giving both traditions greater confidence in Government and by promoting improved community relations. Departments noted that funded programmes are often underpinned by an inclusive and partnership-based approach. In this context the funding is judged to enable Departments to share information with the community/voluntary sector about problems, options and policies and to seek co-operation and collaboration with the sector in developing and delivering solutions.
12. From an economic perspective, Departments identified many programmes where funding to the sector helps to encourage private sector investment and regeneration activities, particularly in disadvantaged urban and rural areas. Furthermore, Departments identified that support to the voluntary and community sector helps to develop the economic impact of the cultural sector, to promote lifelong learning and higher skills levels and to increase the employability of specific groups such as young unemployed and the long term unemployed.
13. In terms of social objectives, funding to the sector is considered to contribute to the broad equality agenda. Departments highlighted that funding delivers activities which help the reconnection of the long term unemployed to the labour market, which promote a more equal distribution of the benefits of economic growth and which target resources and services on individuals and areas of greatest need. Funding is also considered to promote policies leading to good health and well-being and in increasing the accessibility of health and social care services.
14. From a short-term funding perspective, a substantial number of programmes supporting the voluntary and community sector are funded through the European Structural Funds and, in particular, the European Union Special Support Programme for Peace and Reconciliation (EUSPPR). Many of these programmes are not included in the Government's expenditure plans and are therefore vulnerable in the short to medium term should EU funding not be continued.
15. Notwithstanding the generally positive feedback from Departments in relation to the 'fit' of voluntary and community sector support with stated priorities, there are a number of salient considerations in relation to future funding of the sector:

- Departments considered their voluntary and community sector programmes to be strongest in terms of issues such as promoting social inclusion; consistency with New Targeting Social Need (TSN); the delivery of services to the most disadvantaged areas and individuals in society; promoting a more equal distribution of the benefits of economic growth; and improving community relations. The contribution of the sector to economic objectives appeared to be less strong (although certain programmes do combine the economic and social aspects - for example, community-based regeneration is extremely important in Departments such as the Department for Social Development (DSD) and the Department of Agriculture and Rural Development (DARD)). Furthermore, social investment is very often a necessary and at times essential pre-cursor to economic development.
- There is evidence of a considerable degree of overlap in terms of the Departmental objectives to which the voluntary and community sector is considered to contribute most strongly (for example in areas such as targeting individuals and areas in greatest need and promoting economic and social regeneration). This might be considered, from a positive viewpoint, as providing evidence of complementarity. Conversely, there must be concerns that the situation could in fact be illustrative of duplication and fragmentation in terms of delivery. This in turn implies that there is scope for rationalisation and greater coherence of delivery.
- Finally, while there is some evidence for specific programmes of a relatively low cost per job, the overall value for money of support to the voluntary and community sector remains difficult to substantiate. There is considerable variability in the quality of monitoring data collected by Departments across different programmes. There tends, in general, to be an emphasis on inputs (finance) and activities (e.g number of participants) rather than on the outcomes from the programmes (i.e evidence of achievement of stated objectives). The initiative taken by the Voluntary Activity Unit to develop core indicators to measure the outcome of voluntary activity will, however, significantly strengthen the ability of the sector to demonstrate value for money.

Sustainability

16. Failure to sustain voluntary and community sector delivery could impact upon both the sector and the economy. Unless performance, outputs and outcomes can be identified and defined and relative values measured, the extent to which the service can be sustained is not capable of quantification. It is essential that sustainability be defined if the contribution of the sector is to be quantified and there is clarification of which sector programmes merit continued funding.
17. A commonly used definition of sustainability relates to the ability of a project to continue in the absence of public funding. The voluntary and community sector has tended to adopt a view of sustainability that goes beyond that narrow perspective. It looks at the issue in relation to the sustainability of impact of funding and actions and includes policy influence and potential for mainstreaming as determinants of success and a key aspect of an exit strategy.
18. The continuity of project activities is normally set in a dynamic context and is based on on-going assessment of need, evaluation of performance and changing external influencing factors. The sustainability of organisations relates to core funding and the capacity building to ensure there are the appropriate skills and resources to maintain their operation.
19. Three aspects of sustainability may be identified i.e. the **group**, the **projects** it may be involved in, and the **impact** of project activities. Sustainability of the community infrastructure depends, not only on funding, but also on the development of supporting networks and the availability of technical assistance.
20. The Intermediary Funding Bodies / Sectoral Partners survey on funding for the voluntary and community sector revealed that sustainability, as a multi-faceted concept, featured in the selection criteria of these funders. The characteristics of a sustainable project were identified as:
 - Well planned / set in strategic context;

- Shared risk – other funders and communities own contribution;
- Sufficient local interest – critical mass of support including volunteers;
- Potential for mainstreaming – involving the establishment of links between the voluntary and statutory sectors;
- Legacy / impact – longer- term benefit.

21. Sustainability involves more than just the ability of a project to continue in the absence of public funding. It has different dimensions, including policy influence, the central one being the need to ensure that the most positive impacts are maintained, particularly in areas of social need.

What the sector is already doing to help sustain local economic and community development activity

22. Support organisations and funders have played a key role in raising consciousness of the issue, identifying options and developing a strategic response. The Northern Ireland Council for Voluntary Activity (NICVA) Millennium Debate has facilitated a widespread and comprehensive discussion on sustainability within the voluntary and community sector. The findings from this discussion focused upon the need for a two-way exchange between the voluntary and community sector and Government. In practical terms this relationship needs:

- Consistency
- Accountability
- Transparency
- Timeliness
- Simplicity
- Clarity

23. A range of actions have been undertaken at various levels within the voluntary and community sector in respect of sustainability. These include:

- Building capacity within the sector – knowledge based with high professional standards;
- Undertaking evaluations to assess effectiveness, learning lessons and continually evolving;
- Challenging traditional notions about sustainability i.e. more than continuity rather about sustainability of groups, projects and impact.

With assistance from networks and umbrella organisations local groups have been:

- Influencing policy in order to mainstream actions;
- Developing links with statutory sector – identifying interdependence;
- Developing links through networks to exchange experience, share good practice, avoid duplication of effort;
- Contracting for services;
- Identifying and accessing alternative sources of funds e.g National Lottery Charities Board;
- Making connections between social and economic development e.g. by embracing the concept of the Social Economy, contributing to integrated Local Development;
- Exploring opportunities for mergers and strategic alliances.

Approaches to funding

24. A number of recent reviews have focused on delivery mechanisms – taking into account organisations involved, approaches to funding and scale of grants awarded.

Delivery mechanisms

25. Over 58 programmes, sub-programmes or measures of support to the voluntary and community sector have been identified across the 10 Departments. The sector is therefore faced with a wide range of funding options. Community and voluntary sector applicants can in principle source funding from, inter alia, mainstream Departmental money; the European Structural Funds, Community Initiatives such as INTERREG, LEADER, and the EUSSPPR; and from other sources such as IFI programmes, and the National Lottery.
26. Moreover, there is a diverse range and a significant number of different funding organisations delivering the various programmes, sub-programmes and measures. This includes, not only Government Departments and their Agencies, but also:
 - Intermediate Funding Bodies - the EUSSPPR has alone established 6 IFBs which administer directly the funds for specific sub-programmes and measures (these include, for example, Northern Ireland Voluntary Trust and the Rural Development Council). Central Government also uses intermediaries to deliver mainstream programmes; and
 - Local partnerships such as the 26 District Partnerships under the EU SSPPR or the 9 Area Based Strategic Action Groups under DARD's Rural Development Programme.
27. The multiplicity of programmes, funding sources and organisations has a number of implications. On the one hand, this has contributed greatly to the whole process of inclusion and involvement. Central Government Departments and Agencies, in particular, have facilitated new dimensions to their traditional approaches and are interacting with community and voluntary organisations in new ways. This in itself reflects a very important transition for an almost purely centralised administration of socio-economic regeneration and development to one more directly geared to local needs.

On the other hand, there is a considerable degree of overlap in terms of the aims and objectives of many of the programmes. This in turn implies a consequent danger of fragmentation of delivery, the potential lack of clear accountability and duplication of effort between the various players. Strategically, it raises issues as to whether there is sufficient evidence of complementarity if Departments and bodies sponsored by them pursue similar objectives and outcomes, often without the whole picture being known.

28. Equally, there are perceptions of a 'crowded market place' - this creates confusion among key stakeholders and also generates additional administrative overheads, both for funder and for applicants. Many community and voluntary sector applicants, for example, depend on a 'cocktail of funding' from different sources for a single project. This imposes administrative burdens across the full system in terms of application procedures, auditing, monitoring and evaluation requirements. It also enhances the risk of double funding projects. Some rationalisation is necessary to optimise efficiency, effectiveness and economy.
29. The current delivery structure therefore works against the optimal degree of integration and linkages between the various programmes and funders. There is a risk of insufficient co-ordination and integration between central and local delivery mechanisms. The benefits of local delivery (which should ensure greater community involvement and the development of focused projects and activities which best meet identified local needs) need to be traded off against the inherent costs arising from potential duplication of activities, possible gaps in strategic planning and the additional administrative burdens imposed on all relevant stakeholders.

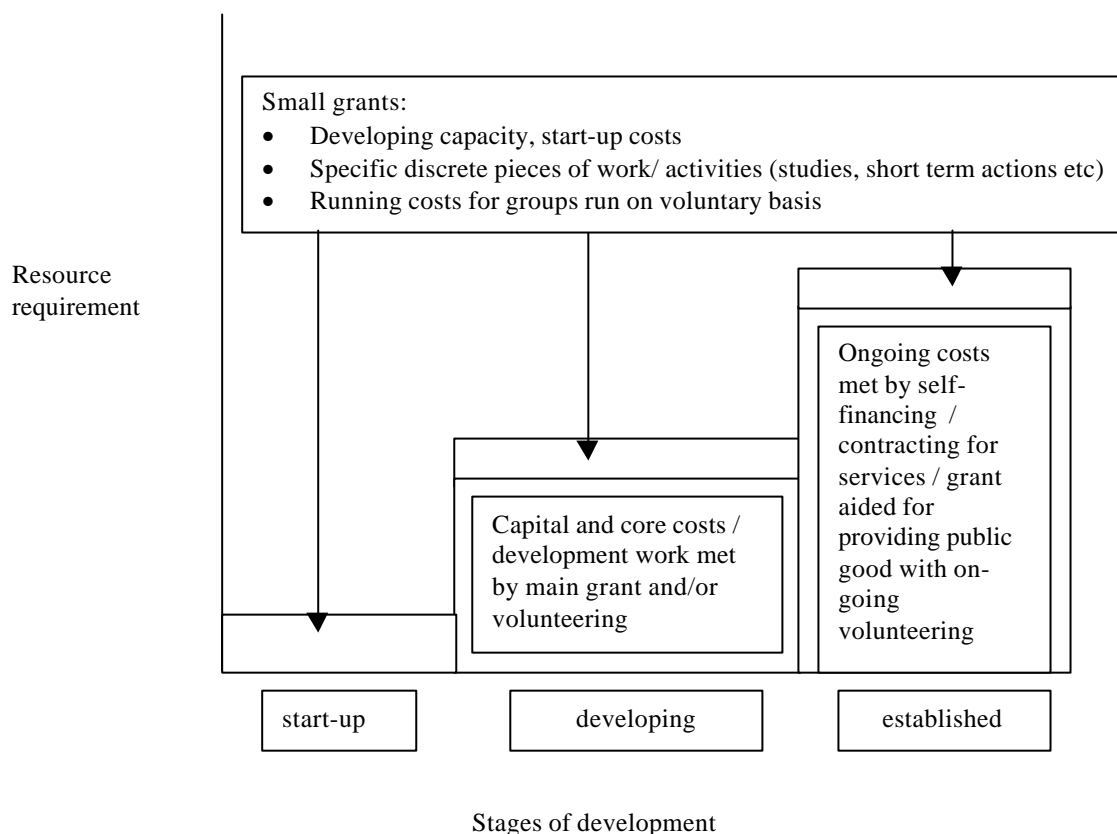
The issue of scale of funding

30. The PWC review of small grants in the context of the EUSSPPR (1996/1997) revealed that small grants, whilst accounting for a significant number of the projects funded (44%) represent a very small proportion of total expenditure (less than 3%). They have contributed to a wide range of objectives and in particular in the context of the Programme were particularly valuable in reaching marginalised individuals and groups that had not previously accessed funding.

31. The Review by DSD of the District Councils' Community Services Programme highlights the potential role for councils as the lead source of local support for community infrastructure and the potential catalysts for bringing forward integrated Community Support Plans. The current grant profile associated with councils is the provision of micro grants (70% less than £1000).
32. The Intermediary Funding Bodies / Sectoral Partners survey referred also to the need for and value of small grants and specifically to the role of specialised funders/support organisations and the need for simplified procedures.
33. Small grants delivered through a range of decentralised mechanisms including district councils, Area Partnerships, and Intermediary Funding Bodies have played a significant role in achieving the strategic aim of social inclusion through increasing participation, harnessing local energies and fostering creativity (in particular through volunteering), capacity building – collectively referred to as investing in Social Capital¹.
34. Small grants thus represent an important, and accessible form of assistance for community based groups that can produce valuable outputs at low risk. It is recognised however that they are relatively costly to deliver. In view of their effectiveness it would be worth considering mechanisms of administration that are proportional to the amounts involved – for example through the establishment of a Social Capital Fund.
35. Main grants for the large part relate to employment of project workers. These form the main type of support for the implementation of operational activities and are significant components of core costs of community infrastructure. Development workers either in networks/umbrella organisations and those involved in local projects and specialist activity play a key role in building local capacity and social capital.
36. Larger project grants are made to community representative organisations involving sustainable projects which have made a major impact across Northern Ireland. These have involved capital investment in physical infrastructure.

¹ Our working definition of Social Capital being “the resource found in social organisation – links, relationships, collective processes, that enables communities to organise and utilise physical, human and financial resources to achieve social, economic, political and cultural objectives.”

37. The voluntary and community sector requires a broad range of financial assistance of variable scale and type. The respective roles of small and larger scale grants at various stages in a group's development are shown in the following diagram;



Complementarity of Non-Departmental Funders with Government Priorities

38. A range of independent bodies provides an increasingly important source of funding for the sector in Northern Ireland, for example, the National Lottery distributing bodies, specifically the National Lottery Charities Board, the New Opportunities Fund, the International Fund for Ireland and a number of charitable trusts and foundations. As these funding sources are finite, sustainability may become an issue. The question of whether there is scope to promote greater complementarity between Government priorities and the policies and priorities of such funders should therefore be considered.
39. There is scope for developing greater complementarity, and the efforts which some independent funders are making to consult widely with other sectors and to become involved in inter-agency co-ordination is welcomed. The Group have recommended that action be taken to establish a mechanism to bring together the major funders of

the voluntary and community sector in the public, charitable and private sectors. This would primarily provide an opportunity to share information on funding objectives and priorities. It could, however, also explore further the scope for achieving a degree of complementarity and options for doing so. It has been recommended by the Group that the Voluntary Activity Unit in DSD could take responsibility for establishing the mechanism.

40. Independent funders should endeavour to ensure that there is greater complementarity between their policies and priorities and those of the Government.

Further Diversification of Funding

41. There is already a diverse range of funding sources for the voluntary and community sector. There is, however, scope to exploit the potential of some existing sources and to develop new and innovative sources. The potential of the corporate sector as a source both of funding and of practical expertise in exercising its community involvement responsibilities has not been fully exploited. There is scope also to explore the development of community finance initiatives such as community banking, credit unions, community foundations and endowment funds and the scope for income generation through the development of community enterprise and the development of the social economy.

Conclusions

Impact

42. It is widely considered that the work undertaken by the voluntary and community sector is not a marginal activity. It makes a significant contribution to the process of social inclusion and the realisation of economic potential-in particular when that support focuses on the most marginalised and disadvantaged people and areas. Also not all local development work is at the small end of the scale. The impact of funding of the voluntary and community sector may be summarised as:

- It is a large scale employer (5,000 organisations employing some 33,000) and the cost per job created compares favourably with Government programmes;

- The sector levers considerable social capital through volunteering (Estimated 131,000 adults contributed 26.7m volunteer hours at an estimated economic value of £202m in 1995)² ;
- It represents an effective vehicle for New TSN and promoting inclusion;
- It has acted as a stimulus to networking, partnership and co-operation;
- It has been innovative and promoted new approaches and has been effective in targeting resources concentrating action in areas of need an to particular groups – notably women, young people, and a range of specific “vulnerable” groups which mainstream programmes have failed to reach;
- It has facilitated the linking of social and economic objectives and where appropriate funding has supported the transition by local groups from a purely social focus to delivering sustainable local regeneration, in particular through the development of the Social Economy and its recognised potential for sustainable wealth creation.

A framework for funding the voluntary and community sector

Principles and shared values

43. The framework for funding the voluntary and community sector needs to take account of the Prime Minister’s statement on the role of Government in supporting the sector and the Compact Between Government and the Voluntary and Community Sector. Two primary responsibilities for Government were defined: first, making it as easy and attractive as possible for people to give money and time and second, where appropriate, to provide the support that voluntary organisations need to deliver services and strengthen communities. The Northern Ireland Compact, published in December 1998, sets out respective roles, shared values and principles and commitments to action. This should provide the framework within which future funding priorities and mechanisms are established. In particular, these should exploit

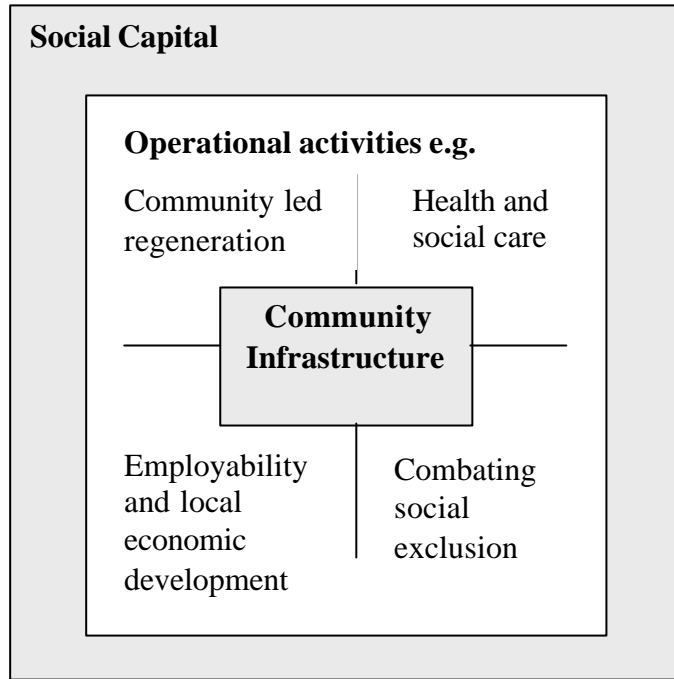
² Volunteering in Northern Ireland, NIVDA, Oct 1995.

the complementary, inter-dependent and mutually supportive roles and meet the specific commitments in the Compact relating to supporting a strong and effective infrastructure and allocating resources to the voluntary and community sector in accordance with clear objectives linked to Departmental priorities. The Executive Committee of the Assembly approved the Compact in February 2000.

44. A strategy document to implement the Compact is being developed by DSD on an inter-departmental basis. It will contain a Code of Practice on Funding. Account should be taken in the Strategy and the Code of Practice of any issues relating to funding agreed as a result of this Report.

Elements of support for further consideration

45. Current government policy identifies three main elements of support deemed necessary for the voluntary and community sector to continue to make its valuable contribution to social, economic, environmental and cultural life. These are interdependent and are all factors in determining sustainability. At the core lies the infrastructure of the sector at local and regional levels, including the volunteering infrastructure – collectively referred to as **Community Infrastructure**, comprising networks, umbrella organisations, support organisations, local forums etc which combine to provide the skills, knowledge, information and structures required by the sector. The second element relates to **Operational Activities** based on the delivery of a service in the broad areas of health and social care; employability and local economic development, combating social exclusion, and community led regeneration. The third element concerns investment largely through small grants, which generates **Social Capital**, through individual and group capacity building and which releases latent potential in the community sector, in particular amongst the most disadvantaged communities and marginalised individuals. A model depicting the interdependence of these three elements is shown below.



46. Government support to the voluntary and community sector is, like all PE programmes, subject to financial constraints imposed by the national fiscal regime and the continuing need to ensure value for money in the use of resources. In this context, therefore, if certain voluntary and community sector programmes are to be protected, it is important to ensure that such programmes align with Government priorities.
47. In the short-term, the key threat to the funding of the sector is principally due to the tapering-off of EU-funded programmes (the programmes officially run to the end-1999 but expenditure can continue to be incurred until 2001). As noted in the section on *Funding*, Departments have identified a number of these programmes as making a particular contribution to the Government's aims and objectives and/or to their own Departmental priorities and it was felt that further consideration should be given to these areas.

Recommendations

Action by Government

Strategic orientation and coherence

48. The Group believed that there is scope for a more co-ordinated, strategic approach to the funding of the voluntary and community sector, taking into consideration the development processes involved and the particular needs in areas of weak infrastructure.
49. This should help to ensure greater coherence between funding programmes and the setting of priorities on a cross-Departmental basis. Such an approach, both in its development, implementation and review, may be facilitated by the identification of a lead Department and a “champion” Minister, supported by effective mechanisms for interdepartmental co-ordination of issues in this area. It will require a greater emphasis than at present on working across sectors.
50. The Voluntary Activity Unit in DSD is the existing focal point for voluntary and community activity within Government. It provides the Chair and Secretariat for the Interdepartmental Group on Voluntary Activity and Community Development which is the current forum for interdepartmental co-ordination of issues in this field. The Minister responsible for DSD has traditionally acted as Voluntary Sector Minister, representing Northern Ireland at UK Ministerial meetings on volunteering and voluntary sector issues. The Group recommended that the Minister responsible for DSD should have lead responsibility for voluntary and community issues.
51. The Group believed that these existing structures provide the base for ensuring a greater degree of strategic orientation and coherence in Government and other support for the sector. The Group noted, however, that action has already been taken in England, at the Prime Minister’s request, to create a new Active Community Unit in the Home Office, which subsumed the Voluntary and Community Unit (the Whitehall equivalent of the Voluntary Activity Unit). The Active Community Unit has a substantially bigger role and higher profile, with a brief to work across Government to co-ordinate the work of Departments. This aspect of its work is outward looking,

building partnerships with the voluntary and community sector, business, the media, local government and other parts of the public sector.

52. It has been recommended by the Group that consideration be given to developing the Voluntary Activity Unit into an Active Community Unit for Northern Ireland (with due recognition of staffing implications).

Complementarity

53. Steps should be taken to bring together the major funders in the public, charitable, and private sectors. The Group felt that this should be led by the Voluntary Activity Unit with guidance provided on targeting.
54. With the recently completed Community Services Review and the parallel development of new EU programmes in the coming months, the opportunity exists to consider rationalisation in programme delivery and thereby improve efficiency and effectiveness. Complementarity and distinction should be the guiding principles in establishing spending priorities and delivery mechanisms for future programmes. So too should be the ability of the delivery agent to contribute specified outputs and to demonstrate that it can do so effectively and efficiently. In some cases, however, this might mean that the agent does not need to take on an executive or budgetary role; it could, for example, devise funding priorities against an agreed allocation, leaving delivery to be undertaken by an agreed provider.

Mapping

55. A mapping exercise was considered necessary by the Group to identify the community infrastructure that exists and what is required in the longer term. This should be added to the work being undertaken by a Sub-Group of the Interdepartmental Group on Voluntary Activity and Community Development to examine action necessary to tackle the issue of areas of weak community infrastructure.

Monitoring and Evaluation

56. It has been recommended by the Group that Government work with the sector to establish a common database for funding of the voluntary and community sector

based on uniform procedures. This would contain fields relating to the amount and type of support, objectives, outputs and outcomes. The purpose of the database would be primarily to:

- Facilitate on-going monitoring and evaluation by both Departments and the sector;
- Create the potential for in-depth research and analysis;
- Help prevent fraud.

The database would take account of the results of the current initiative by the VAU to develop a set of core indicators to measure the performance of voluntary organisations and outcomes of voluntary activity. It should also build on the experience of the development of the central database for the EUSSPPR.

Integrated Programming

57. The Group recommended that a co-ordinated and integrated approach to local development be developed. Co-ordinating local economic development, local urban and rural regeneration, social inclusion, and health and social care within an over-arching area-based strategy is the objective. Such a strategy would guide and influence all agencies and bodies. The best placed to identify and deliver particular themes should be given priority.
58. The Group felt that greater recognition should be given to the potential of the “Third System” or “Social Economy” to create employment and provide services, and together with innovative approaches such as Intermediate Labour Market schemes, their ability to impact on the long term-unemployed and areas of greatest disadvantage.

Action by the Sector

Consolidation

59. There is a view that a consolidation of delivery mechanisms was required to avoid overlap. At present, a real danger of fragmentation of delivery and duplication of

effort exists as well as the potential to double-fund projects. To overcome this links could be established between those operating on an area basis and those with a sectoral / thematic remit. There is a need for “adaptive change” which will involve learning and reflection and willingness to look at other ways of doing things. The opportunity exists for the sector to look inwards as well as outwards to think innovatively and creatively to find new ways of organising and to keep in mind that innovation has been the ground which the sector historically claims as its own - there is a challenge here. The sector should focus on measuring outcomes to demonstrate what has been achieved from existing resources when seeking further funds. Some groups may merge, perhaps on a geographical or community of interest basis. This, however, must be driven by the sector, whose autonomy, independence and diversity must be respected, though budgetary constraints may encourage the process.

60. The sector should look at consolidating technical support available to local groups, workers employed in the sector, and network organisations. Greater use of IT should be made available to facilitate the exchange of information, notably the sharing of good practice and dissemination of research.

Developing relationships

61. The sector should seek to develop new relationships, in particular with business and with new political structures in order to identify new opportunities for promoting sustainability.

Research and analysis

62. The Group felt that the value of the contribution of the sector must be continually assessed through an on-going commitment to research and analysis of processes involved and outcomes achieved. Greater co-ordination throughout the sector is required from strategic level to practical level together with means of disseminating results.

Planning and review

63. A strong commitment to strategic planning is required to ensure that projects are demand driven and not funding led. All activities undertaken should be subject to review and evaluation of impact in order that lessons may be learnt.

Action by Government and the sector

64. The Group recommended that a Task Force representing Departments, the private sector and the voluntary and community sector should be set up to consider the further diversification of funding sources for the voluntary and community sector. Lead responsibility should be taken by the Voluntary Activity Unit.
65. The Group felt that consideration should be given to the establishment of a Social Capital Fund which can provide a flexible, accessible source of finance with the objective of supporting social organisation, possibly administered by an Intermediary Organisation.

Factoring in sustainability

66. As the approach to funding is becoming increasingly strategic and focused on outcomes the Group recommended that there should be increased emphasis on sustainability that is considered in economic, social, and environmental terms. A common definition should be agreed recognising the different dimensions and the importance of thinking beyond project continuity in the absence of public funding to ensuring sustained impact in particular in areas of social need. This broad approach to sustainability should be built into all programmes and projects – clearly identifying co-responsibility. The Government’s clarification of what sustainability involves should be reflected in the Strategy being drafted to implement the Compact and, specifically in the Code of Practice on Funding.
67. The Group highlighted the need to ensure that operational projects are time bound and have clearly stated objectives linked to measurable outputs and that they are set within a strategic plan. A clear statement should be included in the project promoter’s objectives, identifying possible links with others that could be developed during the funding period. It should also include a statement of where the promoter forecasts the project will be when funding ceases, and if the actions can continue without further funding, and what other alternatives exist. The funder should also make a statement about the future of the project as part of the decision to fund.