

Guide to Government assistance to the third sector



Charity and
Third Sector Finance Unit

CabinetOffice



HM TREASURY

Foreword

The Government believes that the third sector – encompassing voluntary and community organisations, charities, social enterprises, cooperatives and mutuals – has a vital role to play in creating a fair and prosperous society. Third sector organisations provide much needed services to people throughout society. They help strengthen communities and bind them together. They provide opportunities for voluntary activity and civic commitment. They articulate needs and provide a voice to those who might otherwise not be heard. They express values and motivations which help create the kind of society people wish to live in.

That is why over recent years the Government has put in place a wide range of programmes to support to the third sector. These range from a variety of tax reliefs to new legal frameworks for social enterprises; from funding schemes in specific service areas to general programmes designed to improve and build organisational capacity; and from cross-cutting policy initiatives such as on the delivery of public services to the funding of major new organisations such as V, the new national youth volunteering body.

This Guide sets out the principal sources of Government financial support available to the third sector.

The new Office of the Third Sector in the Cabinet Office has overall responsibility for third sector policy across Government, and the Charity and Third Sector Finance Unit in the Treasury takes a strategic overview of third sector tax, spending and financial services policy.

Both Departments will work in partnership on the policy review on the role of the third sector in social and economic regeneration. I hope that this Guide and the future activities of the Unit can help third sector organisations maximise the benefits they gain from Government programmes – and ensure that their voice is heard in our future policy processes.

The third sector is at the heart of life in every community. We are committed to strengthening it.



The Rt Hon Gordon Brown MP
Chancellor of the Exchequer

Charity and Third Sector Finance Unit

The Charity and Third Sector Finance Unit is responsible for strategic policy development across HM Treasury on third sector issues. The Unit acts as a policy and strategy network in the Department, bringing together all aspects of spending, financial services and tax policy. The Unit will closely work with the Cabinet Office, as the lead Department on the third sector, including social enterprise, and HMRC, who are responsible for the taxation of charities and the operation of reliefs for giving.

The Unit will work jointly with the Cabinet Office to conduct the largest programme of engagement undertaken with the third sector, seeking views from a wide range of organisations in every region, for a policy review on the future role of the third sector in social and economic regeneration. This review forms part of the groundwork for the Comprehensive Spending Review in 2007 and marks a new phase in the relationship between Government and the third sector, driven by consultation.

The purpose of this Guide

The Government is committed to creating a fair and enterprising society, and strongly supports the role that the third sector can play in building strong and vibrant communities, including through delivering public services and encouraging voluntary participation in the local community.

The third sector comprises non-governmental organisations which are value-driven and which principally reinvest their surpluses to further social, environmental or cultural objectives. It includes voluntary and community organisations, charities, social enterprises, cooperatives and mutuals. The third sector is large and growing, and plays an increasingly important role in both society and economy.

The Government has put in place a wide range of support to the sector, both through the tax system and through policy initiatives designed to build capacity and provide the sector with the means to compete for the provision of public services. For example, the 1998 Compact¹ set out the agreement between Government and the third sector on how best to work together, in 2000 the Getting Britain Giving package increased and enhanced the tax reliefs available on charitable gifts, the 2002² and 2004³ Cross Cutting Reviews set out measures to give the third sector a stronger role in public service delivery and the

Government has promoted increased levels of volunteering through the 2005 Year of the Volunteer and support for the implementation of the Russell Commission recommendations. The Government is now launching its revised Guidance to Funders,⁴ which will promote the relationship between the third sector and Government, in public service delivery and further the principles embedded in the Compact.

This Guide aims to provide an overview of the key sources of financial support available to the third sector. It is aimed at third sector organisations seeking support for activities that benefit the community. The Guide is not intended to be exhaustive, and is to be used as an outline – further and more detailed information is available elsewhere and is listed in the Guide.⁵

Due to recent machinery of Government changes, detailed information on the policy areas outlined in this document is not available on the Cabinet Office website – however, it will be available shortly.

The website of the new Department for Communities and Local Government is www.communities.gov.uk. Links to the previous address, www.odpm.gov.uk, continue to be valid during the transition and will be redirected to the new website.

¹ Compact website: <http://communities.homeoffice.gov.uk/activecomms/supp-vc/compact/>

² Cross-cutting review of the role of the voluntary and community sector in public service delivery, HM Treasury, September 2002, http://www.hm-treasury.gov.uk/spending_review/spend_ccr/spend_ccr_voluntary/spend_ccr_voluntary.cfm

³ Exploring the role of the third sector in public service delivery and reform, HM Treasury, February 2005, http://www.hm-treasury.gov.uk/spending_review/spend_ccr/spend_ccr_voluntary/spend_ccr_voluntary.cfm

⁴ Improving financial relationships with the third sector: Guidance to funders and purchasers will be published on 15 May 2006 and available on the HM Treasury website

⁵ As the third sector is devolved in several areas, and each of the devolved administrations has its own mechanisms in place for providing financial assistance to the third sector, a summary of where to find further information is provided later in this booklet.

Contents

Foreword	1
Introduction	2
I want to	
-find out about tax reliefs for charities and attract donors to my organisation	5
-gain access to loan and development grant funding to help me deliver public services	9
-work effectively with all levels of government to deliver public services	12
-deliver more pioneering and innovative services	14
-set up a social enterprise	18
-attract more young volunteers to my organisation	21
-provide better support services to front-line third sector organisations	23
-apply for central government funding in my area of delivery	27
Government assistance to the third sector through the devolved administrations	31

I want to ...find out about tax reliefs for charities and attract donors to my organisation



Government support for charities through the tax system is considerable, with tax reliefs available to both relieve the burden of taxation on charities and to encourage charitable donations. In 2000, as part of the Getting Britain Giving campaign, tax reliefs for giving to charity were greatly expanded and improved, making them available to many more people. Since then, the tax reliefs and special provisions for charities have increased in value every year, and were worth over £2.5 billion in 2004/05.

Gift Aid

Gift Aid allows individual donors to redirect tax they have paid to charity, providing a significant boost to the charity's income – for every £1 given using Gift Aid, the charity can claim an extra 28p. In 2004/05 charities claimed £625 million in tax on donations made using Gift Aid. Gift Aid can apply where the donor pays enough UK tax to cover the tax claimed by the charity

on the donations. The donor makes a declaration, in writing or orally, allowing the charity to reclaim basic rate tax on the donation. If the donor is a higher rate taxpayer, he or she can also claim relief for themselves on their tax return. So, if someone gives £1, the charity claims tax of 28 pence and the donor can get further relief of 23 pence (18% of £1.28). Currently around 30% of donations are made using Gift Aid, so there is clear scope for charities and donors to make greater use of the scheme. Comprehensive guidance on the use of Gift Aid is available from HM Revenue and Customs.

Companies also get tax relief for donations to charity, but the rules for company Gift Aid are different. The company makes a gross donation to the charity and claims the tax relief on its tax return.

The charity does not claim any further tax at the end of the year. Companies owned by charities can also use company Gift Aid to donate profits to their parent charities.

Payroll Giving

If an employer offers a Payroll Giving scheme, employees can give to any UK charity directly from their salary, before the tax is taken. This means that the tax relief is included in the donation, so a donation of £10 costs a basic rate taxpayer £7.80 and a higher rate taxpayer £6. In 2004/05 £83 million was given to charity through Payroll Giving schemes, but this year, the Treasury has challenged employers, employees, charities and the Government to work together to increase the amount given to over £100 million a year. To encourage greater use of Payroll Giving, the Home Office is funding a Payroll Giving Grant Scheme. This

offers small and medium employers with under 500 staff grants of up to £500 to start a Payroll Giving Scheme. Additionally, the Government will match donations made by employees through new schemes for the first six months. The Government matching is capped at a maximum of £10 per month per employee. The scheme is due to end in December 2006.

Gifts of Assets

Donors who give land, buildings or listed shares or securities to charity can claim income tax or corporation tax relief on the value of the gift. In 2004/05 £70 million tax relief was claimed by individual donors on these gifts. In addition, gifts and bequests to UK charities are free of inheritance tax and gifts of assets are not liable to capital gains tax.

Tax reliefs for charities

Charities themselves benefit from tax reliefs on most income and gains, provided these are applied for charitable purposes. These include exemption from tax on property rental income, bank or building society interest and dividends. Charities are exempt from tax on profits they make from primary purpose trades. These are trading activities that form part of the charitable objectives, for example course fees charged by an educational establishment or admission fees for exhibitions charged by museums and galleries. This exemption also applies to trades which are ancillary to primary purpose trades. These may include the sale of textbooks by a school or college, the sale of food or drink at a museum café or theatre bar, or the sale of confectionery, toiletries or flowers to patients and visitors in a hospital. If the beneficiaries of a charity carry out a trade, this may also be exempt from tax, for example, agricultural students running a farm, catering students running a restaurant or the sale of goods made by beneficiaries.

Charities also benefit from exemption from capital gains tax on the sale of their assets, Stamp Duty Land

Tax, VAT on some supplies to charities and 80% relief from Non Domestic Business Rates.

Related sources of information

A guide to tax incentives for corporate giving, January 2005, is a joint HM Treasury and Home Office booklet providing guidance on the range of tax incentives available to business for giving.

Contact

Further information about tax reliefs for charities and donors can be obtained from:

A Generous Society: Next steps for charitable giving in England

The Government's charitable giving strategy was published in November 2005, and set out plans for working in partnership with the third sector to foster a deeper culture of planned, regular and tax efficient giving:

www.communities.homeoffice.gov.uk/activecomms/ac-publications/publications/290699/gen-soc-charit-giv-strat.pdf

N.B Responsibility for the promotion of charitable giving policy across Government is now within the Cabinet Office

HM Revenue and Customs

The HMRC Charities Unit is responsible for the tax affairs of individual charities and the administration and maintenance of the existing rules and reliefs, including tackling abuse where appropriate.

Internet: www.hmrc.gov.uk/charities

Tel: 08453 02 02 03

Payroll Giving Grants

For more information on the Payroll Giving Grant Scheme visit, <http://www.payrollgivinggrants.org.uk/> or email info@payrollgivinggrants.org.uk

Institute of Fundraising

Information on tax effective giving, including access to training programmes, advice and seminars can be found at: www.institute-of-fundraising.org.uk

For more information about Non Domestic Business Rates contact your [Local Authority](#).

Case Study – Payroll Giving, Royal Bank of Scotland

RBS Group's community investment is all about putting support where it will make the most difference. In recognising that staff are best placed to identify specific needs within their own local communities, RBS makes funds available to the good causes they support as payroll givers, volunteers or fundraisers. Payroll Giving is an integral part of RBS Group's Employee Involvement Programme.

Royal Bank of Scotland's employee-giving programme is the most generous in the UK – it is the only UK organisation to double-match employees' donations made via Payroll Giving. The RBS scheme generates more money for charity than any other Payroll Giving scheme in the UK. Since double matching began in 2001 over £30 million has been donated to thousands of UK charities. Between January 2005 and December 2005, RBS group employees donated £3,125,782 to which the Group added £5,388,242, meaning the total given through Payroll Giving in 2005 was £8,514,024. The bank attributes the success of Payroll Giving to the fact that it is an easy and effective way to give to charities and recognises the importance of helping staff support the causes that matter to them as a key part of being an employer of choice.

I want to ...gain access to loan and development grant funding to help me deliver public services

Futurebuilders

Futurebuilders was one of the recommendations in the Treasury's Cross Cutting Review into the role of the third sector in public service delivery (September 2002).

Futurebuilders will deliver an increase in the scale and scope of the public services delivered by the third sector. It will do so through making an investment in exemplars in third sector service delivery operating in five priority service areas:

- Community cohesion
- Crime
- Education and learning
- Health and social care
- Supporting children and young people

The emphasis will be on step change within front-line service providing organisations so that they can deliver improved, and sustainable, services for users. By the end of March 2006, Futurebuilders had made 116 investment offers and committed £40 million.

Futurebuilders believes the third sector is well placed to improve the delivery of certain types of public services because of its flexibility, community links, specialist knowledge, closeness to users and involvement of volunteers. Many third sector organisations already deliver excellent public services, but could be funded in ways that better promote the long-term quality and sustainability of those services. Futurebuilders wants to support organisations to develop their public service delivery, but in a way that encourages full cost recovery and sustainability.

There are 4 strategic aims:

- To improve public services significantly in the longer term, through investing in a range of third sector organisations;
- To provide an investment model comprising a combination of loans, performance related investments, grants and capacity building through consultancy support;
- To implement effective investment (outreach, application, assessment, decision-making and management) and administrative processes; and
- To have a wider impact, especially on the third sector, other funders and the public sector, by sharing learning gained from Futurebuilders' experiences.

Process

From May 2006 there will be a continuous window for applications.

Related sources of information

Exploring the role of the third sector in public service delivery and reform, February 2005, HM Treasury: www.hm-treasury.gov.uk

Contact

For further information, please contact [Futurebuilders England](http://FuturebuildersEngland.org.uk) on info@futurebuilders-england.org.uk or telephone 0191 261 5200. Internet: www.futurebuilders-england.org.uk

Responsibility for the Futurebuilders fund within Government lies with the [Cabinet Office](http://CabinetOffice.gov.uk). Please see www.cabinetoffice.gov.uk or telephone 020 7276 1234

Case study: Futurebuilders

"As Derwent Stepping Stones finally reach their fundraising targets, rapid increases in building inflation frustrate their plans to start work. By accepting this FBE loan the group benefit from the financial stability they need for building work to begin and the organisation to grow." FBE Senior Investment Officer, Jane Hayes

Derwent Stepping Stones was established in 1988 to offer a range of family support services in a disadvantaged area of Derby. Its objective is to provide routes into work or training for parents and carers and to remove barriers to finding and staying in work. Derwent Stepping Stones assistance includes childcare, family support and community learning services. Recognising that there was an urgent need for a new building to accommodate the growing number of users, Derwent Stepping Stones secured a Futurebuilders investment package totalling £450,568. The investment includes a loan, a revenue grant, capacity building and an overdraft guarantee.

The Scheme and the Request

Derwent Stepping Stones is a user-led organisation with

an exceptional track record for involving and engaging the local community, including families who have otherwise proved hard to reach. There is widespread community commitment to its expansion and development plan. Currently, the group operates from temporary portable buildings, which limits its capacity to both develop services and to move towards a contractual relationship with Derby City Council and other potential purchasers. It has identified the need to build a new centre in order to expand its childcare, family support and community learning services in Derby.

Purchasers

Although Derwent Stepping Stones already delivers some services on behalf of Derby City Council, the move into new premises, made possible by Futurebuilders investments, will enable Derwent Stepping Stones to develop new and extended contracts with the Council. The Council has confirmed that, when the children's centre is complete, Derwent Stepping Stones will be one of three organisations delivering all children's centre activities in the area. Other purchasers are likely to include Derby College, which plans to use the centre to deliver training funded by the Learning and Skills Council.

I want to ...work effectively with all levels of Government to deliver public services



The Compact on Relations between Government and the Voluntary and Community Sector in England (Compact), first introduced in 1998, is the framework agreement for how the Government and the sector should work together.

Together, the Compact and Codes set out a shared vision and principles, along with undertakings for both sides of the relationship. It applies to central Government departments, government offices for the regions, executive agencies and non-departmental public bodies, and to the range of organisations in the voluntary and community sector.

Local Compacts, informed by the national Compact and Codes, are local level agreements for partnership working at local level between voluntary and

community sector organisations and public sector bodies. 98% of local authority areas have, or are developing a Local Compact.

The Compact is underpinned by Codes of Good Practice on:

- Funding and Procurement
- Consultation and Policy Appraisal
- Black and Minority Ethnic (BME) voluntary and community organisations
- Volunteering
- Community Groups

Related sources of information

The [Compact Code of Good Practice on Funding and Procurement](#) is an important source of help. It sets out a framework for the financial relationship between Government and the third sector. For advice on the Compact on Relations between Government and the third sector, visit www.thecompact.org.uk. This site is run by the Compact Working Group.

In the autumn, the Government will be launching a new organisation, the [Office for the Compact Commissioner](#) to take forward advice, guidance and brokering on the operation of Compact. The appointment of the Compact Commissioner is expected to be announced this summer and he/she will be taking forward work to make Compact clearer and more succinct, thus making it simpler for bodies to understand what they need to do to be Compact compliant. A wide range of public sector bodies and VCS organisations are covered by the existing

Compact/Local Compacts and the idea is that Compact Plus will help with realising implementation of existing commitments.

Contact

For further information, please contact [The Compact Working Group](#) at www.thecompact.org.uk or telephone 020 7520 2561

Responsibility for the Compact within Government lies with the [Cabinet Office](#). Please see www.cabinetoffice.gov.uk or telephone 020 7276 1234

I want to ...deliver more pioneering and innovative services



The Invest to Save Budget (ISB) was established by HM Treasury and the Cabinet Office. It is now led by HM Treasury and aims to create sustainable improvements in the capacity to deliver public services in a more joined up manner. A key principle of the ISB programme is that investment is provided in return for reform. The ISB is about joined up Government, forging new alliances, creating partnerships and promoting innovation by sharing risks involved in new types of delivery, so that the public can get the benefit of a more integrated package of services.

ISB is the catalyst for projects, which have a risk factor and are pioneering, making things happen and producing better quality public services. It provides the initial financial backing to projects that demonstrate the capacity to achieve sustainability.

ISB is only intended to provide funding for the initial stage of the project. However, ISB learns and disseminates lessons from the successes and failures of the projects, so that it can inform the design of future service delivery by partnerships across the public sector. It is far easier to get funding for a new way of delivering a service if it is backed up by an example of where it has been tried and found to work. All projects have a departmental sponsor, a member of the senior civil service who has policy responsibility for the area of the project development, and who has a responsibility for considering the wider use of the project outcomes.

Projects

Since it was created in 1998, the ISB has invested over £450 million in some 460 projects across the UK. Projects have ranged in size and scope from a few

thousand to a few million pounds. ISB has brought together some unexpected, but very successful, partnerships: the Meteorological Office and the National Health Service to use the latest forecasting technology to plan the more efficient deployment of hospital beds. It has helped to establish valuable resources within communities: Oldham Business Management School, bringing together interests in local business and academic community to provide a flexible business support, training and education environment. It has helped Government make the best use of digital technology: the information for local government site and a site that enables small businesses to transact with the Government online.

The ISB was rebranded in 2004 as the 'ISB – Inclusive Communities Fund' with a focus on the third sector's role in delivering public services. The ISB has allocated over £97 million to third sector led projects which have made a real difference to communities and is reaching those in society that the public and private sectors are less able to reach.

Successive rounds have continued to fund innovation with an emphasis on local partnerships delivering local projects that strengthen local communities.

Process

Ninth bidding round: The Budget announced that the 9th ISB resource allocation round will focus on the third sector's role in building fairer communities and the delivery of public services.

A final decision is not expected on the precise details for round 9 until July 2006. Full details will be published on the ISB website around this time.

Contact

Further information can be found on the [Invest to Save](http://www.isb.gov.uk) website at: www.isb.gov.uk

ISB Case Study: Mentoring project for Young Asylum Seekers

ISB funding: £154,457

Organisation: The Asphaleia Project

Sponsor Department: DfES

Looked After Children (LAC) are more likely to leave school with a lower level of attainment than their peers. As Looked After Children, Unaccompanied Asylum Seeking Children (UASC) are additionally hampered in schools by an interrupted education, adapting to new systems of learning, short time frames and invariably limited English language. Schools and teachers are under pressure to include them in all the curriculum learning.

The project aimed to:

- Provide Looked After Children with the necessary specialist support that will afford them the opportunity to achieve success and reach their full potential in schools;
- Help towards raising the level of educational attainment and facilitate social inclusion; and
- Contribute to providing young people with a fulfilling and rewarding school experience.

By providing:

- Mentoring support for Looked After Children;
- Systemic support for schools and teachers receiving or likely to receive UASC; and
- The development of resources and materials required in achieving the above.

Long-term impact on public services:

- Improving the delivery of services provided by Looked After Children Education Department and individual schools;
- Leading to significant savings of public service funds;
- Stimulating policy changes within schools;
- Enabling young people to access statutory education services more effectively; and

- Raising the level of attainment by stimulating and promoting more effective learning.

Partnership

The project has been innovative in bringing together a charity with the Local Education Authority, and individual schools supporting the recent trend towards community partnerships to improve the delivery of public services.

Benefits Achieved

- 100% mentoring session attendance and mentees attendance at school good;
- Mentees involved in the wider sphere of school activities;
- Schools involved are providing more specific support to individual children;
- School populations can understand better the specific needs of asylum seekers/refugees and are better informed as to how they can be inclusive;
- Schools have a number of resources to give direct to newly arrived unaccompanied asylum seeking children (UASC);

- Teachers are supported by the work of the mentors; and
- Mentees are receiving one-to-one support on a weekly basis and their feedback indicates that this has been a vital part in their academic and social experience.

Roll Out/Sustainability

The lessons learnt promise to provide further knowledge and workable methods and resources to impact on large numbers of children and schools alike.

While the initial group supported has been UASC, a pilot of mentoring 15 indigenous Looked After Children in schools started in the spring term 2004 as an extension to the original project.

I want to ...set up a social enterprise

Social enterprises are businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners. Social enterprises increasingly contribute to the economy through their turnover and employment, in increasing enterprise and innovation, through the delivery of public services, as well as through their social and environmental outputs.

The Government's vision is of a dynamic and sustainable social enterprise sector strengthening an inclusive and growing economy, and it has put in place a series of measures to support the sector's growth. The Government wants to see social enterprises seen increasingly as part of the business landscape, although they also operate within and share many of the motivations of the wider third sector.

Legal structures

Social enterprises can take a variety of legal forms (which have different regulatory regimes) determined by the nature of the activities of the enterprise, the requirements of key stakeholders, the appropriate governance structure and the ability to access the required finance. Common legal forms used by social enterprise include company limited by guarantee or industrial and provident society.

In September 2005, the Government launched a new legal structure available for social enterprises – the Community Interest Company. Community Interest Companies are limited companies with special features, an asset lock and community interest report, designed to ensure community benefit. They are regulated by the new Community Interest Company Regulator. The Department of Trade and Industry has produced a guide on legal forms for social enterprise 'Keeping it Legal'.

Access to finance

Social enterprises access finance from a range of sources, including mainstream banks, community development finance institutions (CDFIs) and through grants from Government or charitable trusts. The Government has set in place a range of measures to support the sector's access to finance, including the Adventure Capital Fund, Futurebuilders (see page 9) and through support to the CDFI sector, in the Phoenix Fund and Community Investment Tax Relief. The DTI, through the Small Business Service's Phoenix Fund, set up and continues to support the Community Development Finance Association to provide help and advice for CDFIs.

The Government has produced Guidance to Funders and a Compact on Funding to encourage good practice in funding the third sector. Further information on business and finance support can be found on the business link website, including an online

grants and support directory and a No Nonsense Guide to Small Business Funding. The Social Enterprise Coalition has also produced a guide 'Unlocking the potential: a guide to finance for social enterprise'.

Business support

Social enterprises and other third sector organisations require a range of business support, some similar to mainstream advice and support, and some more specialist help, particularly in the pre-start phase. The English Regional Development Agencies are now responsible for ensuring that appropriate business support and advice is available locally, including through Business Link. Further information can be found through the Business Link website.

Public procurement

The Government wants to enable all third sector organisations, including social enterprise, to be able to bid for public contracts, and supports the sector to do so through the Futurebuilders fund and Guidance to Funders. Further information can be found in the Social Enterprise Coalition's guide 'More for your money' and DTI's 'Public procurement: a toolkit for social enterprises'.

Related sources of information

Further information about social enterprises can be found at:

The Cabinet Office

The [Cabinet Office](#) has overall responsibility for third sector policy, including social enterprise.

Business Link

Internet: www.businesslink.gov.uk

Business support

Social Enterprise Coalition

Internet: www.socialenterprise.org.uk

The voice of social enterprise

Community Development Finance Association (CDFA)

Internet: www.cdfa.org.uk

Trade association for Community Development Finance Institutions (CDFIs)

Community Interest Company Regulator

Internet: www.cicregulator.co.uk

Advice on CIC regulation

Financial Services Authority (FSA)

Internet: www.fsa.gov.uk

Advice on mutuals and cooperatives

Companies House

Internet: www.companieshouse.gov.uk

Guidance on company regulation

The Charity Commission

Internet: www.charity-commission.gov.uk

Advice on charity law and regulation

Contact

For further information, please contact the [Cabinet Office](#) on www.cabinetoffice.gov.uk or telephone 020 7276 1234

I want to ...attract more young volunteers to my organisation



V

V's aims to attract 1 million new young volunteers over the next five years. Over the course of the next year, it will commission short-term, part-time and full-time volunteering opportunities. Full-time volunteers will be supported by an allowance, and volunteers experiencing hardship can apply for a discretionary hardship grant. Your organisation can apply to offer some of these opportunities, which will also appear on a portal from autumn 2006 to publicise their availability. To be successful, your organisation will need to have the capacity to deliver the opportunities in accordance with the timetable set out below.

The Government strongly supports increased levels of active community engagement – the work of V is a response to the Russell Commission recommendations for a new youth framework for volunteering, which the Government fully endorsed and currently supports through an investment of up to £100 million, including a

fund available to match contributions from business. The work of V is also supported by 26 corporate supporters, including 7 Founding Partner companies.

Process

First bidding round:

May 2006 – Your organisation can bid to provide taster, part-time and full-time opportunities

August 2006 – Short-term opportunities available

October 2006 – Part-time and full-time opportunities available

Related sources of information

Further information about involving young volunteers in your organisation can be obtained at:

The British Youth Council: www.byc.org.uk, telephone 0845 458 1489

The National Youth Agency: www.nya.org.uk, telephone 0116 242 7350

Youth Action Network: www.youth-action.org.uk, telephone 0121 455 9732

YouthNet: www.youthnet.org, telephone 020 7226 8008 (YouthNet runs the Do-it.org.uk website, which is devoted to all aspects of volunteering, including a database of over 500,000 opportunities to volunteer around the UK on which organisations can advertise their volunteering opportunities).

Contact

For further information, please contact **V** on info@wearev.com or www.wearev.com

The **Cabinet Office** has overall responsibility for third sector policy. For further information, please visit www.cabinetoffice.gov.uk or telephone 020 7276 1234

I want to ...provide better support services to front-line third sector organisations

NB. This section applies to infrastructure organisations and second-tier service providers only

ChangeUp

The ChangeUp programme is about strengthening the support and assistance available to third sector organisations.

The ChangeUp vision was developed in partnership with the sector and focuses on improving capacity building and infrastructure.

Launched in 2004, the ten year ChangeUp vision is that by 2014 the needs of frontline voluntary and community organisations will be met by support which is available nationwide, structured for maximum efficiency, offering excellent provision which is accessible to all, while reflecting and promoting diversity, and is sustainably funded. This vision was

backed by a total of £150 million over 5 years to 2008.

Investment is made at national, regional, sub-regional and local levels, with the bulk of investment (65%) going through the regions to support sub-regional and local initiatives. Sub-regional consortia of third sector organisations have developed 'infrastructure investment plans' to address gaps in infrastructure provision and undertaken projects to meet them, funded by ChangeUp after a bidding and review process.

Six national hubs of expertise have been established, along six key infrastructure themes: finance, governance, ICT, performance, volunteering and workforce. Run by partnerships of third sector organisations aiming to improve quality, efficiency, coherence and strategic development, the hubs will

provide a gateway through which third sector organisations can access the full range of support and development services.

Prior to April 2006 the ChangeUp programme was administered by the Home Office and Government Offices.

Capacitybuilders

From April 2006 the ChangeUp programme is now managed by Capacitybuilders, a new agency at arms length to Government, led by a board of third sector experts. The funding for the financial years 2006/07 and 2007/08 is £70 million.

Capacitybuilders will be working with third sector organisations involved in capacity building and infrastructure support across England to help them become more effective and efficient. Capacitybuilders will continue to channel some funding through subregional and local consortia and to six national hubs of expertise, but will also run new thematic programmes.

Process

Capacitybuilders is providing Continuation Funding for regional consortia and national hubs from April 2006, and there will be a similar process for delivering Continuation Funding for 2007/08.

Capacitybuilders will also run thematic programmes which will be determined on an annual basis. Full publicity will be given by Capacitybuilders when these programmes are launched, including a description of the target communities, qualification criteria, application process and the key dates for application, assessment, approval and delivery.

Individual hubs and consortia also commission work throughout the year, usually advertised on their websites and in the local press. You can find these websites listed at www.changeup.org.uk

Related sources of information

Further information about Capacitybuilders and the ChangeUp programme can be obtained at:

Capacitybuilders:

Internet: www.capacitybuilders.org.uk

This website includes a downloadable version of the new Capacitybuilders strategy.

ChangeUp:

Internet: www.changeup.org.uk

This website includes links to all of the National Hub and Regional Consortia websites.

Cabinet Office:

Internet: www.cabinetoffice.gov.uk

The Cabinet Office has overall responsibility for third sector policy.

Contact

For further information, please contact

[Capacitybuilders](http://www.capacitybuilders.org.uk) on info@capacitybuilders.org.uk, or telephone 0121 237 5100.

Full contact details for the [National Hubs](#) and [Regional Consortia](#) are available at www.changeup.org.uk

Responsibility for ChangeUp/Capacitybuilders within Government lies with the [Cabinet Office](#). Please visit www.cabinetoffice.gov.uk or telephone 020 7276 1234

Case studies: ChangeUp / Capacitybuilders

These case studies show the diversity of projects that ChangeUp can fund even in a single geographical area, in this case Greater Manchester, that can make a difference to front-line organisations.

‘It All Adds Up’

Manchester Community Accountancy Service have been provided with funding to set up a part-time physical presence at local delivery points. These include Councils for Voluntary Service in four Greater Manchester boroughs to develop relationships with similar providers in the sub-region and Community Accountancy projects nationally to explore joint delivery of work. The project is also piloting an extension of the service to cover four more districts, building a partnership that will in due course offer a service right across Greater Manchester.

‘Legal and Personnel Support’

Greater Manchester Pay and Employment Rights Advice Service are being funded to provide personnel and legal support to third sector organisations in Greater Manchester, offering a single contact point for personnel and legal advice to both employers and employees about rights and responsibilities. The area of personnel and legal advice had for some time been clearly

identified as a “missing” infrastructure service, and prior to this project, Greater Manchester Pay and Employment Rights Advice Service had only been delivering services to individuals, rather than organisations. They are now working in partnership with a small local private sector firm of solicitors that already enjoys a good reputation in the voluntary sector, to develop the new service.

‘Refugee Sector Project’

Refugee Action, Manchester Refugee Support Network and Evelyn Oldfield Unit are collaborating on a project which will produce information packs outlining support available to refugee led groups, along with a directory of refugee led groups for distribution to VCS infrastructure organisations. Not having previously worked together – although all working with the same client groups – these partner organisations are now collaborating on producing shared resources and pooling contact data.

All the partner organisations work primarily with individuals, but also undertake capacity building activity with emerging community groups and perform a vital gateway function enabling such groups to access other infrastructure support. The project is building strong working relationships between these refugee-servicing groups and with other infrastructure organisations, which is certain to enhance the quality and quantity of support available to refugee communities in the Greater Manchester area.

I want to ...apply for central Government funding in my area of delivery

Below is a summary of key sources of funding available through other Government departments that have not been listed elsewhere:

Cabinet Office

The Cabinet Office has overall responsibility for third sector policy. For general enquiries, please see the website of the Cabinet Office: www.cabinetoffice.gov.uk

The Cabinet Office is also responsible for development and delivery of [social enterprise policy](#). For general enquiries, please visit www.cabinetoffice.gov.uk

[The Compact Code of Good Practice on Funding and Procurement](#) is an important source of help. It sets out a framework for the financial relationship between Government and the third sector. For advice on the

department for
education and skills

CabinetOffice



Department for
**Communities and
Local Government**

DH Department
of Health

dca Department for
Constitutional Affairs
Justice, rights and democracy

defra
Department for Environment,
Food and Rural Affairs

Compact on Relations between Government and the third sector, visit www.thecompact.org.uk. This site is run by the Compact Working Group.

[Think Smart...Think Voluntary Sector: Good Practice Guidance on Procurement of Services from the Voluntary and Community Sector](#), June 2004, OGC, Home Office: www.ogc.gov.uk

The Government's cross-departmental [Third Sector Public Service Delivery Action Plan](#) will set out measures to enhance the third sector's capacity to deliver public services, setting out instances where Government and the third sector work well in partnership to deliver public services and identifying a number of specific areas – in the fields of health, children's services, employment services and offender management - where the Government believes the

third sector could play a significantly increased role.

The [Government funding portal](#) provides information on assistance available from a variety of Government departments:
www.governmentfunding.org.uk

Department for Communities and Local Government

The Department for Communities and Local Government is the successor to the ODPM, and has responsibility for community cohesion and civic renewal (previously undertaken by the Home Office) as well as regeneration and neighbourhood renewal (previously an ODPM responsibility).

The DCLG also provides funding through the [Neighbourhood Renewal Fund and other Regeneration Programmes](#) (contact www.neighbourhood.gov.uk), which are allocated to Local Authorities in deprived areas and may be accessed via local arrangements set up by Local Strategic Partnerships in those areas. The DCLG also provides funding to Regional Development

Agencies, which may be accessed again under local arrangements by groups whose activities fit the priorities of the individual RDAs' programmes

For general enquiries, please contact www.communities.gov.uk or telephone 020 7944 4400

Department for Education and Skills

The Department for Education and Skills provides support for third sector organisations to improve outcomes for children, young people and families.

[The Children, Young People and Families Grant programme](#) (information at www.everychildmatters.gov.uk/strategy/voluntaryandcommunity/cypfgrant/) awards strategic and project grants for work of national significance.

[The Local Network Fund](#) (contact www.everychildmatters.gov.uk/strategy/localnetworkfund or telephone 0845 113 0161) offers small grants for local voluntary and community groups.

Third sector organisations also receive funding at local level through childrens' services grants allocated to [Local Authorities. Childrens' trusts](#), which bring together key local partners, are responsible for commissioning services to improve outcomes for children, young people and families in local areas. More information is at www.everychildmatters.gov.uk.

Department of Health

The DH provides two grant schemes for third sector groups in health and social care.

[Opportunities for Volunteering \(OFV\)](#) is a Department of Health scheme which distributes funding to around 300 local health and social care projects in England. OFV aims to enable local voluntary sector health and social care organisations in England to involve volunteers in their work.

[The Section 64 General Scheme of Grants](#) is the DH's main source of funding to the third sector in England. The scheme is designed to strengthen and further develop the partnership between the DH and the third sector.

DH also contracts with third sector groups for the delivery of some services (for example, the Independent Complaints Advocacy Service) and in the context of policy development and implementation.

For more information on DH grant schemes, please see www.governmentfunding.org.uk.

Department for Culture, Media and Sport

DCMS invests a large proportion of its budget to the VCS through its [non-departmental public bodies](#).

The sports, arts and heritage sectors are major funders of voluntary organisations.

For more information on the Department for Culture, Media and Sport, please see www.culture.gov.uk

Department of Constitutional Affairs

DCA's main interaction with the third sector is through the [Legal Services Commission](#) which holds contracts with third sector organisations to deliver legal aid. For further information, please visit

www.legalservices.gov.uk/civil/index.asp

Department for the Environment, Food and Rural Affairs

Defra provides support for a wide range of third sector organisations who make an important contribution to developing and delivering policy, to service delivery, to strengthening rural communities and to achieving sustainable development.

Defra's Rural Social and Community Programme (RSCP) aims to empower and enable voluntary and community sector organisations with rural interests to build on their work to develop community capacity and to identify and address the problems that cause social exclusion. See www.defra.gov.uk/rural/communities/funding-opportunities.htm for further information.

Community Action 2020 aims to harness the energy of community groups throughout England and work with them to achieve a more sustainable future. See www.sustainable-development.gov.uk/advice/community/index.htm for further information.

The Climate Challenge Fund (CCF) provides financial support for communications projects seeking to achieve positive changes in public attitudes about climate change. See www.climatechallenge.gov.uk/fund/faqs.html for further information.

Defra's Environmental Action Fund (EAF) currently (2005-08) supports a range of organisations carrying out projects to promote sustainable consumption and production.

See www.defra.gov.uk/environment/eaf/index for further information.

N.B. there are also a range of sources of funding and support available to the third sector at a local or regional level. Contact your *Local Authority, RDA or Government Office* for further details: www.englandsrdas.com, www.gos.gov.uk

Government assistance to the third sector through the devolved administrations

The third sector is a devolved⁶ issue in most areas, and each of the devolved administrations has its own mechanisms in place for providing financial assistance to the third sector. A summary of where to find further information is provided below:

Scotland

A Guide for the Voluntary Sector to Scottish Executive Grants 2005-06:
www.scotland.gov.uk/Publications/2005/08/2291032/10331



SCOTTISH EXECUTIVE

Wales

Welsh Assembly Government's Guide to Voluntary sector grants and general information can be found at:
www.wales.gov.uk/voluntarysector (English)
www.cymru.gov.uk/sectorgwirfoddol (Welsh)



Northern Ireland

Information, covering a range of programmes for the voluntary and community sector in Northern Ireland, is available from the following websites:
www.volcomgrantsni.gov.uk
www.dsdni.gov.uk/index/voluntary_and_community/funding_programmes.htm

In respect of the social economy, please refer to the website of the Department of Enterprise, Trade and Investment: www.detini.gov.uk/cgi-bin/gethome

⁶ Some aspects of the third sector are not devolved, including tax related areas, charity law in the case of Wales, company law in the case of Scotland and Wales. The contacts listed in this section will be able to provide you with further information.

