

# THE OUTWORKING OF THE TASK FORCE REPORT ON RESOURCING THE VOLUNTARY AND COMMUNITY SECTOR IN NORTHERN IRELAND

## 1. Introduction

According to the Department for Social Development<sup>1</sup> ('the Department') there are estimated to be between 9,000 and 12,000 voluntary and community organisations in Northern Ireland, with around 72,000 people involved in volunteering. The voluntary sector having an estimated annual income of £657m, with £246m of this coming from Government Departments and Agencies.

Over the past five years, sustainability of the voluntary and community sector ('the Sector') has become an increasingly vital issue, as European Funding levels decrease. Table 1 below shows the chronology of activity within both Government and the Sector to date.

**Table 1: Government engagement with the Voluntary and Community Sector**

Date	Activity
February 2003	Minister for Social Development set up a Task Force on 'Resourcing the Community and Voluntary Sector'. Their remit was to ensure that the Sector continued to make a contribution beyond 2006 when the funding from the European Union was expected to decline. The Task Force membership was drawn from government departments and agencies, one of the health and social services boards, Belfast City Council, academia and the community and voluntary sector.
December 2003	Task Force consulted with the Sector through 'Pathways for Change'. Key themes were, funding, accountability, relationships and infrastructure and it also looked at the idea of social investment for the future sustainability of the sector. <sup>2</sup> (See definition under Key Issues in this paper). NICVA held consultation meetings with the sector to discuss the proposals in the consultation document. While welcoming it in general, they expressed some concerns. Central was still the issue of core funding where; 'Voluntary and Community organisations continue to find that funding is too short, too project-based, too programmatic; that there is insufficient funding for core costs, and that core costs are not broadly enough defined'. It was felt that the consultation document alluded to the issue rather than addressing it precisely.

<sup>1</sup> Briefing from Department Officials, Social Development Committee 31 May 2007 on proposed Charities Bill.

<sup>2</sup> 'Pathways for change' Briefing for NICVA members (January 2004): NICVA [http://www.nicva.org/uploads/docs/w\\_PathwaysBriefing\\_050104.pdf](http://www.nicva.org/uploads/docs/w_PathwaysBriefing_050104.pdf)

October 2004	<p>Task Force published their report 'Investing Together: Report of the Task Force on Resourcing the Voluntary and Community Sector'.<sup>3</sup> Key recommendations of the Task Force in 'Investing Together' included:</p> <ul style="list-style-type: none"> <li>❑ Funding Approaches – Government should adopt a ten-year planning framework that ensures a level playing field and supports a mixed economy of activities;</li> <li>❑ Community Development – Long-term stable funding should be made available for the support of local community development activity;</li> <li>❑ Internal Governance, Management and Accountability – A coherent system for monitoring, evaluation and audit of statutory funding to the Sector should be implemented across Government including an explicit good governance standard as a pre-condition for funding support; and</li> <li>❑ Change Drivers – Structures for engagements between Government and the Sector should be reviewed and strategies developed for skills development, ICT usage and support services to local voluntary and community organisations.</li> </ul>
March 2005	<p>Government published its response 'Positive Steps'<sup>4</sup>. In 'Positive Steps' Government said they would provide an additional £23m over the next three years to help support the changes recommended by the Task Force. An Action Plan would also be included in the next 'Partners for Change (2006-2008)'<sup>5</sup> strategy which, it stated, was in preparation. It was finally published in July 2007, half-way through its implementation period.</p>
March 2007	<p>DSD published 'Evaluating Progress: Government's Report on the Implementation of Positive Steps'<sup>6</sup></p>
March 2007	<p>NICVA published 'Positive Steps: Third Monitoring Report'.<sup>7</sup> This was based on a survey of the Sector in February 2007 which was compared to the previous survey a year earlier.</p>
July 2007	<p>DSD published 'Partners for Change (2006-2008)'.<sup>8</sup> Its three key themes are:</p> <ul style="list-style-type: none"> <li>❑ Building Communities/Promoting Active Citizenship – encourage voluntary activity and the involvement of communities (both "geographic" and "of interest") in the planning and decision-making process about matters which affect them;</li> <li>❑ Shaping Policy Development/Working Together – ensure that the knowledge and expertise of the Sector informs policy development and that policies are sensitive to the needs of those who experience disadvantage; and</li> <li>❑ Investment in the Sector/Capacity Building – build the capacity of the Sector to make an effective, continued contribution to society in Northern Ireland.</li> </ul>

## 2.0 Social Investment

An over-arching concept for the sustainability of the Sector is Social Investment. This was first outlined by the Task Force when it consulted with the Sector under the key themes of funding, accountability, relationships and infrastructure and introducing the

<sup>3</sup> 'Investing Together: Report of the Task Force on Resourcing the Voluntary and Community Sector' (October 2004) [http://www.fundersforumni.org.uk/publications/taskforce\\_report.pdf](http://www.fundersforumni.org.uk/publications/taskforce_report.pdf)

<sup>4</sup> 'Positive Steps: The Government's response to *Investing Together*: Report of the Task Force on Resourcing the Voluntary and Community Sector' March 2005  
[http://www.dsdni.gov.uk/positive\\_steps.pdf](http://www.dsdni.gov.uk/positive_steps.pdf)

<sup>5</sup> 'Partners for Change (2006-2008) July 2007, DSD <http://www.dsdni.gov.uk/partners-for-change-2006-08.doc>

<sup>6</sup> 'Evaluating Progress: Government's Report on the Implementation of Positive Steps' DSD, March 2007 <http://www.dsdni.gov.uk/evaluationprogress-positivesteps.doc>

<sup>7</sup> 'Positive Steps: Third Monitoring Report' (March 2007) NICVA  
[http://www.communityni.org/uploads/docs/PosSteps\\_MonitoringReport\\_Report2\\_Mar07.pdf](http://www.communityni.org/uploads/docs/PosSteps_MonitoringReport_Report2_Mar07.pdf)

<sup>8</sup> 'Partners for Change (2006-2008) July 2007, DSD <http://www.dsdni.gov.uk/partners-for-change-2006-08.doc>

concept of 'social investment'<sup>9</sup> for the future sustainability of the sector.<sup>10</sup> The umbrella organisation for the Sector, the Northern Ireland Council for Voluntary Action (NICVA) felt that social investment, as a concept was poorly defined, but interpreted it to mean:

- In defining a funding package government would negotiate targets and outcomes with the organisation concerned. This would lead to more long-term funding.
- Performance would matter, with funding provided on the basis of outcomes that will be achieved over a period of years.
- Reduced checks on organisations that receive funding which would lead to a new type of working relationship between the sector and government.
- The funding environment would be more competitive with new organisations able to bid for funding.
- In seeking funding under the social investment model, organisations would be asked to restructure and propose partnerships, joint working and mergers.
- Social investment would cover core funding for several years at a time, but local people must be involved in contributing to the defining of targets and outcomes.

Social investment would therefore provide long-term core funding with conditions applied to performance and outcomes of projects. In relation to the social investment model NICVA felt that:

Many questions remain. There are concerns that the approach could impose an additional burden on the sector while delivering little in return. NICVA recommends that the best way forward is to introduce a pilot scheme to fund organisations to work the concept and then, should it be evaluated successfully, apply the model more broadly. This should be pioneered across a representative range of organisations, themes, ideas and areas.

### 3.0 Evaluation of Positive Steps

In March 2007, the Government published its report on the implementation of 'Positive Steps'. In this report it concluded that:

The majority of the commitments in *Positive Steps* are being implemented or plans for implementation are well under way. The nature of many of the commitments means that new ways of working need to be embedded across Government and the voluntary and community sector, and this must take place on an ongoing basis. There are relatively few *Positive Steps* commitments which can be implemented and then deemed completed or closed...For this reason, some further work is

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<sup>9</sup> Social investment is similar to 'social capital' described by Professor Robert Putnam as: '—social capital refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arises from them'. (Putnam 2000:19)

<sup>10</sup> 'Pathways for change' Briefing for NICVA members (January 2004): NICVA  
[http://www.nicva.org/uploads/docs/w\\_PathwaysBriefing\\_050104.pdf](http://www.nicva.org/uploads/docs/w_PathwaysBriefing_050104.pdf)

necessary beyond the two-year implementation process originally planned for *Positive Steps* (para 11.1)<sup>11</sup>

In this context, the report highlighted three overarching recommendations for action, as follows:

(i) Further implementation and monitoring of progress on *Positive Steps* will be taken forward by the Positive Steps Implementation Group, which will continue to be chaired by the Minister for Social Development and comprise senior officials. The Implementation Group will assume the role of monitoring implementation of *Partners for Change*, including *Positive Steps* commitments, and will continue to meet twice a year to ensure effective delivery of all actions;

(ii) A formal cross-Departmental project will be established, whose time-bound objective is to ensure that guidance and best practice in respect of key issues (including reserves, full cost recovery and the lead funder approach to reducing bureaucracy) are embedded across Departments; and

iii) DSD will establish and lead a formal cross-Departmental *Compact* implementation project, whose objective is to review and update the existing *Compact* and to design and implement a communications and awareness strategy to raise the profile of the *Compact*, the *Partners for Change* strategy and *Positive Steps* across the public and voluntary and community sectors. This project will, in consultation with the voluntary and community sector, aim to review and develop the *Compact* to reflect policy and administrative changes since 1998. It will also have a particular focus on recommendations that can assist the new structures established under the Review of Public Administration to implement the *Compact*.

In contrast to the Government's summary of progress, NICVA, based on research which it has carried out in 2006 and 2007 to monitor implementation of Positive Steps concluded recently that '*Positive Steps is fizzling out and that grass roots organisations are seeing little benefit apart from one or two initiatives*'. More specifically, analysis of a survey conducted in February 2007 of a total of 181 (21.5% response rate) NICVA members responded showed, amongst other things, that:

- 65% of respondents were aware of *Positive Steps* which compares to 75% in 2006.
- Almost two thirds of respondents (62.8%) are aware of the implementation process associated with *Positive Steps* which compares to 60% in 2006.
- In 2006, 28.4% of respondents felt that the recommendations in *Positive Steps* would have a great deal of impact on the sector. This figure has fallen to 11.1% in 2007.
- Just under half of all respondents (46.3%) in 2007 felt that *Positive Steps* was going to have a great deal of impact or some impact on

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<sup>11</sup> 'Evaluating Progress: Government's Report on the Implementation of Positive Steps' DSD, March 2007 <http://www.dsdni.gov.uk/evaluationprogress-positivesteps.doc>

the voluntary and community sector. This compares with a figure of almost 60% in 2006.

- Approximately one in five respondents (21.3%) believes that *Positive Steps* has had a great deal of impact or some impact directly on how their organisation operates and interacts with government.
- The key commitment respondents to this survey want to see addressed immediately, is the introduction of longer term (outcome focused) funding.
- Over one third of all respondents felt this was the priority area for them.
- Approximately one in six respondents felt that the acceptance of full cost recovery principles in funding applications was a key commitment of *Positive Steps* that needs to be addressed immediately.
- The area where respondents have witnessed the greatest change over the last 12 months is in relation to the development of departmental leads.
- With the exception of the increased visibility of a lead minister, information on government funding sources, support for modernisation and the introduction of full cost recovery, all the other recommendations were perceived by over half of all respondents to have produced no change at all over the past two years.
- The development of a strategy for networks remains the overwhelming area that respondents feel is important to their organisation.

Research, conducted by NICVA in September 2007, using a panel of voluntary sectors organisations set up to monitor implementation of positive steps, was reported as showing , amongst other things, that:

Of the groups that had received or renegotiated funding in the year previous to the survey, only 18% said it was over a longer time frame (7-10 years) but this is 10 points higher than a year ago; 81% said their funding did not include full costs, as envisaged by *Positive Steps*.

There has been some improvement in departments taking the lead on cross-cutting policy matters but the figures are still very low. In 2006, for example, 10.5% of respondents reported a departmental lead in the delivery of rural services and this has now increased to 17%. In the case of services for people with disabilities, the number of organisations reporting a departmental lead has risen from 2% to 10%. On the other hand, there has been a drop in reported departmental leads on policy about marginalised young people and in participation of women in marginalised and disadvantaged communities.

In 2006, 18% of organisations rated Direct Rule Minister David Hanson as an effective champion for the voluntary and community sector. In the 2007 survey many replies indicated that it was too soon to make a judgement but nearly 28% believed that in the short time she has been Social Development Minister, Margaret Ritchie had been an effective champion.

In 2006 nearly 55% of respondents did not believe the strategy places the voluntary and community sector in an equal partnership with government; this year the figure has risen to 70%.

In 2006, 73.3% of organisations agreed or agreed strongly that *Positive Steps* will change for the better how other funders outside of government interact with the sector. This has dropped dramatically to 13.2%. Yet, the voluntary and community sector places great store by the strategy. In 2006, 31% of respondents felt it had the potential to create a more efficient and effective sector. This has jumped in 2007 to 72.3%.

In 2006, 76.4% of respondents believed that the focus of *Positive Steps* was wrong and only reflected the needs of the government. This has decreased to 16.7% in 2007.<sup>12</sup>

### Joint Forum

The Joint Government Voluntary and Community Sector Forum (Joint Forum) was established in 1998, following the identification by an inter-departmental steering group of a gap in communication arrangements for discussion of general issues of common concern to the Sector and to Government Departments. This now provides the major forum for discussion of the implementation of 'Positive Steps'. Membership comprises a representative from each Government Department including the NIO and 15 representatives from a wide cross-section of geographic and other interests in the Sector.

An editorial in *Scope*<sup>13</sup> (April 2007), however, reported that the attendance of Department representatives at the Joint Forum had been so poor recently that two items on the Agenda could not be considered. DE was to speak on the Children and Young People funding package and OFMDFM were to give an update on 'A Shared Future', resulting in neither being discussed.

## **3.1 Key voluntary sector concerns**

As of November 2007<sup>14</sup> key amongst the remaining issues which need to be addressed relate to funding and infrastructure of the Sector.

### Funding

The whole area of funding is complicated and NICVA feel that there needs to be a clear understanding on Government's part of whether funding represents a contract, fees for services provided, or a grant. These categories also have implications for full-cost recovery when the Sector provides a public service.

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<sup>12</sup> 'Positive Steps: Third Monitoring Report (March 2007) NICVA

[http://www.communityni.org/uploads/docs/PosSteps\\_MonitoringReport\\_Report2\\_Mar07.pdf](http://www.communityni.org/uploads/docs/PosSteps_MonitoringReport_Report2_Mar07.pdf)

<sup>13</sup> A monthly magazine published by NICVA that provides news of activities and developments in the Voluntary and Community Sector. (Available from Assembly Library)

<sup>14</sup> Information obtained from NICVA Policy Unit by telephone, 23.11.2007.

The issue of audit regulations is also one identified by NICVA as a priority to be addressed. 'Positive Steps' paragraph 8.1 in March 2005<sup>15</sup> stated that:

The Government is committed to streamlining the delivery of statutory funding to voluntary and Community organisations and the introduction of audit and accountability requirements that are proportionate to the size and turnover of organisations. We recognise the concerns raised by the Task Force around the auditing and accountability of public funding and want to deliver funding in the most cost-effective manner ensuring proper accountability for the use of public money. The Department of Finance and Personnel will work closely with the Department for Social Development, other funders and representatives from the sector to take these issues forward.

NICVA claim that little has been done to streamline auditing and accounting within the Sector. They argue further that implementation of this Task Force recommendation, by cutting out duplication in auditing requirements, could have saved both Government and the Sector money and valuable staff resources. NICVA point out that even when a project is receiving funding from more than one Government Department, all will make an audit visit to the organisation rather than one audit being sufficient accountability for cross-Departmental funding. This also means staff resources within the Sector are wasted on an array of auditing requirements by various funders.

The Task Force had recommended the appointment of a Lead Funder where cross-Departmental funding was involved. This may have offered a solution to the issue of duplicate auditing. However, Government have yet to address the issue because, as stated in 'Positive Steps', they were afraid that where DSD were involved in the funding, they would always end up being Lead Funder.

### Infrastructure of the Sector

This is the second major issue that NICVA feel needs to be addressed. Paragraph 5.2 of 'Positive Steps' states that:

--- we are establishing a Modernisation Fund of £3 million over the next three years to promote modernisation and change within the sector and strengthen the service delivery role of organisations. We are currently developing the parameters and delivery mechanisms for the Fund. It is anticipated, however, that it will support restructuring initiatives including joint working, organisational development and ICT innovations to improve operational performance and the development of better governance across the voluntary and community sector.

And Paragraph 5.4:

A further £15 million is also being made available over the next three years to support capital projects across Northern Ireland delivered through the voluntary and community sector. These new

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<sup>15</sup> 'Positive Steps: The Government's response to *Investing Together*: Report of the Task Force on Resourcing the Voluntary and Community Sector' March 2005  
[http://www.dsdni.gov.uk/positive\\_steps.pdf](http://www.dsdni.gov.uk/positive_steps.pdf)

capital resources will help build and develop the physical infrastructure of the voluntary and community sector to improve the delivery of services and will focus on investments that can contribute to reduced revenue costs.<sup>16</sup>

NICVA claim that DSD were to produce a strategy for strengthening the infrastructure of the Sector. However, despite DSD having commissioned a consultancy report and receiving a separate report from NICVA over a year ago, neither report has ever been published by DSD, nor has a strategy for strengthening the infrastructure emerged.

**November 2007**

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<sup>16</sup> 'Positive Steps: The Government's response to *Investing Together: Report of the Task Force on Resourcing the Voluntary and Community Sector*' March 2005

[http://www.dsdni.gov.uk/positive\\_steps.pdf](http://www.dsdni.gov.uk/positive_steps.pdf)

