



Cabinet Office

Proposed Sustainability Fund – Presentation and Engagement Pack

v.1 - 5 June 2014



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Handout



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The Office for Civil Society is Consulting on New Fund to Support Voluntary, Community and Social Enterprise (VCSE) Organisations to Achieve Sustainability

Where do we want to get to? It is in all our interests for the VCSE sector to include a diverse range of organisations, delivering high quality services for those most in-need in our society. Securing the future of the sector is a vital to maintaining strong communities. To achieve this organisations must have robust operating models and forward plans, that enable them to adapt and continue to deliver in changing environments.

Why is this particularly difficult at the moment? From increased demand for services, to the growth of people accessing services online, the opening up of public services, and an increasingly challenging funding environment, changes to the VCSE operating environment are creating both new opportunities and pressures for the sector.

Where could a fund help? Responding to these changes and achieving sustainability is challenging. The journey to sustainability can be particularly difficult for medium sized organisations. They are often too large to fall back on volunteering and donations to survive, but lack the resources to invest in necessary change. This where a new fund could offer support.

The proposed aim for the fund is: To identify VCSE sector organisations delivering vital services to vulnerable people in our communities, but struggling to adapt to their changing environment, and put them on the right pathway to securing the longer term future of their services.

How can we get involved? The Office for Civil Society wants to work with the sector to design the fund. We want to hear views on what support is needed, by who and where; as well as how support should be delivered. You can find out more about the fund and how to contribute by going to the consultation site:

www.gov.uk/government/consultations/new-fund-to-help-vcse-organisations-become-more-sustainable

Queries and comments can be sent to: OCSsustainabilityfund@cabinet-office.gsi.gov.uk



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Single Slide for Presentations



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The Office for Civil Society is Consulting on a Local Sustainability Fund to Support Voluntary, Community and Social Enterprise (VCSE) Organisations

- **Where do we want to get to?** It is in all our interests for the VCSE sector to include a diverse range of organisations, delivering high quality services for those most in-need in our society.
- **Why is this particularly difficult at the moment?** Changes in our society, the economy and public policy, are creating both new opportunities and pressures for the sector.
- **The journey to sustainability is challenging** – The journey for struggling organisations requires a series of stages. However, this can be particularly difficult for medium sized organisations lacking resource

i. Awareness: be aware that its environment is changing

ii. Understanding: what does change mean for them?

iii. Planning: Plan to deliver change

iv. Delivery: Deliver change effectively

v. Learning: Understand the impact of delivery and share learning



Where Could a Fund Offer Support?

Funding to free capacity to plan for change

Expertise to support planning

Funding to free up capacity to deliver action

Expertise to support and enable delivery

Therefore a potential aim for the fund could be : To identify VCSE sector organisations delivering vital services to vulnerable people in our communities, but struggling to adapt to their changing environment, and put them on the right pathway to securing the long term future of their services.

How can we get involved? The Office for Civil Society wants to work with the sector to design the fund. Find out more about the fund and how to contribute by going to the consultation site: www.gov.uk/government/consultations/new-fund-to-help-vcse-organisations-become-more-sustainable



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Consultation Session Pack



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Consultation on a Proposed Sustainability Fund



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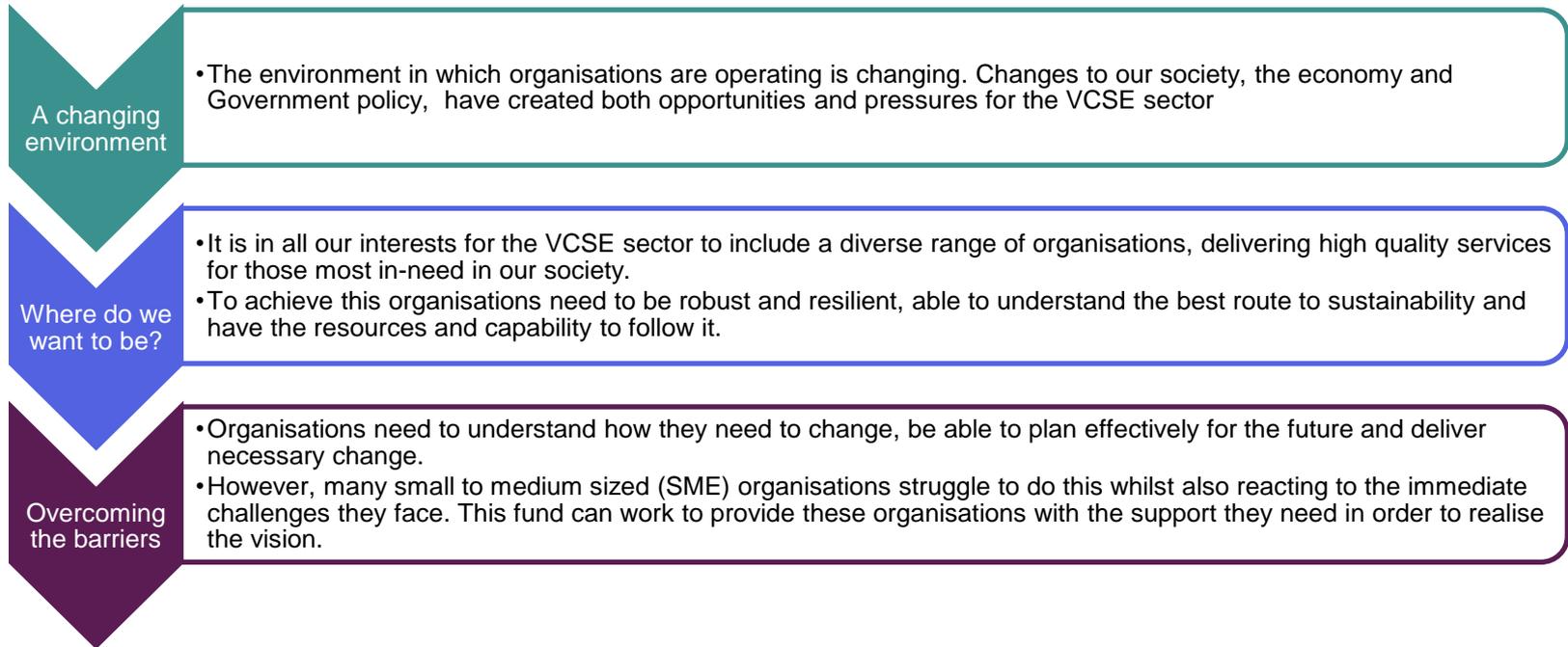
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- I. What Support is Needed, by Who and Where?
- II. How Should Support be Provided?
- III. How can the Design Ensure Sustainable Impact?
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The Narrative for the Fund

Analysis of engagement with stakeholders and learning from past and current programmes has resulted in the development of an emerging narrative. This narrative broadly follows the following three stages:



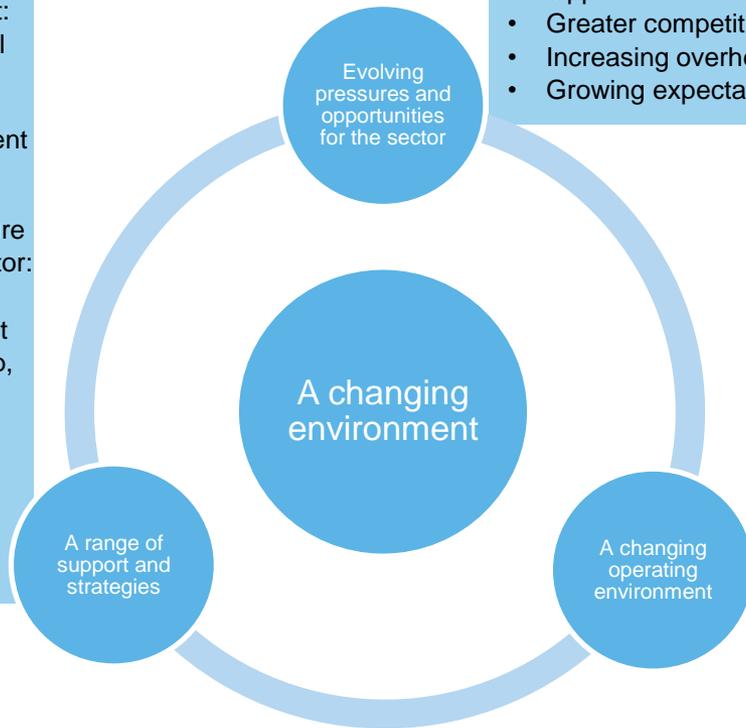
The following slides explore each of these three stages of the narrative in more depth.



The environment in which the sector is operating is changing

- Support to deal with funding cuts through **the Transition Fund**
- Growing the **Social Investment** market:
 - Establishing Big Society Capital
 - The Investment and Contract Readiness fund
 - The planned market development foundation
- Reforming **support for the sector** through Transforming Local Infrastructure
- Opening up **public services** to the sector:
 - Working with commissioners
 - Introducing the Social Value Act
- Supporting innovation in, and scaling up, **social action**:
 - The Innovation in Giving Fund
 - The Social Action Fund
 - The Centre for Social Action
- Making it **easier to run** a VCSE organisation by cutting red tape

- Need for new skills and capability
- Increasing demand for services
- Capacity limitations resulting from increased demand
- Funding cuts and changes
- Opportunities to deliver public services
- Greater competition for existing grants and contracts
- Increasing overhead costs
- Growing expectation to demonstrate evidence of impact

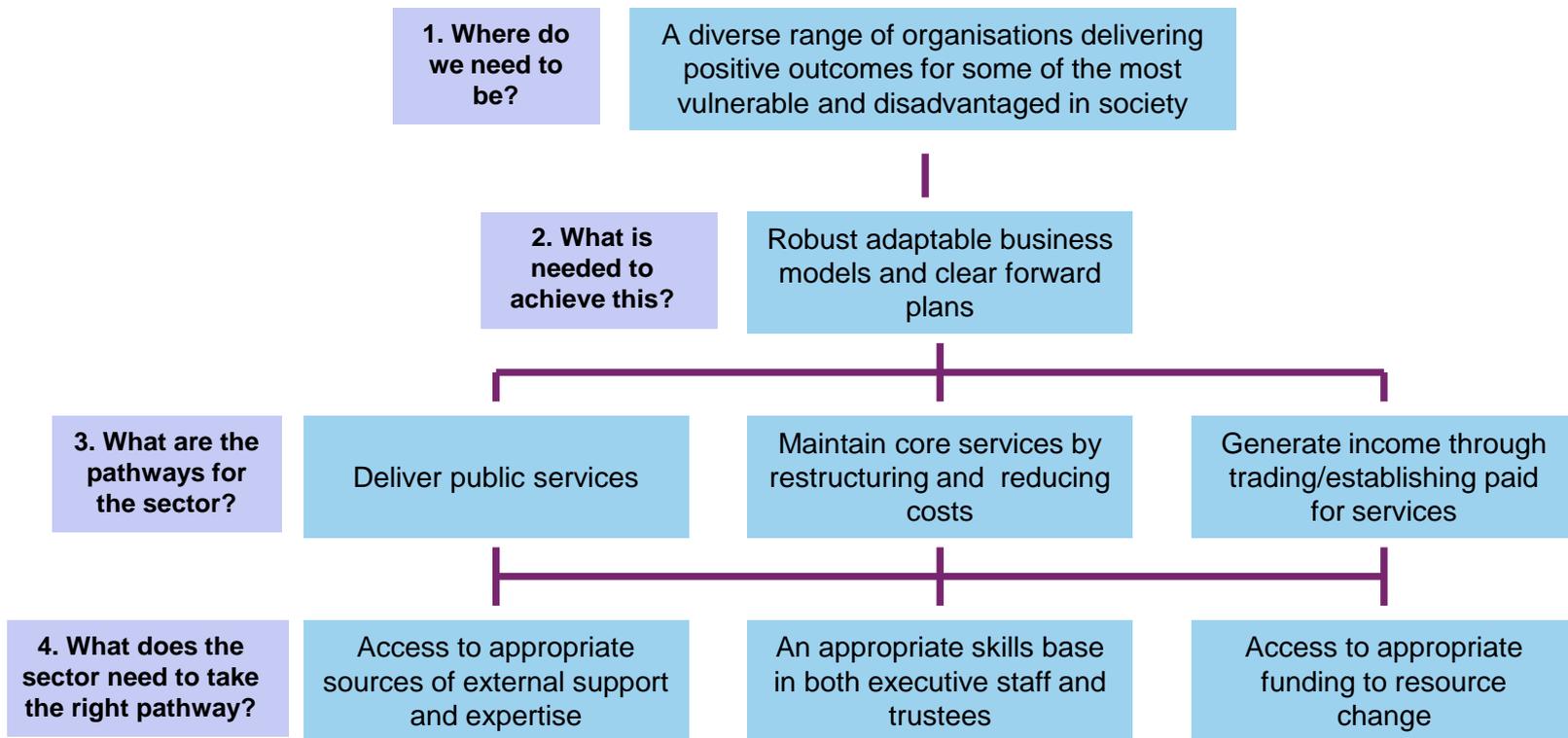


- From Government:
- Continued spending restraint
 - Welfare reforms
 - Local authorities switching grants to contracts
 - Focus on growth
 - Reforms to commissioning

- Wider Society
- Effects of budget cuts and welfare reforms
 - Aging population
 - A more diverse population
 - Increasing use of digital



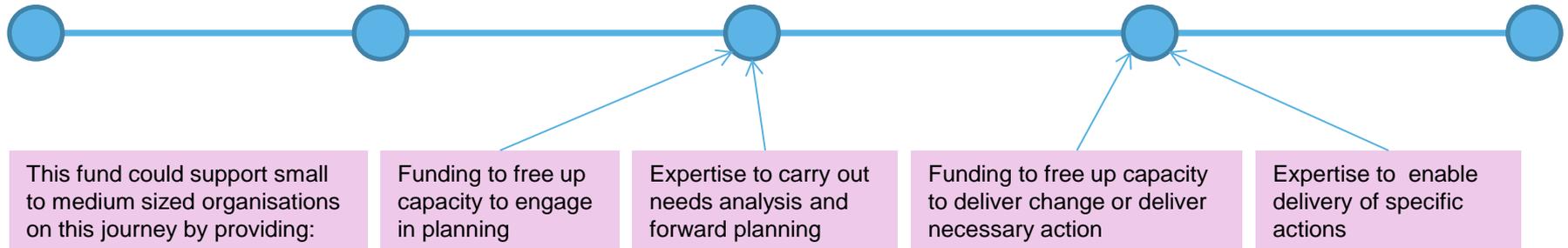
Our vision is that the fund will help to secure a diverse range of organisations delivering high quality support for those in-need





The journey to sustainability for struggling organisations requires a series of stages. However, this can be difficult for medium sized organisations lacking resource

- i. Awareness: An organisation needs to be aware that its operating environment is changing
- ii. Understanding: An organisation needs to understand what this change means for them, and that they need to change too
- iii. Planning: An organisation needs to plan to deliver change
- iv. Delivery: An organisation needs to deliver necessary change
- v. Learning: An organisation needs to understand the impact of delivery and share learning



Therefore a potential aim for the fund could be : *To identify voluntary sector organisations delivering vital services to vulnerable people in our communities, but struggling to adapt to their changing environment, and put them on the right pathway to securing the long term future of their services.*



An Active and Open Consultation

- The Consultation launched recently and will run for 12 weeks until the 24 July.
- The intention is for this to be a co-design consultation around the key themes and challenges identified. This will not involve simply proposing a complete fund design and inviting feedback. The responses received will be used to formulate a fund design.
- The consultation will invite active engagement. Advice received has highlighted the need to combine both online and face to face.

The Consultation can be accessed at:

www.gov.uk/government/consultations/new-fund-to-help-vcse-organisations-become-more-sustainable

Queries and comments on the consultation can be sent to:

OCSsustainabilityfund@cabinet-office.gsi.gov.uk



Timetable

The following is a high level forward timetable for the fund development. This timetable is indicative at this stage and depends on the nature of final fund design established through consultation.

Plan	April	<ul style="list-style-type: none">Gain approval for consultation document
	Late April	<ul style="list-style-type: none">Launch consultation
Consult	June – July	<ul style="list-style-type: none">Active consultation
	July	<ul style="list-style-type: none">Analysis of responses and establishing fund design
Design	Late summer	<ul style="list-style-type: none">Gain full business case approvalsCommence sector awareness raising
	Autumn	<ul style="list-style-type: none">Identify delivery partner/s and finalise application design
Deliver	Dec	<ul style="list-style-type: none">Fund launched for applications



The Consultation Questions

The consultation questions are presented under the following headings:

- i. **What support is needed, by who and where?**
- ii. **How should support be provided?**
- iii. **How do we achieve a sustainable impact?**
- iv. **An open call for ideas**



What Support is Needed, by Who and Where?

1. What type of support is needed?

- Reflecting on the journey to sustainability, what types of support will have the greatest impact and why?
- How can we best encourage pro-bono support alongside paid-for support?

2. How do we define organisations in-need of support?

- What factors identify those in-need?
- What might be an effective approach to identifying those 'in-need', particularly given that these factors could be seen as negative and organisations might be unwilling to admit to them?

3. Where is support most needed?

- How should we ensure that support available is appropriate to local need?
- What evidence is there of need in particular locations?



How should the fund be delivered?

4. How do we identify the right beneficiaries?

- Could we use a light touch self assessment tool?
- Are there existing tools that would enable us to do this?
- Could we use existing local knowledge to identify appropriate organisations, for example by utilising a nomination approach?
- Which local bodies or partnerships could best provide local knowledge?

5. Should we use third party intermediaries to deliver effective support?

- How could a model like this be made to work effectively?
- Is there an appropriately sized and experienced body of potential intermediaries available to fulfil this role?
- How would we ensure that intermediaries are appropriately held to account and challenged to deliver effectively?

6. Should we set upper and lower limits on organisation size?

- What lower limit would be appropriate for identifying organisations having the desired impact in communities?
- What upper limit would ensure that organisations that shouldn't need support are excluded?
- Should we have a phased upper limit with higher turn-over organisations considered in exceptional circumstances?



How should the fund be delivered

7. What size of grant should be provided?

- What average level of funding would enable appropriate depth of activity for individual projects, whilst ensuring a broad reach for the fund across the sector?

8. How do we ensure effective engagement from both support providers and frontline organisations?

Potential solutions could include:

- Clear accountability from named individuals in frontline organisations, both from senior executive leadership and on the board of trustees
- An element of output/outcomes based payment
- Ongoing external challenge of plans and activities by a panel of experts and peers
- Requirement for frontline organisations to make some financial commitment to the project

Questions:

- Are these the right ways to incentivise effective engagement?
- Which of these are likely to be most effective?
- What other ways could ensure effective engagement from all parties?



How do we achieve a sustainable impact?

9. How do we deliver a long term impact with just one year of funding?

- What would you do with funding and support for just one year?
- How would you ensure a long term impact from activity delivered without a guarantee of further funding?

An open call for ideas?

10. What other ideas should be looked at over and above grant funding to individual organisations to help address the need?