

Consultation Response to Department for Digital, Culture, Media & Sport: Civil Society Strategy

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About this consultation

The Office for Civil Society, which is now part of the Department for Digital, Culture, Media and Sport (DCMS), has invited views to feed into its development of a strategy for civil society. It says that the Civil Society Strategy will help shape its work with and for civil society over the next ten years and beyond. It is intended to support policy across government, in its efforts to tackle loneliness, build integrated communities and drive social mobility. For the purpose of this Strategy, DCMS interprets civil society as being inclusive of all those outside of the public sector, who share the mission of building a stronger society and improving lives, regardless of traditional sector boundaries such as charity or private, and for profit or not. This mission-based interpretation will encompass individuals, movements, groups, organisations and businesses.

About Age UK

Age UK is a national charity that works with a network of partners, including Age Scotland, Age Cymru, Age NI and local Age UKs across England, to help everyone make the most of later life, whatever their circumstances.

In the UK, the Charity helps more than seven million older people each year by providing advice and support. It also researches and campaigns on the issues that matter most to older people. Its work focuses on ensuring that older people: have enough money; enjoy life and feel well; receive high quality health and care; are comfortable, safe and secure at home; and feel valued and able to participate.

Key points and recommendations

Our civil society

- Civil society organisations have tremendous potential to work together to improve outcomes for citizens, mobilising community resources and ensuring that public investment in these outcomes, through statutory services, funding to the civil society organisations and other community grants, such as the Big Local, complement each other to make the impact greater than the sum of the parts.
- However, it is very important to build the links between civil society and the public sector to get the best out of both, not to confuse recognition of the strengths of the voluntary sector with an assumption that civil society can do what the statutory sector can do, but cheaper, which regrettably is happening as demand increases and funding for statutory services is reduced.

- Government should recognise that key parts of our civil society – that is, the smaller local organisations which are so important in providing ways to reach the most marginalised people – are under immense strain because of reductions in funding from local authorities for vital local services such as information and advice. This is not just a tragedy for individuals, but it also means that there are fewer agencies available to support volunteering, to work with the statutory sector, and to develop innovative solutions to social issues. Government should consider how these organisations could be supported at the same time as they consider new funding models, to avoid the loss of this important infrastructure.
- A fundamental principle for the older people we consulted is that their voices are heard and their values reflected. Civil society organisations are usually very close to the communities they serve, and therefore have tremendous potential to inform government policy. In order to fully leverage the power of civil society, it should be recognised as an equal partner and involved from the outset, taking into account its relative lack of voice compared to the private sector. Civil society should be free to campaign for change, within existing requirements such as charity law.

People

- Government can enable more people to take part in civil society through volunteering by ensuring that proper support is available to make it a positive experience. Public bodies must include the costs of recruiting, training and managing volunteers when they commission services from the voluntary sector, and recognise the benefits of promoting a diverse range of opportunities and an inclusive approach. Local Forums bringing groups of older people together to organise local interventions and contribute to public consultations and engagement may need small amount of funding to cover venues, printing, travel etc.

Partnership

- There are significant opportunities for major funders and infrastructure programmes to encourage partnership working. They could assist in finding partners, negotiating with statutory bodies (to develop standard contracts and improving commissioning, for example), improving practice and sharing data and learning.
- Civil society needs a robust and diverse funding base, but for many organisations that play a key role in delivering public services some element of national or local government funding remains essential. In particular, Age UK is deeply concerned about the steady reduction in funding for local information and advice services which are vital in helping people access benefits, housing options and public services as well as supporting people to find the services and equipment needed to help them maintain their independence and prevent falls etc. In addition we are seeing an increase in broad commissioning asks e.g. for all ages rather than for

older people. This can exclude specialist services from tendering and lead to less effective commissioned services through a dilution of expertise about specific groups of citizens.

- Where the public sector contracts out to civil society, commissioning and grant-making processes must allow time to construct and develop complex partnerships; be clear about aims and desired outcomes and how success should be evaluated; provide for full cost recovery; and be fully transparent. There should be fair transfer of risk to ensure that the sector can deliver and to avoid problems down the line. On the wider front, where risk is shared, this should be on a carefully considered and fair basis, taking into account the impact of income shocks on relatively small organisations.
- Social financing or investment programmes are *not* the solutions to all problems. They are one strand of potential funding, suitable for very specific issues with either proven models of delivery with realistic targets or with flexibility and review built in.
- Businesses can play a valuable role in funding innovative programmes. However, it is more difficult to attract the core or longer-term funding which enables civil society organisations to remain well-managed and sustainable. In our view, the legal and regulatory framework is vital in encouraging businesses to engage with civil society, although celebration of good practice also has a role to play.

Place

- The incentivisation of innovation in civil society is essential. Smaller grass-roots organisations are often the source of innovation. The current commissioning and contracting regime needs to recognise and reward this strength.
- It is imperative to maintain and, where possible, improve the quality of services being delivered by civil society organisations. This is challenging in the current financial landscape and needs to be built in to commissioning and funding frameworks as a core element of delivery. Commissioners and funders must recognise that organisations require access to adequate resources in order to achieve quality services.

Introduction

Age UK welcomes this important consultation. Nationally and locally we make a major contribution to civil society, through our engagement with older people and the wide range of services we provide, ranging from information and advice through a wide range of activities (from Men in Sheds and Walking Football/Netball to Brazilian Drumming as well as lunch clubs and coffee mornings). Many of our services, including befriending, play a key role in addressing loneliness amongst older people and providing them with tailored support to help them reconnect.

Overall, local Age UKs (around 150 of them in England) span the full range of civil society roles including service provision, information and advice, advocacy, representation, promotion of community and citizen action, and pioneering new and innovative ways of meeting well-being, health and care needs. However, each local Age UK is different, depending on local need and its own strengths and capabilities. Local Age UKs also vary quite significantly in terms of their size but all are independent charities accountable to their own Trustee Boards. Together with the national Age UK organisation we all share the Age UK brand.

In many communities the local Age UK is one of the larger civil society organisations, often helping to facilitate collaborative and partnership working across the sector and sometimes being asked by other organisations to take a lead. Of course, local Age UKs also compete with other voluntary organisations, and sometimes the private sector too, for locally commissioned services. Increasingly local Age UKs are offering services to older people on a subsidised but essentially 'paid for' basis.

In recent years Age UK nationally and locally has developed innovative approaches in order to maximise impact by working with others in the community. We have many examples of programmes that have supported people to take action to improve their own lives and that of their communities – for example our programmes on encouraging physical activity, addressing malnutrition and encouraging healthy eating, promoting positive mental well-being as well as wider health and well-being – and we encourage our volunteers to work *with* older people and wherever possible help them help themselves rather than simply doing things for them as if they were passive and dependent.

However many of our services – and even the continued existence of local Age UKs - are threatened by the withdrawal of funding from local government and the insufficiency of alternative funds to maintain key services such as information and advice.

Our submission has a strong focus on our experiences as civil society organisations. We have also consulted with our Policy Sounding Board which is comprised of people engaged in local older people's forums and we include references to their experiences of community engagement throughout this response. Their principle and passionately held concern is that civil society must start with individual voices – it is people who make things happen and the focus of the strategy should be on facilitating that process. For this reason, enabling people to have a real say in what happens in their communities should be an essential part of the strategy. For example, local authorities often appear to engage with them but in practice – intentionally or unintentionally – do not recognise the community impact or the need to engage meaningfully when developing local plans for public services, housing and other major changes to the community.¹

1. Our civil society

1.1 What are the strengths of civil society today?

At their best, the different elements of civil society can:

- work together to achieve public good outcomes, engaging with and mobilising community resources and ensuring that public investment in these outcomes, through statutory services, funding to civil society organisations and other community grants, such as the Big Local, complement each other to make the impact greater than the sum of the parts.
- reach into communities that the public or private sectors find it hard to get to
- assist Government in achieving policy aims (for example providing independent information and advice increases benefit uptake)
- enable the voices of seldom heard groups to influence the development of policy
- assist in building stronger communities.

As an example of how civil society organisations can effect change, Age UK's ground breaking pilots on developing approaches to reduce loneliness amongst older people demonstrated the power of combining targeted services to address loneliness amongst individual older people with wider awareness raising and partnership across the community and public, private and voluntary services ⁱⁱ. This mobilisation and partnership helps identify lonely older people and catalyse public action on the issues, building stronger communities in the process. Over the last three years there have been huge increases in public responses to our No-one should have No-one campaign ⁱⁱⁱ. The Jo Cox Commission has also achieved massive public mobilisation at a grass roots level as well as prompting the government to set up the cross departmental working party on loneliness to address the Commission's recommendations ^{iv}.

Civil society can enable people to work with others in their communities to build the communities that suit them, and support statutory services to provide bespoke interventions to individuals and communities that maximise public good outcomes (see section 3 on partnership below) This may be accomplished on an informal basis – everyday acts of kindness and neighbourliness, setting up activities such as book clubs – as well as through civil society organisations and the actions of private firms wishing to contribute to the public good.

1.2 How can government help to increase the impact of civil society?

A key priority must be for government to seek the views of all parts of civil society, including the voices of excluded groups, and remodel its approach to support partnership. More below in section 3 on partnership. Part of this longer-term thinking should be clarity on the outcomes the government is working towards so civil society organisations can understand where they are aligned with government priorities.

To ensure that influence is real, not just lip service, there needs to be a continual loop between government engagement with civil society. For civil society organisations this includes: involvement in drawing up government strategies across all service areas from the beginning; the engagement of service providers, users and customers; active involvement and engagement in service delivery; and regular evaluation and action on feedback to encourage continual improvement. For wider engagement with wider civil society in localities this includes in depth engagement with all sectors of the community in local planning and a clear understanding of the impact of local plans on existing community resources and assets.

A particularly urgent priority is for government to facilitate adequate funding to civil society organisations – either directly through grants and contracts from statutory bodies or indirectly through encouragement of corporate and business funding. More below in section 4 on funding.

Government can also contribute to the development of civil society by removing barriers to effective action and making sure that new legislation and regulation does not have perverse and unnecessary consequences. For example we are deeply concerned by proposed changes to the licensing requirements for Community Transport, which threaten to undermine the viability of many local transport schemes upon which other services such as hospital treatment often depend. See our response to the Department for Transport consultation on licencing for community transport at <https://www.ageuk.org.uk/our-impact/policy-research/publications/consultation-responses/>

1.3 How can public trust in civil society be built and maintained?

Individuals and groups with a mission will find it difficult to sustain public involvement if their voices are ignored or - even worse - their efforts are undermined by the public sector. One example put forward by our sounding board was a local group which had voluntarily restored their local park, only to find it being allocated for residential housing. Government, national and local, will undermine trust in civil society if it does not make an honest attempt to hear and understand its voice and, if it decides not to act on its views, fails to explain why.

Age UK is keenly aware that trust in civil society organisations must be earned. Effective regulation is important and that is why Age UK was an active supporter of the development of the Fundraising Regulator. However, the sector is extremely diverse and loss of trust in one body can affect trust in the sector as a whole. Therefore, it is extremely important that public statements made by governmental bodies about the sector are accurate and precise to avoid creating a general atmosphere of mistrust. Legislation such as Part 2 of the Lobbying Act, in the context of statements that campaigning by charities is somehow illegitimate, is not helpful in this regard (see our comments below).

It is also important that, in commissioning services from civil society, best practice is followed to avoid problems down the line which could undermine trust. By definition, civil society is keen to play a role in supporting our society, however Government must recognise that civil society organisations, while cost effective, are not free. Service contracts should cover full cost recovery and not be based upon an inappropriate transfer of risk (see section 4 on the funding environment below).

1.4 How can civil society be supported to have a stronger role in shaping government policy now and/or in the future?

Civil society organisations are usually very close to the communities they serve, and therefore have tremendous potential to inform Government policy. In order to fully leverage the power of the sector, it should be recognised as an equal partner and involved early where appropriate, taking into account its relative lack of voice compared to that of the private sector.

This role depends on a strong and sustainable sector. While civil society organisations have a very diverse range of funding, many have relied heavily on funding from local government which is no longer available, and this is causing huge stress in the sector. Government may want to consider how these organisations could be supported at the

same time as they develop new funding models. In particular, Government will be aware that until 2015 there was government funding for engagement mechanisms such as the UK Advisory Forum on Ageing. It is particularly important that civil society organisations are supported in their role of providing a voice for excluded groups, assisting the Government to fulfil the Public Sector Equality Duty.

While many civil society organisations focus on providing services, they must remain free to campaign for change where there is some systemic issue, rather than just patching up the problem. Whilst political campaigning has formed an integral part of Age UK (and previously Age Concern and Help the Aged) work for several decades we have always been at pains to ensure this work never becomes party political. We are concerned that the Lobbying Act hampers the work of civil society in this regard. During the Act's passage through Parliament we expressed our concerns that it would be costly and operationally difficult to implement, as well as having a 'chilling effect' on legitimate campaigning, and these concerns have been borne out in practice. In our view, the restrictions contained in Part 2 of the Act are unnecessary, duplicating what is already absolutely clear under Charity Law, and should be repealed or at the very least amended to be more workable. We are pleased to see that the new DCMS Secretary of State is considering the future of the Lobbying Act^v.

To support wider civil society engagement, forums which bring together local groups to debate and feed into policy-making may need to be supported with small grants for venues, publicity etc., especially where expressing the voice of seldom heard groups or those of people from socio-economically deprived backgrounds.

1.5 We interpret civil society as inclusive of all those outside of the public sector, who share the mission of building a stronger society and improving lives, regardless of traditional sector boundaries such as charity or private and for profit or not.

What are the advantages of using this interpretation in developing this Strategy?

It is certainly helpful to focus on outcomes and explore the contribution that different elements in civil society can make to a common outcome rather than emphasise the differences between them from the outset.

What are the disadvantages of using this interpretation in developing this Strategy?

It is also important to be aware of the differences, for example as they might manifest themselves in conflicts of interest, limits in capacity, and reasonable expectations of what civil society organisations and the wider civil society can achieve. In some contexts, it is

also important to recognise that the legal structures of various bodies may be very different – for example in the context of the Lobbying Act, Part 2 of which duplicates much of what is already clearly stated in Charity law. Different legal structures may also determine who can bid for contracts. An increase in broad commissioning asks may disqualify specialist organisations and lead to less effective commissioned services through a dilution of expertise. For example, ‘all ages’ contracts may disqualify organisations whose legal objectives are focussed on a particular age group. The Strategy should therefore clearly set out where such differences are likely to be significant, and take them into account in setting the future direction of policy.

It is very important to build the links between civil society and the public sector to get the best out of both, not to confuse recognition of the strengths of the voluntary sector with an assumption that the civil society organisations can do what the statutory sector can do but cheaper which regrettably is happening as demand increases and funding of statutory services is reduced. It is also important that engagement with wider civil society is taken very seriously with the views expressed fully considered and subsequent decisions fully explained

Finally, when commissioning services, it is important to take into consideration the public’s perception of an organisation. This can have a direct impact on the extent to which the public trusts the services that are being provided, the campaigning position taken etc. In some instances a profit-making organisation will not have the necessary credence with the public to enable them to be effective

2. People

Enabling more people to play an active role in society

2.1 Reflecting on your own experience or examples you are aware of in the UK or abroad how have people successfully taken action to improve things for themselves and their communities

Formal volunteering is an important way in which people can take action in and for their communities. Around the country, Age UK provides opportunities and support to around 29,000 volunteers who donate their time to their communities. Very many of these get a great deal of pleasure and satisfaction in doing so. As just one example, Age UK nationally enables over 1,000 volunteers to support lonely older people through its Call in Time national telephone befriending services – with huge amounts of very positive feedback from both the older people and the volunteers. In some areas however our local Age UKs

are experiencing difficulty recruiting sufficient volunteers to staff their services and they are currently actively considering how to make the volunteering roles they offer more attractive to all parts of the community

In our experience, the role of civil society organisations in mobilising volunteers works well when:

- **There is proper investment.** National and local government must recognise that, whilst volunteering is cost effective and carries many additional community benefits, it is not free, and they must include the costs of recruiting, training and managing volunteers when they commission services from the voluntary sector, as well as covering volunteers' expenses
- **It is inclusive.** Civil society should recognise that people from all backgrounds and parts of society, including older people, can bring a wealth of experience to volunteer roles and can greatly enhance the quality of services^{vi}. Older people with low incomes, older people from Black and Minority Ethnic groups and older people in poor health are under-represented amongst older volunteers^{vii}. Issues include offering flexibility around where and when volunteering needs to be carried out, addressing transport requirements, making sure the volunteer environment is accessible and comfortable for older people and recognising and addressing community languages and cultural preferences^{viii}.
- **It considers the whole community environment.** For example, Age UK services, such as local services to address loneliness, rest upon a massive community mobilisation to spread awareness of the issues, encourage people to engage with their neighbours, encourage referrals of people to local Age UK befriending services and activities, and encourage volunteering and community activation more generally. And in addressing older people's loneliness and enabling them to reconnect this in itself helps build the capacity of civil society – for example many people supported by our programmes go on to become volunteers themselves. See the description of the approach in our no-one should have no-one report^{ix}.

For wider civil society, it is crucial that engagement and consultation is taken seriously and that decision making is transparent. Age UK's Policy Sounding Board, made up of people from local older people's forums, cited instances when councils had supported initiatives such as local people coming together to revitalise and maintain public space, and subsequently drawn up plans for housing and other features of the build environment which took no account of this community run asset and made no attempt to engage with the community. This type of behaviour is bound to undermine people's confidence in donating their time and resources to building their communities.

2.2 Which of the following changes are the most important in enabling more people to take action on issues that matter to them? (Please rank **up to three choices** in order of importance, with 1 as the most important, 2 as the second most important and 3 as the third most important)

_____ Developing more opportunities for individuals to get involved

_____ Give citizens more opportunities to be part of the decision-making processes on local and national issues

_____ Increasing awareness of the range of opportunities for individuals to get involved in civil society

_____ Empowering people or giving them permission so that they think that they do have a say and are able to take action

_____ Developing a better understanding of how social action* can build the networks and relationships among people as well as the confidence and skills of the disadvantaged and disengaged

_____ Supporting employers and businesses to promote active citizenship, such as volunteering, becoming a school governor or charity trusteeship

One of our top priority on this list is a better understanding of how to build sustainable networks and structures. One dynamic individual can make things happen, but they will eventually step down, and whilst they may have made a singular contribution, they may not have built the larger structure which we believe is needed.

Other priorities will differ depending on what is already being achieved in different localities. As above, we stress that community engagement must be taken seriously and people kept informed about decision made. For this reason, we would change the wording of the point about empowering people to omit 'giving them permission' and change 'think that they do have a say' to 'make sure they have a say'.

Are there any additional changes that would enable people to take action on issues matter to them?

To encourage more formal volunteering, Age UK believes that the following actions should be priorities.

- National and local Government must include the costs of recruiting, training and managing volunteers when commissioning services from the voluntary sectors. Volunteers must be properly supported so that not only is volunteering a positive experience for them, but also to ensure that the requirements of the service are met, including proper management of risks to both service provider and service recipient.
- Government should support the training and accreditation of volunteers – for example accredited health and safety and safeguarding training. National and Local Government could support the training of volunteers by enabling them to attend

appropriate courses that they already organise for their own staff, such as health and safety and safeguarding.

- Government should review its framework for safeguarding amongst volunteers to ensure that vulnerable service users are adequately protected whilst keeping the regulations proportionate and affordable. At the moment, there is a patchwork of requirements and checking systems.
- Local authorities should support registers of volunteering opportunities within their areas to help match opportunities with the skills of potential volunteers
- As part of their corporate social responsibility programmes, large employers should consider offering all employees a number of days per year of paid leave for volunteering and facilitate opportunities for their employees to volunteer within their local community.
- All organisations who recruit volunteers should consider how they can develop a range of volunteering options which recognise the diverse aspirations and needs of older people and the wealth of experience they can bring to volunteering roles.

There are many other ways to enable people to become more engaged in their communities – for example Age UK Herefordshire and Worcestershire organises pop up armchair exercises classes under gazebos at local markets coupled with leaflets and people on hand to talk to members of the public who show an interest. This raises the profile of Age UK Herefordshire and Worcestershire whilst also encouraging people to get involved. Age UK Wirral's 'big door knock' mobilises people across the voluntary sector to target areas where there may be a high risk of loneliness, informing residents about services which could help and encouraging them to get involved.

As well as councils ensuring they take community engagement seriously, there also needs to be support for local forums that bring people together to develop their local 'Voice' and provide peer support and encouragement for greater community engagement. In many instances only a small amount of funding is required– for a venue, a newsletter, posters and postage – but the absence of this support can mean forums cease to exist.

3. Partnership

Working in partnership

3.1 Reflecting on your own experience or examples you are aware of in the UK or abroad, how are partnerships across sectors improving outcomes or realising new potential.

Age UK has a very wide range of programmes, working in partnership with other organisations nationally (eg the Richmond Group and the Malnutrition Task Force) and locally (eg local home from hospital services as part of the Cabinet Office Winter Pressures Pilot). We outline three of our partnerships below. We would be happy to provide more details about the others

Age UK's Integrated Care Programme has proved itself as a very successful model in developing partnership between GP and Primary Care services, Age UK services and the wider statutory, voluntary and private sector. The programme enables independence and wellbeing of older people with multiple health conditions though helping join up care and provide practical support, as well as reducing isolation by empowering clients to re-engage with their interests and become more socially connected^x.

In the most recent evaluation of phase 2 of the integrated care programme, the evaluators identified three key elements which contributed most to improved outcomes:

- An in-depth conversation with the older person to identify their hopes, aspirations and interests as well as their health and care needs, coupled with continuity of support provided by Age UK's Personal Independence Co-ordinator. This enabled the older people to be equal partners in addressing their health and well-being, empowered to identify their preferences and goals and their strengths
- Multi-disciplinary teams of health and care professionals involving the Personal Independence Co-ordinator which shifted the discussions and solutions away from a simple medical model and enabled all to understand their specific contribution in the context of the overall needs and preferences of the older person
- The local knowledge and support of the Personal Independence Co-ordinators. They don't just signpost people to services but develop personal relationships enabling them to understand what would help individual older people become more motivated and support them to take action to achieve their goals.^{xi}

Another partnership is **Joining Forces**. Age UK works in partnership with the military charity SSAFA, funded by the Aged Veterans Fund, which was established by the Chancellor using the funds resulting from LIBOR fines. This partnership improves the access that older veterans have to support services, using the strengths of both organisations – SSAFA's military connections and credibility and Age UK's wide-ranging knowledge and trusted brand – to improve outcomes for older veterans. Joining Forces will reach 40,000 older veterans over three years, and is already providing anecdotal evidence for qualitative improvement in outcomes (such as providing a veteran who approached SSAFA for financial assistance with a befriending link to Age UK), as well as quantitative outputs. Age UK has reached nearly 10,000 older veterans in year one of the collaboration. This scale of impact would not have been possible without the investment from the Covenant Fund, and the partnership working. The partnership is encouraged by

offering appropriate levels of financial support for both partners to work together, rather than incentivising different elements of civil society to treat each other as competitors.

Age UK works closely with a range of different corporate partners to tackle loneliness through our **Call in Time telephone befriending services**. The Corporates allow their employees to take half an hour each week to make a friendship call to an older person they have been matched with. The service provides regular companionship for the older person and we've also observed many benefits for the volunteer including a better understanding of older people and a sense of well-being as they are able to make a difference to someone's life in a short period each week.

3.2 Which of the following factors are the most important to enable more impactful partnership working across sectors? (Please rank up to three choices in order of importance, with 1 as the most important, 2 as the second most important and 3 as the third most important)

- Better knowledge of potential partners*
- Better understanding of the benefits of partnerships*
- Better knowledge of opportunities to work in partnership*
- Better understanding of other sectors*
- Greater leadership around partnership working*
- Ability to prove impact of partnership working*
- Making it easier to identify and access funding opportunities to support partnership working*
- A common agenda / shared vision and strategy*
- Shared values*
- Shared measurement practice*
- Better skills (e.g. commercial skills, collaborative commissioning practice and social value*) and capacity (e.g. time, resource) to form partnerships*

We have not ranked or prioritised these as we feel they are all important and the priority will vary depending on existing capacity and priorities in localities and different partnerships

Are there any additional factors that would enable more impactful partnerships across sectors?

We believe there is a huge opportunity for major funders and infrastructure programmes to encourage more collaboration between civil society organisations, as well as cross sector partnerships to achieve better outcomes. They could assist organisations in:

- finding partners or expressions of support for consortium bids, through improved analysis of the sector and the outcomes/services that each civil society organisation can provide.

- negotiating with statutory organisations, for example, over standard contracts, terms and conditions.
- encouraging organisations to share the costs and benefits of their infrastructures. This is likely to be increasingly necessary as many of the traditional sources of funding for infrastructure are no longer available.
- Providing support / guidance for building cross-sector partnerships e.g. voluntary / statutory/academic.
- A standardised outcomes framework. This is particularly valuable in terms of the delivery of integrated services where statutory commissioners might be using different outcomes. For example Age UK's programmes may offer holistic support across all the following frameworks - NICE Outcome Frameworks, the Public Health England Outcome Framework and the Adult Social Care Outcomes Framework. In harmonising outcome frameworks it would also be helpful to involve civil society organisations and the wider civil society to ensure that they are measuring meaningful indicators.
- Pooling data through robust information sharing agreements to permit joint analysis of outcomes. This approach has been adopted for the Age UK Integrated Care model which has already been described in 3.1 above.
- The development of monitoring and evaluation methods which encourage and enhance the contribution of civil society organisations to deliver services and support. Impact assessment should also capture the added value that interventions by civil society organisations can bring beyond the immediate focus of the contract (e.g. such as building community capacity and preventing unnecessary hospital and residential care admissions).

Sometimes larger and/or better resourced charities can play a facilitative role to the local sector when an infrastructure body is not present or lacks the capacity to do this, and when there is a local consensus that this would be helpful.

For example, Age UK South Lakeland, working in partnership with other local civil society organisations have produced the Compass online digital platform. The platform has been designed to address the fragmented nature of many local civil society communities and the difficulties experienced by statutory partners when trying to work with them. The platform offers a layered approach to engagement, acknowledging the many different civil society organisations out there. Compass is now in operation across Cumbria and is free to use for any not for profit organisation. There are now over 100 different organisations using the resources with 79 registered to use the secure resources.

The platform has two distinct sides, open access and secured. The open access portal provides a common repository for leaflets and guides, event management, bulletins,

volunteering opportunities and jobs. The secure side provides a CRM system (CRIS) – A diary and organisational structure system (Placebook) and the secure referral system (MARS). The system provides the opportunity for Civil Society organisations to work in true partnership in a safe and compliant way. It also provides coherence and safe points of contact so statutory organisations can link into and work with their civil society community^{xii}.

4. The funding and financing environment

4.1 Reflecting on your own experience, or examples you are aware of in the UK or abroad, what does an effective pool of funding and financing as well as income opportunities for the voluntary and community sector look like?

Civil society organisations need a robust and diverse funding base. While many are developing social enterprises and exploring new methods of funding such as social investment bonds, and improving their ability to attract corporate funding, national and local government funding remains essential to both large and small civil society organisations. It is particularly important for:

- larger organisations looking to make a step-change in service delivery, scope and quality
- fostering innovation by making investments in new, high-potential approaches to intractable problems.
- smaller organisations who don't have the reach for traditional fundraising.

Age UK would like to see the Civil Society Strategy consider:

- **Renewed recognition of the importance of grant funding.** It is extremely important to state that social financing or investment are not the solution to all problems, they are merely one strand of potential funding for very specific issues and not all charities will be able to access them. Many charities need grant funding to remain sustainable and deliver cost-effective, much-needed services, especially in view of tightened local authority funding. The DCMS Secretary of State's recent comments on a return to grant funding^{xiii} are hugely welcome: grants often represent a fairer balancing of risks, allow for more innovative approaches, encourage entry to the market of new organisations, and when used well can provide for more flexibility and security for civil society organisations whilst still providing value for the tax-payer.
- **Funding for information and advice** - the reduction in local authority funding for information and advice is making it increasingly difficult to maintain such services. Information & advice is not only valuable for individuals who may be socially and

digitally excluded, but also for Government as it helps to achieve policy aims such as increasing benefit uptake and assisted digital services. Information and advice services offer vital interventions that prevent future crises for individuals and help them to take control of their lives. In addition, it is often information and advice services which support individuals to resolve the challenges they face when faced with errors in decision-making or process by local or central statutory bodies. We believe that Government should recognise the cost of assisting public services in this way by providing funding streams to replace those lost from local government – for example, some of the savings from moving public services online should be diverted to fund assisted digital.

- **Funding for infrastructure** - too often funding is available only for high-profile but short term projects, while it is harder to find funding for support to maintain the 'infrastructure' of organisations. By 'infrastructure', we include the skills and resources on which the capability to deliver projects and volunteering opportunities depends – for example at Age UK our information and advice services act as a gateway to other services. Advisers deal with the initial problem, but can then refer people on to services which might, for example, help them to improve their fitness, get them out of fuel poverty, and perhaps encourage them to volunteer themselves.
- **Longer-term funding** - many funding streams last for one, two or three years. This is inherently inefficient, as a great deal of staff resource is tied up in applying for funding. Five year funding periods should be considered wherever possible. Shorter term funding adds to the difficulty of recruiting high quality staff and means that the departure of staff prior to the end of a contract is likely to be more frequent.
- **Time to develop meaningful projects** - Funders should allow sufficient time for civil society organisations to develop what can often be complex, innovative and detailed projects involving multiple partners. In many cases partners will themselves need time to consult with members and with the communities that they represent or provide services to. To do this properly and clearly think through projected outcomes can take months.
- **A shared vision** Clarity and openness about the primary purpose of any funding opportunity is essential. Civil Society organisations need to be able to understand whether their proposed project meets the key aim of the fund, be that cost saving, innovation, beneficiary involvement, on-line delivery, number of beneficiaries etc.
- **Recognition of the need for full cost recovery and development funding** If an area of work is new, or involves taking risks in terms of finding new service users or

testing out new models of working, then development funding and pump priming is really important. There must also be recognition that there are additional costs involved in providing services for people with high level needs (e.g. severe dementia).

- **Fair sharing of risk** - risk is often unequally shared between commissioners and local voluntary agencies when they are providing services and is unfair and counterproductive; the vast majority of civil society organisations are in no position to withstand sudden shocks to their income streams. The main factors that could rebalance the risk are proper provision of start-up funding, setting reasonable targets (or agreeing to share risk beyond a baseline amount of funding), and sharing the risk of legislative change (for example increasing costs due to the National Living Wage) or redundancy.
- **Unacceptable transfer of risk.** Some transfers of risk can cause big problems for civil society organisations, for example a contract that carries TUPE obligations. Small charities are not able to take sufficient legal advice on TUPE issues so we often see them either carrying the risks of staff coming to them from other private sector bodies (more highly paid & better T&Cs) or where a contract is lost the new provider will not honour TUPE obligations, leaving large exits costs such as pensions to be met by the civil society organisation.
- **The impact of changes in legislation.** Changes to legislation can have a disproportionate effect on delivery of services by civil society organisations – for example ensuring services can acquire a full understanding of benefit changes linked to Universal Credit in order to provide well informed support.
- **Risk and innovation.** Government should recognise that for some civil society practices, particularly new approaches, risk is inherently unknowable. In these cases commissioning should recognise the parties as equal partners and use more qualitative metrics to gauge progress. In such cases, grant funding is invaluable. By its nature, anything innovative is unproven, and therefore may not achieve hoped-for outcomes. The risk involved cannot be the sole responsibility of the charity partner.

4.2 Where is there the potential for changes to the funding and financing environment to better support the work of the voluntary and community sector, for example increasing the use of new models of funding, use of technology and/or changes to current funding practice?

We see significant room for improvement in commissioning practice, as set out above. The Civil Society Strategy also has an important role to play in improving funding practice. Infrastructure networks and major funders have a crucial role to play in developing leadership skills, disseminating best practice, assisting technological change, supporting volunteering, sharing data and evaluations and enabling smaller organisations to play their part.

4.3 Which of the following factors are the most important in strengthening the funding and financing environment in the future? (Please rank up to three choices in order of importance, with 1 as the most important, 2 as the second most important and 3 as the third most important)

- _____ *Making it easier to bring together civil society with potential funders*
- _____ *More skills training for civil society*
- _____ *Raising awareness of new funding models*
- _____ *Stronger collaboration between funders*
- _____ *Improved funding practices by funders*
- _____ *Increased use of technology to support fundraising*

Again, we have not ranked or prioritised these as we feel they are all important and the priority will vary depending on existing capacity and priorities in localities

Are there any additional changes that would improve the funding and financing environment for the voluntary and community sector?

Possibly the most important factor in strengthening the funding and financing environment for the future is for all elements of the statutory sector – government, local authorities, NHS and public health – to work together and with civil society organisations and wider civil society to develop robust forward looking strategies – say for 10 years and revised every two years - for meeting the health and well-being of individuals and communities. This would include encouraging partnerships and agreeing the funding mechanisms appropriate to different interventions to encourage the most effective use of available finance.

The environment would also be strengthened by increasing the ability of civil society to compete with commercial bodies for contracts. While the Social Value Act was a worthy attempt to allow funders to take into account the social impact of bids, in practice bids are often decided purely on the grounds of cost, with sometimes calamitous consequences further down the line. A more sophisticated understanding of the risks of under-pricing is needed.

New investment models

4.5 Reflecting on your own experience or examples you are aware of in the UK or abroad, how are new investment models unlocking new potential and partnerships?

Age UK is always open to trial new investment models where we feel these could underpin effective services and possibly open up new sources of funding.

Reconnections Ltd was the country's first Social Impact Bond funded programme designed to help older people overcome loneliness^{xiv}. The service is delivered by Age UK Herefordshire and Worcestershire in partnership with other local voluntary and community organisations. It was developed between Social Finance and Age UK Herefordshire and Worcestershire in 2014 and 2015 and launched in 2015 to test a community based service to address loneliness, evaluate whether there is value in services specifically addressing individual's loneliness as well as more preventative approaches, and explore the impact of commissioning by outcome through a Social Investment Bond contract

The upfront investment in the service came from socially motivated investors. Worcestershire public health and three CCGs along with government and the Big Lottery were the commissioners and established a contract worth £2 million pounds which would only be paid if the service resulted in a measurable reduction in loneliness.

This was a test and learn programme, and the funding and service model has been adapted over time to better reflect the realities of providing the service. The service has outperformed the anticipated reductions in loneliness and has reached over 1,000 older people with greater needs than originally anticipated. 8 out of 10 participants would recommend the service to friends and family. Both 'volunteers' and 'clients' say they benefit from giving and receiving support which is not uncommon for volunteers as they often volunteer for the personal benefits that accrue.

The senior management team are confident that the service delivery model and the rigor of evaluation of actual impact can and should be replicated in other areas. There is a need for further work to develop the Social Investment Bond model of funding to ensure it provides an appropriate level of benefit and return for the parties involved.

However we are also very wary of any new model being heralded as a panacea and applied inappropriately and there is a risk that Social Investment Bond funding may become 'the new normal'. It is not the appropriate model for a significant proportion of civil society funding and is especially difficult for smaller organisations. Whilst we outline below

ways in which their usefulness could be maximised, the extent to which they will help develop cost-effective services with quality outcomes remains to be seen.

In addition, in our experience, whilst there has been significant investment in Social Investment Bonds recently, none have resulted in actual cost savings and there needs to be caution in not overstating their potential impact.

4.6 Where is there the greatest potential for the future development of investment models for civil society?

Which of the following factors are the most important in enabling the growth of new investment models in the future? (Please rank up to three choices in order of importance, with 1 as the most important, 2 as the second most important and 3 as the third most important)

_____ *The scaling of social impact bonds**

_____ *Knowledge of social impact investment* as a form of finance*

_____ *Understanding of how to make / receive a social impact investment*

_____ *Identifying suitable opportunities for social impact investment*

_____ *Establishing a formal framework, such as the UN Sustainable Development Goals, to analyse social impact*

The sector could benefit enormously from support to understand complex but potentially promising new funding approaches such as social impact bonds. It can be difficult for civil society organisations to keep abreast of developing practice, and training would be very helpful. However as we mention above this type of investment is not a panacea and is best approached as one tool in the armoury of funding civil society organisations rather than the way forward for most.

If yes, what type of support do you think would be beneficial?

Whilst there are already some programmes available to support civil society organisations (for example Big Potential and the Co-commissioning fund), further more detailed information about making social investment work in practice would be useful and in the case of Social Investment Bonds essential. Help to understand the challenges, development costs, potential legal frameworks, transactional costs and contracts would be beneficial to help people identify the most appropriate resources and to budget accordingly.

In the case of Social Investment Bonds, briefings on the potential areas of work that could be funded would be helpful. There is also a need for information on the range of Social Investment Financial Intermediaries (SIFI) and the experience of those who have used

them (for example a SIFI ‘trip advisor type scheme’), and support to understand who social investors are, what they are looking for, and what type of social investment is needed.

4.7 Are there any additional factors that could enable new investment models to grow in the future?

Many new funding models require an element of risk sharing, but, in the past risk has often been unequally shared between commissioners and local voluntary agencies when they are providing services. This destabilises the sector and increases the risk of service failure, which could have detrimental effects on service users or create difficulties for commissioners if they have statutory obligations to ensure continuity of service provision. The strategy should consider how risks can be fairly assessed and shared, and perhaps consider schemes to underwrite some risks.

Responsible business

4.8 Reflecting on your own experience or examples you are aware of in the UK or abroad, how are businesses unlocking new partnerships and potential within civil society? Please tell us how this is different to other types of organisations.

In Age UK’s experience, businesses can play a valuable role in funding innovative programmes. However, it is more difficult to attract the core or longer-term funding which enables civil society organisations to remain well-managed and sustainable.

Age UK’s partnership with Prudential was formed on the basis of the strategic alignment of the two organisations. Older people are an important group for Prudential and they were keen to work closely with us to develop strategic projects. As a result of research funded by Prudential and undertaken by Age UK we identified a need for holistic advice for older people who are experiencing a life change. The advice offered frequently involved an element of financial capability support, for example budgeting to manage income and expenditure after some change to circumstances. This work helped to inform Age UK’s approach to advising older people in a more holistic way and helped Prudential understand more about the challenges being faced by the older population. One example of joint learning was the importance of putting a Lasting Power of Attorney (LPA) in place at the time of a life change. This led to Prudential training their call centre team to check that customers have a LPA, a step that is beneficial for the older person and for Prudential as there is a clear plan in place should that customer be unable to make decisions for themselves in future.

4.9 Which of the following factors are the most important in enabling more businesses to have a social purpose or positively increase their social impact in the future? (Please rank

up to three choices in order of importance, with 1 as the most important, 2 as the second most important and 3 as the third most important)

_____ *Celebration of best practice*

_____ *The legal and regulatory framework for businesses*

_____ *Consideration of the UN Sustainable Development Goals*

_____ *Improved data on the “business case” for social purpose*

_____ *The legal and regulatory framework for investors*

_____ *Advice or tools to help businesses adopt, show and set value on social purpose*

_____ *Increasing demand for products, services, businesses that have a social purpose or a positive social impact*

4.10 Are there any additional factors that could enable more businesses to have a social purpose in the future?

‘Soft’ factors such as the celebration of best practice can help attract business investment. However it is the legal and regulatory framework that makes most difference. In particular, when regulators make it clear what their expectations are in relation to good practice, this often encourages businesses to approach civil society organisations who can assist them in meeting those expectations. For example, recent regulatory focus on vulnerable consumers has led many organisations to take a fresh look at the role of civil society in reaching these consumers. The challenge for civil society is that businesses may then expect the assistance of civil society to be freely given. While organisations like Age UK welcome the opportunity to share our expertise, it would be helpful for business organisations to be made aware that this comes at a cost, and to be encouraged to fund it.

Place

Devolution/localism

5.1 Reflecting on your own experience or examples in the UK or abroad, how have local people, businesses, voluntary and community organisations, and decision makers worked together successfully to break down barriers in our communities and build a common sense of shared identity, belonging and purpose?

In the sections above we have given a number of examples of Age UK programmes and projects – Testing Promising Approaches to reduce Loneliness, Reconnections, the e-hub developed by Age UK South Lakeland, our Integrated Care Programme, Joining Forces, our partnership with Prudential - which all demonstrate the power of different sectors of the community, the voluntary and private sectors, working in partnership with the statutory sector to mobilise community resources around a common outcome. We could provide

many more examples. The key features are agreement on purpose and desired outcomes, a person centred approach, and the ability of all players to learn and adapt as the programme or project develops over time. For local initiatives this in its turn promotes pride of place and a sense of belonging.

Local Age UKs have also been very pro-active in broadening their reach to engage under-represented groups, and disadvantaged groups. For example the Sage Project in Leeds, was described as a life saver for a very isolated older gay couple at a recent focus group on Loneliness and LGBT groups^{xv}. The Sage project offers activities for older LGBT people. It is a partnership project between Age UK Leeds and Yorkshire MESMAC (<http://www.mesmac.co.uk/>) and is part of the Lottery funded Leeds Older Peoples Forum's initiative Time to Shine (<https://timetoshineleeds.org>).

Age UK Herefordshire and Worcestershire has groups focused on engagement with BME groups^{xvi}. There are many other instances around the country.

Finally, as previously stated, active and serious engagement with the wider civil society is crucial to enable local people to feel they have a real say in shaping their communities.

5.2 What are the most important changes that need to be made to enable more people to work together locally to break down barriers and build a common sense of shared identity, belonging and purpose in general? (Please rank up to three choices in order of importance, with 1 as the most important, 2 as the second most important and 3 as the third most important)

_____ *Communities having a greater ability to set their own priorities*

_____ *Communities being more aware of issues facing them collectively*

_____ *Workers in local public services taking greater control over how they operate*

_____ *People being more aware of physical assets, resources, skills and relevant organisations the community holds*

_____ *Communities having more or better support on how to mobilise themselves and take action*

_____ *Greater understanding of community shares*

_____ *Institutions and organisations delivering public services involving communities in decision-making*

_____ *Institutions devolving more power to their local communities*

_____ *People having better skills, and access to learning opportunities to obtain the skills needed to mobilise themselves*

_____ *More opportunity for diverse groups of local people to meet to discuss local issues and what they think they could do to improve things*

Are there any additional changes that would enable more people working together to break down barriers in our communities and build a common sense of shared identity, belonging and purpose?

All of these are important and touch on local Age UKs work in a variety of ways

Public services

5.3 Civil society is involved in our public services in a variety of ways - from delivering public services with or on behalf of public sector organisations, investing in solutions to complex public service problems, providing supplementary preventative services or when people have a say in shaping the type of services that they receive. Through its participation in public services, civil society is well-placed to create social value, i.e. social, economic and environmental benefits to society.*

Reflecting on your own experience or examples you are aware of in the UK or abroad, how have local public services successfully responded to the needs of communities?

As the examples throughout this document show, civil society organisations can work successfully with the public sector to deliver good outcomes for citizens. However statutory sector commissioners should always be aware that they retain statutory responsibility for the wellbeing of, and quality of services provided to the public. Contracts with civil society providers should recognise this fact, ensuring that there is proper accountability through to the statutory body, including access to the statutory complaints system and redress.

With constraints on public funding, there has been a tendency for public health and services to shift their focus from prevention to mitigating moderate to severe need. The voluntary sector can help with the latter, but it is also in everyone's interests that they continue to contribute to prevention through mobilising civil society to contribute to strengthening communities and helping individuals to build their resilience.

5.4 What are the most important changes needed to enable local public services to respond further to the needs of communities? (Please rank up to three choices in order of importance, with 1 as the most important, 2 as the second most important and 3 as the third most important)

_____ *People having more opportunities to shape and/or run the public services they use*

_____ *Service providers delivering more public services that have been designed and produced with their users*

_____ *Drawing on wider civil society networks to support services*

_____ *Changes to commissioning practices*

_____ *Greater understanding of how to demonstrate and measure social value**

Are there any additional changes that would enable local public services to respond further to the needs of communities?

For civil society organisations, changes to commissioning practices and a greater understanding of how to demonstrate and measure social value seem paramount in this list. The ability to recognise social impact in pricing contracts depends on there being adequate funding in the first place.

This works with the necessity to involve service providers and users in the design of services and to work with wider civil society networks to maximise the contribution of services to communities.

ⁱ Age UK Policy Sounding Board discussion, 22nd May 2018

ⁱⁱ No-one should have no-one: working together to reduce loneliness, Age UK 2016

https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/health--wellbeing/rb_dec16_no_one_should_have_no_one.pdf

ⁱⁱⁱ www.ageuk.org.uk/no-one

^{iv} Jo Cox Commission website <https://www.ageuk.org.uk/our-impact/campaigning/jo-cox-commission/>

^v <https://www.civilsociety.co.uk/news/matt-hancock-says-there-might-be-a-new-era-of-public-sector-grants-for-charities.html>

^{vi} The Commission on the Voluntary Sector and Ageing Report 2015 found evidence of ageist approaches amongst sectors of civil society organisations, who were unaware of the richness of experience and ability that many older people can bring to services for children and young adults as well as older people <https://voluntarysectorageing.org/>

^{vii} <https://www.ageing-better.org.uk/news/drive-increase-volunteering-and-community-activity-people-over-50>

^{viii} See Age UK Policy on Volunteering 2018 (forthcoming)

^{ix} Op cit: 'No-one should have no-one' Age UK 2016

^x <https://www.ageuk.org.uk/our-impact/programmes/integrated-care/>

^{xi} See Blended Evaluation on Phase 2 of the Age UK Personalised Integrated Care Programme, Yvone Fullwood, Understanding Value Ltd, Forthcoming

^{xii} <https://www.ageuk.org.uk/southlakeland/our-services/>

^{xiii} Op cit <https://www.civilsociety.co.uk/news/matt-hancock-says-there-might-be-a-new-era-of-public-sector-grants-for-charities.html>

^{xiv} Reconnections – Introduction, Progress and Next Steps: Forthcoming May 2018

^{xv} Focus group convened by Age UK and the University of Sheffield on addressing loneliness amongst LGBT groups, 27 April 2018

^{xvi} <https://www.ageuk.org.uk/herefordshireandworcestershire/support-services/black-asian-and-minority-ethnic-groups/>