

WRITTEN EVIDENCE TO THE COMMITTEE FOR THE SCRUTINY OF THE FIRST MINISTER: WELSH GOVERNMENT'S RELATIONSHIP WITH THE THIRD SECTOR AND NON GOVERNMENTAL BODIES

Introduction and Overview

1. This purpose of this paper is to set out written evidence on the current and proposed direction of the Welsh Government's relationship with the Third Sector in Wales and non governmental bodies.
2. The paper sets out background and the current position regarding this relationship (paras 5-17) and then outlines the consultation which has taken place during 2013 (paras 18-19). Proposals arising from this consultation will be [have been] set out in an Oral Statement by the Minister for Communities and Tackling Poverty on 12th November and will be taken into account in a revised Third Sector Scheme which will be subject to further consultation through the TSPC
3. These proposed changes are summarised in para 20. Following sections (paras 21-40) provide additional detail on the issues which have been under review and which will be taken forward during 2014.
4. **Annex A** provides examples from several departments of Welsh Government engagement with the Third Sector.

Background on the Third Sector in Wales

The Welsh Third Sector

5. The Third Sector in Wales encompasses: approx 33,000 organisations; 230,000 trustees; 1.13m volunteers and people helping out in their community; and 51,000 employees.

Financial support

6. Welsh Government's commitment to the Third Sector is demonstrated through its £323M direct funding in 2012-13 to over 960 organisations. Taking indirect funding into account – for example, funds that goes via local authorities – the total figure is considerably higher.

The current position

Legislative framework

7. Welsh Government's relationship with the Third Sector is unique in the UK with its roots in a legislative framework. Section 74 of the Government of Wales Act 2006 requires Welsh Ministers to make a scheme setting out how they propose to promote the interests of relevant voluntary organisations. This is known as the Voluntary / Third Sector Scheme. It is this legislation which provides the foundation for the Welsh Government's relationship with

the Third Sector including for some of the arrangements set out in the paragraphs below.

The Third Sector Scheme

8. The Third Sector Scheme is a statement of Welsh Ministers' intent in taking forward their relationship with the Third Sector and specifies:

(a) how the Welsh Ministers propose to provide assistance to relevant voluntary organisations (whether by grants, loans, guarantees or any other means),

(b) how the Welsh Ministers propose to monitor the use made of any assistance provided by them to relevant voluntary organisations, and

(c) how the Welsh Ministers propose to consult relevant voluntary organisations about the exercise of such of their functions as relate to matters affecting, or of concern to, such organisations

The Code of Practice for Funding the Third Sector

9. In respect of (a) above, the Scheme also includes a commitment to maintain a Code of Practice for Funding the Third Sector to offer principles that will underpin Welsh Government funding of the sector.

Third Sector Infrastructure

10. The Welsh Government funds a co-ordinated Third Sector Infrastructure to support the Third Sector in Wales. The Infrastructure is made up of the Wales Council for Voluntary Action (WCVA), the network of County Voluntary Councils (CVCs) and Volunteer Centres in Wales. The total funding for the Infrastructure in 2013/14 is 7.4 million.

Wales Council for Voluntary Action

11. As part of the Infrastructure, the Wales Council for Voluntary Action (WCVA) and carries out a number of important functions around managing grants to the wider Infrastructure in addition to facilitating the engagement role with the Welsh Government.

County Voluntary Councils (CVCs)

12. The key role of a CVC is to provide advice and information to local voluntary and community groups on volunteering, funding sources and a wide range of other issues.
13. The area of responsibility for each CVC equates to the formal local authority boundaries within Wales with the exception of the Gwent Association of Voluntary Organisations (GAVO) which was not split up and continues to cover Blaenau Gwent, Caerphilly, Monmouthshire and Newport (but not Torfaen). This means that there are 19 CVCs representing the 22 local authority areas of Wales.

Volunteer Centres

14. There is a volunteer centre in each local authority area in Wales, plus 12 Centres covering the large rural county of Powys, making a total of 33. All are Third Sector organisations and most are part of the County Voluntary Council (there are independent Volunteer Centres in Cardiff and the Vale of Glamorgan) but they work to a common standard of service.

Support for Volunteering

15. The Welsh Government also supports volunteering through two substantial grant schemes in operation in Wales, the Volunteering in Wales Fund and GwirVol, both of which are managed by WCVA.

16. The Volunteering in Wales Fund supports organisations in Wales that seek to recruit and train new volunteers, especially from under-represented and minority groups. £1 Million in the current financial year is available to deliver this programme. Gwirvol is a similar initiative targeted at attracting young people aged 16-24 to engage in voluntary activity. Gwirvol is to some extent led by young people through a panel called GwirForce. Gwirvol has £1.1 million available in this financial year.

Engagement

17. The principal mechanisms for Welsh Government's engagement with the Third Sector at a national level are the Third Sector Partnership Council (TSPC) and Ministerial meetings (see further detail below).

Refresh of the relationship with the Third Sector

18. The Welsh Government has long valued its close working relationship with the Third Sector in Wales; but like any relationship, it must look at how well the relationship works for both parties to keep things fresh and fit for purpose.

19. At the beginning of 2013, the then Minister for Local Government and Communities, Carl Sargeant AM, announced his intention formally to review the relationship between the Welsh Government and the Third Sector in Wales. Officials began working with the Third Sector and other stakeholders to design and deliver a formal consultation document which was launched on the 16th May - *Continuity and Change, Refreshing the Relationship between the Welsh Government and the Third Sector*. That consultation closed on the 8th August. Three consultation events were also held across Wales. The 240 responses received have now been analysed.

20. The consultation has affirmed some aspects of the existing arrangements but also supports an agenda for change, including:

- a greater focus on delivery;
- more strategic and focussed meetings between Ministers and the Sector, or the main Infrastructure bodies;
- streamlined support for volunteering;

- strengthening of local Compacts through guidance rather than legislation; and,
- new regional working arrangements.

Future direction

21. The main shift in strategic direction is to make it clear that while the Welsh Government values the Third Sector for the contribution it can make to the long term economic, social and environmental wellbeing of Wales, its people and communities, the focus needs to move to the outcomes that the sector can help to achieve. A strong Third Sector should contribute to long term wellbeing in its own right but it should also be able to show how it contributes to the outcomes which the Welsh Government has identified as priorities.
22. The Third Sector already makes a very substantial contribution in this regard and has the potential to do more, harnessing the good will and passion of many thousands of volunteers and organisations. The role of the support bodies needs to be more sharply focussed on enabling the sector as a whole to deliver results.
23. Engagement with Welsh Government by the Third Sector remains important, but such engagement needs to be more consistently targeted towards enabling delivery, particularly linked to the Programme for Government, rather than being seen as an end in itself.

Revised Third Sector Scheme

24. The draft revised Third Sector Scheme is more concise and strategic than previous versions. It sets out provisions for ensuring that the relationship focuses on the areas of mutual benefit such as the delivery of Welsh Government priorities with a real commitment to engage on the issues which are highlighted by the Third Sector.

Revised Code of Practice for Funding the Third Sector

25. A draft revised Code of Practice for Funding the Third Sector has been developed in partnership with the Third Sector through the TSPC's Funding and Compliance Committee over a period of six months. The draft represents a substantial amount of work in partnership with the Committee and includes their contributions and addresses the issues raised by them.
26. The draft Code sets out the approach to be taken by the Welsh Government to ensure sustainable funding to the Third Sector. The revised Code of Practice includes a more developed set of principles including around monitoring and making complaints. The Code also provides the example of good practice to Welsh Government Sponsored Bodies, Local Authorities and Health Boards.

Revised Engagement mechanisms

27. The consultation has indicated that both the TSPC and Ministerial Meetings are valued parts of the existing engagement structures. The approach is also mirrored by similar engagement structures with local government and enterprise. However, responses to the consultation have indicated that the TSPC needs to be restructured, re-energised and become more relevant. Similar considerations apply to the Ministerial meetings.
28. It is therefore intended to make substantial changes to the TSPC and its Sub-Committees (known as Workstreams). Proposals include: improvements to the nomination process for membership; greater engagement with local organisations utilising technology and social networking; and a regional dimension to the TSPC's work. Changes will also include more preparatory discussion with officials to allow for clearer, more focussed and timely meetings.
29. Meetings of the full TSPC would continue to be chaired by the Minister with portfolio responsibility between two and three times a year. In future, an annual work plan will be agreed by Welsh Government and the TSPC and kept under review to set the agenda for Workstreams. There will also be clear objectives set for each one which will add value to the outcomes prioritised by the Welsh Government. Workstreams will have clearer shared guidance on timescales, remit and quality using the current Funding and Compliance Sub-Committee as a model.
30. The practice has been to supplement the TSPC with portfolio meetings with individual Ministers. These meetings have attempted to cover the whole of a Minister's portfolio at each meeting and were often more discussion-based than specifically linked to the wider improvement agenda or any specific outcomes. It is proposed to change this to meetings arranged on specific concerns or subjects, principally arising out of the TSPC workstreams and Ministerial priorities.

Revised Co-ordinated Approach to Volunteering

31. Evidence from the consultation indicates that the national volunteering grant schemes are much valued. They are cited as a key part of helping local County Voluntary Councils (CVCs) and volunteer centres to encourage volunteering. It is therefore proposed that the existing Volunteering in Wales Fund and GwirVol programmes should continue, but now as part of a more co-ordinated overall approach to supporting volunteering in Wales. The monitoring and delivery model of both programmes should be considered against any changes proposed in relation to regional working and the management and delivery role for a national body.

New Regional Third Sector Infrastructure Arrangements

32. The proposal here is that local Third Sector Infrastructure Bodies (CVCs and Volunteer Centres) should now move toward regional working in line with the structures proposed in the consultation document. The existing budget for these bodies will in future be offered on a regional basis, with a requirement

for CVCs and volunteer centres to work together and in partnership with public services. The offer will be made based on the six Public Service Collaboration regions in the first instance. This will be subject to further discussion with CVCs and volunteer centres in order to allow them time to make any changes which are necessary for this considerable change in working.

33. The broad aim of the new arrangements should be to encourage a more strategic direction for the Third Sector Infrastructure to deliver on local, regional and Programme for Government priorities. The sharing of resources to ensure that the service to volunteers and local Third Sector organisations is maintained and improved is also an important consideration. The grant offer will focus on delivery of the services which have been cited as valuable by local organisations.

Revised Role for a National Body

34. There is clearly a continuing need for a national body for the Third Sector in Wales, the Wales Council for Voluntary Action. WCVA has an important leadership role, working with Welsh Government and the sector to move forward with the changes proposed for the future.
35. There is though a need for a definition of the functions best carried out by a national body, including functions such as managing the Infrastructure grant; engagement and representation; research; training and support; and service delivery. This will include reaffirming WCVA's role in some key important respects.
36. Future arrangements will involve more engagement by Welsh Government officials directly at the regional level with Infrastructure bodies. In particular, it is proposed to enable more engagement with the larger Charitable organisations that have capacity to work with the TSPC and the Welsh Government on policy without the need for an umbrella body to represent them, including UK and international charities with a substantial presence in Wales.

Compacts

37. The majority of consultation respondents support the proposal that local Compacts between local government and the Third Sector should be strengthened using improved guidance and monitoring. The changes to a more regional model of working should help in this process and compacts will remain a key tool to facilitate dialogue with local authorities, health boards and other public sector bodies. On this basis, it is proposed not to proceed with the Third Sector Compacts Bill in the foreseeable future. Detailed guidance on local Compacts will be developed during 2014

Next Steps

38. The proposals included in this evidence are based on an analysis of the wide reaching consultation carried out over the summer. There will, however, be a

further period of consultation through the Third Sector Partnership Council on the Third Sector Scheme and the Code of Practice for Funding the Code of Practice for Funding the Third Sector or these proposals are further considered and, if thought appropriate included in a revised Third Sector Scheme.

Relationship with Non Governmental Organisations

Other Third Sector “Umbrella Bodies”

39. There are numerous other Third Sector umbrella bodies in Wales, many of which are supported to some extent by Welsh Government. Typically these represent specific parts of the sector (for example arts by Voluntary Arts Wales; or social enterprise (by the Wales Coop) with funding, if any, via the appropriate portfolio. While many of these bodies are valued by their members and currently contribute to delivering the Programme for Government, the consultation has highlighted the need for further examination of how their work dovetails with the role of the main Infrastructure Bodies outlined above. The Third Sector Team has begun detailed discussion across departments to explore this issue with a view to informing future funding decisions.

UK and International Charities

40. A further issue highlighted by the consultation is the relatively low level of involvement by UK and international charities in the main structures which support the sector’s engagement with Welsh Government. While bodies such as Oxfam, Save the Children and Barnardos do meet Ministers quite frequently and are in a few cases represented on the Third Sector Partnership Council, there is considerable scope to increase these levels of contact and draw more on the resources and expertise of such bodies.

Wider Welsh Government working with the Third Sector

41. The breadth of the Welsh Government’s relationship with the Third Sector is demonstrated in the variety of organisations which receive funding and have relationships with Welsh Government Departments. Annex A includes examples of the sorts of organisations and working relationship that are helping to deliver against Programme for Government aims.

Conclusion

42. The Welsh Government has a long history of valuing the contribution the Third Sector can make to the long term wellbeing of the people of Wales. The recent consultation on Continuity and Change highlighted some important aspects of the current relationship but also where change is necessary to ensure this important relationship is fit for the present and future. We reflect this commitment in our funding for the Infrastructure budget but also recognise that the Third Sector cannot be immune from the difficult decisions that have to be made in the current economic climate. The arrangements we are proposing for the future will help ensure that the sector and the relationship continues to be strong and viable including around

regional working, innovation and a focus on ensuring that the Third Sector contributes to the outcomes that are important for Wales.

Examples of Welsh Government Departmental Engagement with the Third Sector

Department for Education and Skills

Within chapter 12, The Culture and Heritage of Wales, of the Programme for Government, DfES has a commitment (12/021) to Work to ensure that community groups feel able to use the Welsh language as part of their activities and are able to operate bilingually

Mentrau Iaith, supported by Welsh Government grants, work closely with community groups throughout Wales to support and promote the use of Welsh. The Mentrau contribute to the Programme for Government by encouraging members of the community to take part and attend over 120 activities aimed at getting those involved using more Welsh. All initiatives are aimed at raising confidence, raising awareness, and giving practical support to community groups to increase their use of the Welsh language

Activities and events vary greatly from informal meetings where individuals come to practice their Welsh to large scale music festivals and working in partnership with others including the local schools.

All of the Mentrau Iaith receive match funding from numerous funders. The Welsh Government provides core funding that contributes to staffing and some project costs. The total amount provided from the Welsh Government during 2013/14 is 1,769,598.

Department for Health and Social Services

The Programme for Government contains a commitment (4/072) to continue to improve care and support for people with dementia and their families.

The Welsh Government has provided funding to the Alzheimer's Society to develop Dementia Information Packs for those who have received a diagnosis in Wales and their relatives/carers.

A UK first, the information pack Living well with Dementia after Diagnosis explains the likely impacts of the condition and sources of further advice. The Alzheimer's Society has also appointed two Dementia Information Liaison Coordinators in Wales to ensure dissemination of the Information Packs, and to make links with key local agencies.

The Alzheimer's Society has also been working with the Wales Primary Care in Mental Health Network in a Welsh Government-funded initiative to produce a dementia training package for GPs and primary care staff to increase knowledge and understanding of the needs of people with dementia and their carers, which will launch in November 2013.

ESF Peer Mentoring Scheme

The ESF Peer Mentoring Scheme has been in operation since October 2009 and is delivered pan-Wales by six third-sector substance misuse Providers. The key objective of the scheme remains to embed Peer Mentors into substance misuse services across Wales in order to provide additional case work capacity by using an approach which is focussed on achieving economic independence for the Participants.

Since its inception, the ESF Peer Mentoring Scheme is clearly delivering results on the ground for some of the most vulnerable groups. Up to the end of September 2013, over 9600 participants have enrolled on the scheme, with 863 entering employment and 923 entering further learning.

Sustainable Futures

Chapter nine of the Programme for Government sets out the Welsh Government's arrangements for tackling poverty including through implementing the Fuel Poverty Strategy. The actions include the provision of a demand-led All Wales Fuel Poverty programme (Nest), advisory services for households and delivery of Arbed, a strategic area-based energy efficiency programme.

The third sector play an active and important role in providing advice to fuel poor households and encouraging people to take action, for example by accessing Nest, fuel switching, becoming more energy efficient.

The primary way in which Welsh Government works with the third sector in a practical sense is in delivery of Nest, our fuel poverty programme. The scheme manager, British Gas, set up a Stakeholder Board with representatives from the third sector.

In addition the scheme manager increased the number of referrals into the scheme from the third sector and aims to turn this into the primary mechanism to reaching customers. Experience shows that third sector partners have access and reach to vulnerable households that traditional marketing techniques find it difficult to attract.

Economy, Science and Transport

Commitment 1/008 of the Programme for Government looks to ensure that the mutual & cooperative sector has access to appropriate & robust business advice and that Ministerial lead will be in the Economy Department.

The Minister for Economy, Science and Transport meets with the Wales Co-operative Centre biannually to discuss matters relating to social enterprise in order to help build the sector. During 2012/13 the Wales Co-operative Centre, Social Firms Wales and the Development Trust Association were funded to provide specialist membership services and specialist policy advice to the

Welsh Government. Social Firms Wales received £150,000 for a pilot project to develop models of social firms specialising in childcare and social care.

As 2012 was the UN International Year of Co-operatives the Minister for the Economy, Science and Transport set up a Welsh Co-operative and Mutuals Commission, under the Chairmanship of Professor Andrew Chairman of ABMU Health Board. The Commission is to make recommendations on growing and developing the co-operative and mutual economy in Wales in order to create jobs and wealth in support of the Welsh Government's aims and ambitions, the Commission will be reporting to the Minister in autumn 2013.

Local Government and Communities

Communities First is a community focussed programme that supports the tackling poverty agenda. It supports the most disadvantaged and deprived communities with the aim of alleviating persistent poverty. Communities First Clusters in particular focus on alleviating poverty through improving health, education and economic outcomes.

There are four Communities First Clusters in Blaenau Gwent. The Tredegar Cluster covers a significant proportion of Tredegar town and outlying areas with the Ebbw Fawr Cluster covering a significant proportion of Ebbw Vale Town and outlying areas. The Gwent Association of Voluntary Organisations (GAVO) is the Lead Delivery Body for both these Clusters.

GAVO lead the clusters in a wide range of project that focus on the key priorities of the Programme for Government including:

- Junior Aspirations – for year 6 pupils, giving them a better understanding of the employment, training and learning opportunities available to them;
- Power Hour – seeking to reduce the gap in academic achievement in key stage results, specifically key stages 2, 3 and 4;
- GRAB - Aim to reduce absenteeism by implementing an anti bullying kite mark;
- Volunteering – encouraging participants to engage in volunteering opportunities that will increase employability etc; and
- Mentoring - Providing opportunities for participants to train as mentors and become role models.

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First Minister of Wales