

# **Third Sector Strategy – Draft Document**

## **Introduction**

Birmingham City Council has had a long and productive relationship with third sector organisations across the city. We have grant funded, commissioned and contracted third sector organisations to run many different services to support Birmingham residents who have significantly benefited from this. We appreciate this contribution and recognise the sector as a valuable partner in the delivery of effective and efficient public services.

Times have and are continuing to change however. The severe cuts to the council's budget mean we cannot continue to deliver the range of services and activities that we have done in the past. Cuts are set to continue so we have a huge task to reshape services and this will mean difficult decisions. It will also necessitate a change in our relationship with the third sector; the third sector is becoming increasingly important in supporting the council to achieve its priorities.

An Overview & Scrutiny (O&S) report on the "Health of Birmingham's Third Sector", accepted by the council in 2013, included amongst its conclusions that the City Council needed to be clear on their view of what the third sector is for and how it wishes to engage with it, ideally producing a coherent statement of priorities relating to this. This Third Sector Strategy is our first attempt to meet this requirement, however since the council is in a transition period, we acknowledge we may need more attempts as change occurs.

The aim of this strategy is to improve the effectiveness of our relationship with the third sector in order to develop a vibrant and sustainable third sector infrastructure in the city; a sector which supports the council in the delivery of its priorities and which delivers positive outcomes for Birmingham's residents and communities.

## **Definition**

The third sector is an inclusive term which is often used interchangeably with the voluntary and community sector; the not-for-profit sector; and the civil society. The term 'third sector' is used throughout this strategy to describe all organisations operating outside the formal state or public sphere that are not trading commercially primarily for profit in the market. This means charities, voluntary organisations, community groups, social enterprises, cooperatives and mutuals.

This definition also includes faith groups engaged in voluntary or social action, campaigning groups, and individual volunteers. Whilst these organisations are exceptionally diverse they share a broad common theme of being value driven, and

principally invest their surpluses to further social, environmental and cultural objectives.

## **Birmingham City Council's Strategic Vision and Desired Outcomes**

The council has three primary goals; these are to create a city that is fairer, more prosperous and more democratic.

- Fairness – to protect the most vulnerable in our city, open up opportunities to the most excluded and narrow the gap in life chances between our citizens;
- Prosperity – to help make Birmingham the Enterprise Capital of Britain and create a Green City and a Smart City that provides growth and jobs for all;
- Democracy – to deliver on our vision for devolution and localisations and to build engagement in local democracy by putting local people and communities at the heart of everything we do.

We believe the third sector makes a significant contribution to all three of these goals.

### Fairness:

The sector has a strong ethos and a passion for representing our most disadvantaged and marginalised communities and as such is an important partner in identifying and addressing the needs of our deprived communities and our city as a whole.

The sector is particularly well placed to help public bodies better understand society's needs and comment on how the desired outcomes can best be achieved and how a policy is likely to work in practice. Many organisations and individuals in the sector have built a strong knowledge base about their area of expertise and the communities in which they operate, and as a result can provide unique perspectives and insights about how local needs should be addressed.

We want to continue to develop this engagement to ensure that we have the right focus and emphasis in our priorities, in our policy development and in our service delivery.

### Prosperity

We know the third sector generates income for Birmingham's economy, including from its own operations and assets, philanthropic giving and external income. Many third sector organisations have contracts with the council to deliver services and they employ local people in this, a significant proportion of the value of these contracts

stays in the local economy. Third sector organisations have access to other sources of funding which again helps to boost Birmingham's economy.

The opportunities third sector organisations offer to volunteers helps develop their confidence and skills, often providing that essential stepping stone into paid employment.

We want to continue to open up public service delivery so that we have a mixed base of suppliers with good representation from the third sector.

We want to support third sector organisations access alternative sources of funding so that they continue to help grow Birmingham's economy and become more self-sufficient, relying less on an ever decreasing council budget.

### Democracy

The third sector is crucial in ensuring resident engagement. Tying community engagement directly to service provision can help secure the sustained and genuine involvement of service users, and develop networks that create a feeling of belonging to a place.

We need to work with the third sector to encourage Birmingham's residents to be even more active citizens, to reduce dependency, facilitate a culture of co-production and to continue its work in developing more civic minded communities.

## **Key Themes**

To achieve this vision we have identified key themes which have been grouped below. This strategy also has clear links to other existing council strategies and policies; these documents have been highlighted within each of the themes.

### **Theme 1: Partnership Working**

We need to further develop a culture of partnership working and strengthen effective working relationships with the third sector in the shaping of council priorities, the design of policies and the delivery of high quality services. Facilitating collaborative working and joint solutions to problems in Birmingham will mean removing existing barriers to and creating new opportunities for effective engagement and partnership working. We must ensure that the sector's and their clients' voice is heard and understood.

The sector has highlighted concerns, during its engagement with O&S and others, that they feel there is a lack of recognition in parts of the council of the important role that the sector plays in the community and the expertise and professionalism that the

sector has. A lack of understanding about the sector amongst some council staff may inhibit our ability to engage effectively with the sector.

We commit to:

- Strengthening collaboration and generating ideas with the third sector at a high level by further developing two-way communication routes between us. This will enable them to feed in local intelligence to help shape our understanding of need, gaps in service and the quality of services. This will include publishing a Policy Prospectus and engaging with the sector earlier in planning our policy and procurement activities.
- Making the most of the sector's knowledge and expertise by involving them at an early stage in policy development and service design. In particular recognising their valuable insights into issues faced by particular client groups and communities.
- Engendering a better understanding across the council about what the sector does, the contribution it makes and the quantifiable benefits of working with the sector by creating regular networking and learning opportunities to build positive relationships between the council and third sector organisations.

***Links to existing strategies and policies:***

Birmingham Compact: To strengthen partnership working with the sector the Compact was launched in 2010, based on the national Compact agreement covering issues such as the public good, pluralism, community cohesion, social inclusion. The Compact provided a framework for working in partnership with the third sector, particularly around procurement issues, in which the sector can contribute to the City of Birmingham, and remain strong and independent.

**Theme 2: Commissioning and Service Delivery**

We need to support the third sector to participate in the commissioning process and enhance its role in public service delivery so that we achieve the benefits from having a greater mix of providers and from joint investment with the sector. We know that some council practices can make participation by third sector organisations in the commissioning process difficult. Wherever possible we must make better use of existing flexibility, and where appropriate introduce new flexibilities in our processes to remove unnecessary barriers.

We commit to:

- Facilitating mixed service delivery by opening up opportunities to the sector.

- Improving commissioning and procurement arrangements to remove barriers to participation by third sector organisations.
- Continuing to develop innovative practices in our commissioning and procurement arrangements. For example: joint long-term investment in delivering outcomes for the city, ensuring that collaboration with the third sector occurs at the outset of the commissioning process, considering long-term partnerships with preferred suppliers where third sector organisations are delivering positive outcomes, influencing Prime Contractors to consider third sector organisations for sub-contract opportunities.

***Links to existing strategies and policies:***

Commissioning and Procurement Vision Statement: This includes a commitment to a mixed economy, where services are delivered by the organisation (public, private or voluntary sector) that is best able to meet the desired outcomes. This recognises that commissioning a range of organisations from different sectors stimulates innovation.

Social Value Policy: This is a policy which clearly takes into account “Social Value” (in terms of contributions to the council’s priorities around the economic, social and environmental wellbeing of the city) in our procurement processes. Our Social Value Policy means that we seek measureable, verifiable social value outcomes through our commissioning and procurement processes, and promotes opportunities as widely and inclusively as possible.

The Birmingham Business Charter for Social Responsibility: This is a set of guiding principles to which the council will adhere to and which it invites its contracted suppliers, the wider business community, other public sector bodies (including schools) and third sector organisations (including grant recipients) to adopt. The principles of the charter are: Local Employment; Buy Birmingham First; Partners in Communities; Good Employer; Green and Sustainable; Ethical Procurement. Charter signatories will need to consider and describe how they can improve the economic, social and environmental well-being of Birmingham and its citizens.

The Birmingham Compact: See above.

**Theme 3: Capacity Building and Sustainability**

We recognise that there is great variation within the third sector and each organisation is different. However we believe that for the third sector to thrive, and to ensure sustainability of third sector organisations, it is imperative that we are proactive in working with and supporting the sector to further develop its capacity.

The council can help the sector to access external (non-council) funding by influencing commissioning approaches of other key partners and agencies and providing data and references to help with funding applications elsewhere. By acting as an advocate for the sector, we can help organisations secure additional resources and encourage joint working and consortia within the sector so that they become less dependent on council funding and more sustainable. By bringing in significant additional external resources into the city they will further boost the local economy and create opportunities for residents and communities.

We must also consider how we can use new and developing initiatives like Social Impact Bonds to benefit the third sector.

We commit to:

- Acting as an advocate for third sector organisations to improve their ability to access external resources and tender for public sector contracts.
- Allowing third sector organisations to save time and money by linking up to council contracts eg charities buying their energy through our energy contract.
- To support initiatives to enhance the capacity and sustainability of the sector, for example promoting social enterprise, and using social investment models.

#### ***Links to existing strategies and policies:***

The City Council's third sector support: This is currently delivered through a number of contracts with the Birmingham Voluntary Service Council (BVSC) who work in partnership to support Birmingham's community groups and volunteers. BVSC help to develop communication channels between the council and the city's large and diverse third sector, and their mission is to unleash the power of voluntary action to deliver sustained benefits for Birmingham and its diverse communities.

Transforming Local Infrastructure Programme: In 2011, BVSC led a partnership of Birmingham infrastructure support providers to secure the Transforming Local Infrastructure programme. This was created by the Office for Civil Society to improve the way that support is offered to frontline groups; create a series of quality-assured local voluntary sector support hubs; and develop a comprehensive range of online resources for Birmingham's third sector. The Transforming Local Infrastructure programme aimed to create closer relationships between providers, and offers groups alternative support models so that the capacity that exists within the sector can stretch further.

#### **Theme 4: Community Engagement**

The council cannot continue to deliver the same services we always have in the same way we have always delivered them. We need our residents and communities

to engage with us to determine the design and delivery of local services and to take on a greater share of responsibility for achieving shared outcomes.

Working closely with communities is a key tenet of the third sector approach and we acknowledge the importance of the close ties that third sector organisations have with communities, which has enabled the sector to gain an expert knowledge of local needs and preferences.

The views of the community are essential to assessing needs and providing cost-effective and appropriate solutions, and we want to work with the sector to harness the capacities and skills of local people and our staff. We want to ensure that community ideas are captured, and that practical support is offered to local groups and individuals to develop their concepts and projects.

We commit to:

- Supporting the devolution and localisation agenda by understanding local needs, encouraging and supporting local partnership working.
- Working with the sector to increase active citizenship in Birmingham and encouraging communities to take control and make decisions.
- Nurturing local leadership and community capacity.
- Exploring how Community Asset Transfer and other community empowerment initiatives can be extended.
- Supporting pioneering approaches to harness the knowledge, skills and assets of local communities.

***Links to existing strategies and policies:***

Standing up for Birmingham campaign: This is about the people of the city being encouraged and supported to collaborate and come up with innovative new ways of working together to the advantage of their neighbourhoods. The campaign recognises the great work of communities and uses these successes to motivate individuals to come forward and make a distinctive difference. Both the council and the third sector have a part to play by performing an enabling role that helps to grow and value active citizenship in communities.

Neighbourhood Strategy: Similarly the city's Neighbourhood Strategy aims to forge new relationships between local people, the sector, and the public sector to realise the aspirations of individuals, families and communities in the neighbourhoods of Birmingham. We know that the sector possesses a wealth of knowledge and experience of working at a grassroots level with communities; and therefore the contribution that the sector can make in achieving more active citizenship and community involvement in Birmingham.

Community Asset Transfer Protocol: This is the council's operating procedure for transferring assets to communities in a consistent, fair and transparent way across all service areas.