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Towards a Defra Third Sector Strategy

Consultation Document

November 2007

Department for Environment, Food and Rural Affairs
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Contents

	Page
Foreword from Secretary of State	2
Foreword from Defra Minister for the Third Sector	3
Introduction	4
Your views	5
Defra's priorities	6
Our vision and objectives for our third sector strategy	7
Working in partnership	8
Future grant funding	13
Common goals	15
– Creating a supportive environment for a healthy and environmentally sustainable Third Sector	15
– Enabling voice and campaigning	18
– Strengthening communities	18
– Transforming public services	21
– Encouraging social enterprise and environmental entrepreneurship	22
Glossary	23

Foreword from Secretary of State



Rt Hon Hilary Benn MP

Secretary of State

Defra aims to help enable everyone to live within their environmental means. This means tackling climate change both internationally and at home, and securing a healthy natural environment.

We want to do this in a way that creates strong rural communities too, and by championing sustainable development across Government.

Third sector organisations are really important in helping us meet this challenge. In many areas of Defra's work – climate change, waste and recycling, biodiversity and rural communities – the sector already delivers services and helps people to choose greener living. The strengths of the sector – innovation, community involvement, advocacy and service delivery – will all be needed if we are to secure a more sustainable world for this generation and the next. We want to recognise and celebrate the important contribution that the sector already makes. We also want to build on this in the future as a movement for positive environmental change.

Defra enjoys a good reputation with the sector, but we recognise that we need to build our own capacity in order to meet the expectations and aspirations of our third sector partners in the years ahead. There is a continuing programme of work supporting staff across Defra to get things right. But to complement this we need to play our part in ensuring that the sector has both the capacity and the confidence to work in partnership with us.

The next few years will be challenging for Defra. We have to live within a tight budget and this will mean some difficult decisions about the use of our limited resources so we want to work with our third sector stakeholder partners to make the best use of the resources available.

This document sets out our initial thoughts about how we can improve the way we work with third sector organisations. It paves the way for our first Defra Third Sector Strategy which we hope to publish in spring 2008. We want to hear from our third sector stakeholders but we also welcome any views from our sponsored delivery bodies and other Government Departments. The information you provide will be invaluable in enabling us to identify the challenges and opportunities we need to address in our Strategy over the period 2008 to 2011.

I want to thank all the third sector organisations who are already making a contribution to Defra's objectives, working in local communities or at a national or even international level. We look forward hearing from you with ideas about how we can build on this relationship in the future.

Rt Hon Hilary Benn MP

Secretary of State for Environment, Food and Rural Affairs

Foreword from Defra Minister for the Third Sector



Jonathan Shaw MP

Defra Minister for the Third Sector

As Defra's Minister for the Third Sector, I look forward to developing our relationship with the sector to help us meet our shared commitment of living within our environmental means and securing a sustainable future for this generation and the next.

I am keen to explore ways in which Defra and third sector stakeholders can work better together. For example, by having a more strategic dialogue on a range of policy issues. This could help the development of our policy by providing the advice and insight we need from a community perspective. It would also enable us to share and disseminate information to third sector stakeholders and the communities they serve so that we can all take a more co-ordinated approach to promoting environmental sustainability and strong rural communities.

As Regional Minister for the South East, I am also acutely aware of the important role the third sector must play in regional strategies and also Local Area Agreements. Activities at both these levels can make a big difference in tackling climate change, protecting the natural environment and advocating the needs of rural communities. Given the right opportunities to participate, third sector stakeholders can and do champion these issues during partnership negotiations at the regional and local levels.

I look forward to seeing the results of the consultation and encourage you to contribute any ideas or views you may have.

Jonathan Shaw MP

Parliamentary Under Secretary of State and Minister for the South East

1. Introduction

This document invites views and suggestions about the way in which Defra can improve the way it engages with the third sector. The results of this consultation will help Defra prepare its Third Sector Strategy which we aim to publish in spring 2008. The document covers a range of issues. It asks about ways in which the third sector can make an even bigger difference in tackling climate change, protecting the environment and supporting strong rural communities. It also asks about the way in which Defra can create a level playing field for third sector organisations in the way we do business. For example, in our procurement procedures and the way we work with third sector stakeholders through the Defra Compact Group.

This document sets out our current thinking on some of these issues and asks for your views.

Why is Defra preparing a third sector strategy?

We believe the time is now right for us to do so. The Strategy will aim to highlight and capitalise on the special contribution which the third sector can make to achieving our objectives and priorities, where we share a common goal, by:

- improving the Department's engagement with the third sector and the way we support this engagement in our day to day business;
- clarifying where we need more or less involvement with the sector;
- creating a level playing field for potential third sector suppliers or providers;
- clarifying the role and accountability of our independent Executive Agencies and Non-Departmental Public Bodies (NDPBs) regarding the Compact and wider work with the third sector.

The Defra Strategy will build on and incorporate our existing Compact Action Plan and Social Enterprise Position Statement. It will also take account of the work of the Office of the Third Sector (OTS), the recent HM Treasury / Cabinet Office review of the third sector 'The future role of the Third Sector in social and economic regeneration'¹ published in July 2007, and the two OTS cross-departmental action plans – the Public Services Delivery Action Plan² and the Social Enterprise Action Plan³.

This discussion document is a forerunner to the Strategy. It sets out a number of issues and questions relating to our work with the third sector. It invites views and suggestions from third sector organisations, other Government Departments (OGDs), our delivery bodies, Executive Agencies and NDPBs. Defra sponsors a large number of NDPBs and Executive Agencies who help deliver Defra's objectives. Many of these are independent organisations with their own governance arrangements and their own responsibilities for third sector strategy and Compact compliance. This is covered in more detail in section 5 of this document.

Defra has an extremely diverse range of third sector stakeholders ranging from small, volunteer-led community groups through to international environmental Non Governmental Organisations (NGOs), waste and recycling social enterprises and the UK's biggest farming businesses. Over £50 million of Defra's overall funding was spent through third sector organisations in 2004/05.

We expect that the third sector will play an increasingly important role across the full range of our strategic priorities – through developing and delivering our policies, strengthening rural communities, delivering public services, playing a key role in promoting greener lifestyles and tackling climate change. In short, the role and worth of the third sector has been hugely, and not wrongly, acknowledged.

1 The future role of the third sector in social and economic regeneration: final report. HM Treasury July 2007
www.hm-treasury.gov.uk/documents/public_spending_reporting/charity_third_sector_finance/psr_charity_thirdsector_consultationindex.cfm

2 Partnership in Public Services: An action plan for third sector involvement: Office of the Third Sector December 2006
www.cabinetoffice.gov.uk/third_sector/public_service_delivery/

3 Social Enterprise Action Plan: Scaling new heights: Office of the Third Sector November 2006
www.cabinetoffice.gov.uk/third_sector/social_enterprise/action_plan/

2. Your views

If you would like to respond to any of the issues or questions in this document, you may do so by using the following contact details. The deadline for responses is **5.00pm on Friday 22nd February 2008**.

By email: **thirdsector@defra.gsi.gov.uk**

By post: **Third Sector consultation
Defra
Area 1/D
Nobel House
17 Smith Square
London
SW1P 3JR**

This document is available on the Defra website.

Any queries about this document should be sent to the contact details above, or telephone **020 7238 5884**.

3. Defra's priorities

Defra's mission is to help enable everyone to live within our environmental means. Defra has agreed a new set of Public Service Agreements (PSAs) and Departmental Strategic Objectives (DSOs) for the new spending round period (2008/9 to 2010/11) which will help achieve this mission. These are set out in detail on the HM Treasury website. We have prepared a summary of these and this is represented by the illustration below.

The third sector has a critical role to play in helping us to achieve our mission and deliver our strategic objectives.

Our strategy

Departmental strategic objectives (DSOs)
These capture everything Defra does – the policies which drive progress towards our mission, and the essentials we have to get right before we can get there.

Public service agreements (PSAs)
Defra leads these cross-Government agreements. They are areas of high priority for achieving our mission.

Mission
Our ultimate aim, which gives us a shared direction and helps us to prioritise. Every part of Defra contributes to achieving this.

Tackling climate change

A healthy natural environment

Securing a healthy natural environment

Sustainable consumption and production

Addressing environmental risk and emergencies

A thriving farming and food sector

Tackling the causes and consequences of climate change

Championing sustainable development

Strong rural communities

A respected department

Living within our environmental means

defra
Department for Environment
Food and Rural Affairs

4. Our vision and objectives for our third sector strategy

We are keen to hear views and ideas about Defra's vision and objectives for our third sector strategy. We have set out below our own initial thinking on this.

Defra's vision for working with the Third Sector

Defra is strongly committed to creating a framework in which the Third Sector can flourish, be strong and independent. We want to maximise the contribution that third sector organisations make to our mission of living within our environmental means.

Strategy Objectives

To use the skills and expertise of the Third Sector to maximise our collective contribution to Defra's Departmental Strategic Objectives and Public Service Agreements.

To ensure Defra is helping to foster new and stronger Social Enterprises so that their business skills are fully used to help live within environmental means.

To ensure that the 'Renewed Defra' retains and enhances the strong relationship we enjoy with the Third Sector and that we create a level playing field for the third sector in our day to day business.

To reinforce the mainstreaming of the Compact into all areas of Defra activities, and encourage good practice through the work of our delivery bodies and those we commission to deliver on our behalf.

Do you agree with Defra's initial thoughts about the vision and objectives for our third sector strategy? If not, what alternatives would you propose and why?

5. Working in partnership

The purpose of this section is to invite views about:

- the way in which Defra and its sponsored delivery bodies could work more effectively with the third sector;
- the value of strategic partnering arrangements and whether these should be applied more widely across Defra's objectives and some cross-cutting themes.

Working in partnership with our delivery bodies

Defra sponsors a large number of delivery bodies which are very diverse in the way they are constituted. These include Executive Agencies and NDPBs which in turn feature not-for-profit private companies limited by guarantee, charities, public corporations, advisory boards and national park authorities. The status of these bodies varies as do the governance arrangements for their relationship with Defra.

Many of these bodies are independent from Defra. They are separate organisations with their own constitutions, with independent Boards and in some cases, even report to Parliament directly. As such they should develop their own arrangements for grant funding and working with third sector stakeholders. In these cases, third sector stakeholders will need to work directly with these bodies.

Defra is working with its Executive Agencies and NDPBs in the Defra Network to promote the Compact and to clarify accountability for third sector issues, including Compact compliance. In the context of Defra's funding to these bodies, Defra encourages them to honour the spirit of the commitments in the Compact and apply these to work which is supported by Defra. A number of our delivery bodies are already exploring the need for their own third sector policies or strategies. Defra will share its own awareness raising materials about the Compact with these delivery bodies so they too are able to explore the practical implications for the way they do business.

We will work with our delivery bodies to publish contact details for officials responsible for the third sector. We also intend to develop a third sector liaison network for Defra, its Executive Agencies and NDPBs, so that we can more easily co-ordinate our approaches and exchange information. We will also explore the need for a mechanism, such as an annual forum, which brings together Defra, its delivery bodies and third sector stakeholders to improve dialogue.

In what ways could both Defra and its delivery bodies work more effectively with third sector stakeholders?

Working in partnership

Defra and strategic partnering

One of the key messages arising from Defra's third sector workshops held in November 2006 was that the Department could work with the third sector in a more strategic way. Defra is keen to explore whether strategic partnering would add value to the way the Department delivers its outcomes and works with third sector stakeholders. Strategic partnering would bring together the Department and a small number of national third sector organisations where there is alignment in our desired outcomes or objectives. A shared commitment to sustainable development would provide the context for this, where third sector strategic partners could further integrate environmental aims into their social and economic activities. Strategic partners could contribute to advocacy work, policy development or delivery. Some could perform all of these functions. There is a range of models available for strategic partnering and we are keen to learn from those which have worked well elsewhere.

Strategic partnering needs to add value to existing arrangements and it does not replace the need for advisory groups which include representatives from third sector organisations. We would not wish to duplicate any similar arrangements which our delivery bodies have put in place, or other Government Departments. We can, however, seek to maximise the benefits of strategic partnering by joining-up and exchanging information between our approaches where relevant. This could include joint agreements with individual strategic partner organisations.

The strategic partner model may not fit all of Defra's policy areas or objectives, but where it could add value, we feel that strategic partnering has the potential to:

- Provide a more coherent framework for systematically and pro-actively engaging third sector stakeholders across the Department.
- Allow for a shared or joint approach to strategic partners with other Government Departments or delivery bodies where we want to achieve common objectives or work with common third sector organisations / networks.
- Clarify relationships, roles and expectations between Defra and its third sector stakeholders and to others within the wider third sector.
- Offer three year strategic agreements with key partners, to give more clarity, confidence and certainty to third sector organisations.
- Allow flexibility for a number of third sector organisations to team-up under one accountable lead strategic partner, where they can all reach a common audience, a common objective or contribute complementary activities.
- Set overall outcomes but leave the detail of how these are delivered to the third sector organisations. This separates policy from delivery and is in line with the spirit of the Compact.
- Strengthen links between national policy work undertaken by third sector strategic partners with the local delivery work undertaken by smaller third sector organisations at the local or regional levels.
- Delegate decisions about individual activities or projects to the third sector strategic partners. This gives more flexibility based on expertise and empowers the organisations.

Working in partnership

We also acknowledge that strategic partnering poses a number of challenges, such as ensuring that:

- Smaller third sector organisations are not excluded within partnering arrangements and that they too have a voice.
- Potential strategic partners and the audiences they can reach, both go beyond the 'usual suspects' and help improve engagement with key groups on particular policy areas.
- Any consortia or partnerships established by lead strategic partners are manageable, effective and efficiently run.
- No barriers exist within the structures between a lead strategic partner and the other third sector organisations which are included under its partnering agreement, which prevent effective delivery and a two-way flow of information and influence.

Strategic partners could have a number of roles including:

- Informing policy development by contributing relevant advice, information, evidence, and a 'critical friend' role. Plus opportunities for policy officials to participate in events, drawing on the partner's expertise and wider networks.
- Building understanding and commitment within their own organisations, membership, and networks to help deliver Defra's objectives.
- Disseminating relevant information, good practice and advice to other third sector organisations at all levels.
- Championing Defra's agenda with other third sector organisations, wider networks and the communities they serve.
- Leading by example to continuously improve good environmental practice and embedding this throughout their organisation / network and its day to day activities.

Defra's PSA targets and our DSOs all provide a basis on which to consider strategic partnering. The Objectives cover a wide number of interests, disciplines and stakeholder groups. Whilst we would not want large numbers of strategic partners overall, it may be that one set of partnerships based on the complete set of DSOs would be too limiting. We may need a number of different approaches to strategic partnering if it is to work best. Overall, strategic partnering should add value to existing arrangements and in so doing could focus on themes / outcomes which cut-across our DSOs, or on gaps in our existing delivery relationships with third sector stakeholders. Some example themes are set out overleaf. The same strategic partner could be appointed for more than one theme. These are illustrative themes only for the purposes of generating ideas and views. Our consultation with delivery bodies and with stakeholders, will inform our decision about the need for strategic partners in any given policy area.

Working in partnership

Protecting priority environments and vulnerable communities through advocacy and empowerment	Enhancing environmental services in waste/recycling; energy; conservation / land management	Fostering environmental enterprise and entrepreneurship	Strong rural communities
<p><i>What might this theme cover?</i></p> <ul style="list-style-type: none"> • Environmental resilience work • Tackling environmental inequalities • Advocacy on priority habitats / species / ecosystems at home or abroad 	<p><i>What might this theme cover?</i></p> <ul style="list-style-type: none"> • Waste / recycling services provided by third sector • Energy services provided by third sector • Land management / conservation services provided by third sector – including advice to land managers 	<p><i>What might this theme cover?</i></p> <ul style="list-style-type: none"> • Promoting social enterprises which provide environmental benefits • Encouraging environmental entrepreneurs 	<p><i>What might this theme cover?</i></p> <ul style="list-style-type: none"> • Supporting rural communities to play their part in living within environmental limits and tackling and adapting to climate change • Supporting rural community cohesion and addressing disadvantage, including through parish / neighbourhood planning • Championing rural needs at all levels, with relevant service providers and local and central government (includes affordable housing)

We are keen to hear ideas and views from third sector organisations about the areas where you consider there to be most potential to deliver our outcomes through strategic partnering.

Working in partnership

Strategic partners for greener living

There is, however, one cross-cutting theme which has already been identified through previous stakeholder engagement and research including the Climate Change Community Study. This research has emphasised the important role that third sector organisations can play in citizen and public engagement on climate change and the environment. Over 40% of the carbon emissions in the UK result more or less directly from the decisions made by individuals – primarily decisions about the use of energy in the home and personal travel. In addition further pressures on climate change and natural resources result more indirectly from other lifestyle choices such as the food we buy, our usage of water in the home and the waste we throw away. Over the past year, Defra has been preparing a Framework for Pro-Environmental Behaviours which will help the Department and other public, private and third sector organisations to more effectively engage individuals and help them choose environmentally friendly lifestyles.

Strategic partners could help people to choose greener living by using a set of techniques which are more effective at changing people's behaviours than simply providing them with information or education. Pro-environmental behaviour change is about understanding and acting upon:

- the real motivations and values of individuals (or customers) in the target audience, as well as the barriers they face. People are not all the same – they care about different things and have different personal circumstances. This will help work out the most successful ways of encouraging different groups of people to choose greener behaviours;
- the range of green behaviours which people could do and the reasons why some people may react differently to some of these new greener behaviours;
- the need to use more sophisticated social marketing or communications activities to change people's behaviours. This could mean giving information in more interactive ways and ways that are designed to fit the real motivations and circumstances of the different audiences.

Defra is therefore interested in exploring the potential for appointing a small number of strategic partners from the third sector on the theme of greener living. Under the banner of the 'Act on CO₂' campaign, the partners would help engage large numbers of people in some key audience segments which Defra has developed, and increase the take-up of environmentally-friendly behaviours using a "behaviour change" approach.

These will be further outlined in Defra's Framework for Pro-Environmental Behaviour Change to be published shortly. In December 2007 Defra will publish further information about our plans for strategic partnering on this theme.

Which Defra objectives, themes or issues offer the greatest potential for strategic partnering arrangements which would add value to existing activities?

What model or approach to strategic partnering do you feel is most effective and appropriate for Defra?

What roles do you feel strategic partners should perform?

What should Defra offer in return to support strategic partners?

6. Future grant funding

The purpose of this section is to explain Defra's thinking about the main grant funds it offers directly to the third sector.

During the 2005/6 – 2007/8 spending round, Defra provided some direct grant funding to the third sector in order to help achieve its objectives. The main grant funded programmes on the environment were the Environmental Action Fund (worth £7 million), Every Action Counts (up to £4 million) and the Climate Challenge Fund (£8.5 million). In supporting rural communities, Defra has also provided over £25 million of grant funding through the Rural and Social Community Programme (RSCP).

The 2008/9 – 2010/11 spending round settlement is very tight for Defra. The Department has to make some difficult decisions about the use of its limited resources to achieve its PSAs and Strategic Objectives. This will be done through our internal business planning exercise which follows the October Comprehensive Spending Review (CSR) settlement. However, the Department remains committed to working with the sector and to the essential role that the third sector has to play in achieving our priorities over the next three years and beyond. In deploying our limited resources, we will be seeking to streamline arrangements and ensure that we do not duplicate the grant funding which is offered by other national bodies including our own sponsored delivery bodies.

We will also reflect the Government's wider commitment to move towards longer-term grant funding arrangements for third sector organisations with three year grant agreements being the norm.

On the environment, we would aim to move to a single grant fund which focuses on pro-environmental behaviours and "greener living". This is subject to our business planning round and further information on this will be published in December 2007. Our intention is that, should such a fund be possible, we would deploy it through the strategic partners who could be appointed for this theme (see section five of this document). We would, however, want to be assured that local third sector groups could be effectively involved by any national strategic partners, where the local groups can help achieve the required overall outcomes. The discussion questions below invite ideas and views about how this could be achieved.

We also hope to pilot innovation in greener living. Subject to decisions on Defra's budget, we are exploring options for a small demonstration project fund which would be delivered through the sustainable consumption research programme and which would focus on trialling new approaches to promoting greener lifestyles across the range of behaviour goals and population groups. In many cases these new approaches are likely to include a third sector partner but with overall programme management and evaluation carried out by an appropriate expert/academic body. This distinct approach to innovation will ensure that the right arrangements are in place to identify and manage risks and capture learning.

For rural communities, the Rural Social Community Programme has given over £25 million over the past two years, to enable third sector organisations and others to address local issues and to help shape the rural communities in which they serve. As part of this programme, around £3.5 million a year, for the past three years, has been granted to Rural Community Councils (RCCs). The programme will come to an end in March 2008. Decisions on future funding will be taken as part of the CSR process. However, earlier this year, Ministers indicated that they wished to see the

Future grant funding

continuation of some funding to support the RCC network. Defra asked Capacitybuilders, a NDPB of the Office of the Third Sector, to conduct a feasibility study devising a framework for any possible future funding relationship with the RCC network. Capacitybuilders is currently carrying out an assessment of the funding options available. Ministers will then take a final decision on funding, following the completion of Defra's business planning process. We will publish further information on this in December 2007.

Our sponsored delivery bodies are also considering the way in which they will support third sector organisations in contributing to their objectives over the new spending round period.

How best could national strategic partners on the theme of greener living, deploy any grant funding in a way that helps local third sector groups and projects to contribute to achieving the overall outcomes? Are there successful models which could be adopted or adapted from other funding schemes?

7. Common goals

The joint Treasury and Cabinet Office review identified five major areas of common interest between the sector and Government. These form the basis of the Government's framework for partnership working over the next ten years. Defra is committed to playing our part in fulfilling this goal.

Making the links – integrating environmental goals into wider social and economic activities

From 1st April 2008, Defra will have a new Departmental Strategic Objective to champion sustainable development across Government and nationally. This continues the Department's commitment to sustainable development and Defra's role in championing delivery of the Government's Sustainable Development Strategy *Securing the Future*⁴. The Strategy recognised the significant social and economic contribution of the third sector and, by applying the principles of sustainable development, the potential for a more integrated or 'joined-up' approach which therefore helps to achieve environmental aims at the same time.

Within the context of sustainable development and Defra's own priorities, we intend to reflect, tailor and support the five themes set out in the HM Treasury / Cabinet Office review of the third sector:

- a) Creating a supportive environment for a healthy and environmentally sustainable Third Sector
- b) Enabling voice and campaigning
- c) Strengthening communities
- d) Transforming public services
- e) Encouraging social enterprise and environmental entrepreneurship

In the following sections we highlight a few issues within each of these themes and ask for your views.

Defra believes that third sector organisations are a major driver for achieving our environmental objectives through their social and economic contribution, and are pivotal in helping support the pro-environmental behaviours necessary for combating climate change and protecting natural resources. In addition, the sector is also influential in both informing policy and the delivery of services, including in rural areas. We recognise that our way of engaging with and working with the sector must be fair if we are to achieve our objectives.

a) Creating a supportive environment for a healthy and environmentally sustainable Third Sector

The purpose of this section is to invite views about:

- the future role of Defra's Compact Group
- the key ways in which Defra could help support third sector organisations more in its day-to-day business
- the ways in which Defra could encourage the third sector organisations it works closely with to lead by example in improving their own environmental performance as part of a commitment to sustainable development.

The Defra Compact Group

Defra's Compact Group was established in November 2003. The original aims and objectives of the group are overleaf.

⁴ Securing the Future, HM Government Sustainable Development Strategy can be found at www.sustainable-development.gov.uk

Common goals

Aims

- a) To foster a mutually beneficial strategic relationship between the voluntary and community sector and Defra;
- b) To mainstream the operation of the Compact and its codes into all areas of Defra activity.

Objectives

The Group will:

- a) Work together to build mutual understanding between Defra and its voluntary and community sector stakeholders;
- b) Advise Defra and its stakeholders on Compact implementation;
- c) Consider matters relating to the national operation of the Compact;
- d) Monitor progress in implementing the Compact within Defra and its agencies.

Using a small budget provided by Defra, the Group has undertaken various activities in support of its objectives. These include a conference in 2005 which brought together Defra officials and Voluntary and Community Sector (VCS) stakeholders (along with the then Rural Affairs Minister) to discuss the implications of the Compact Code on Funding and Procurement. There was, and is, a mutual desire and determination to rectify the way Full Cost Recovery (FCR) is implemented by both Defra and the VCS. This resulted in the publication of a report in December 2006⁵ aimed at increasing our understanding of FCR and help move the agenda forward.

In the context of preparing Defra's third sector strategy, we feel the time is right to review the Compact Group, in particular the relevance and impact of the group to Defra's NDPBs and other delivery partners.

We believe there is a continuing need for a mechanism which involves Defra's third sector stakeholders, which champions the third sector within the core Department, and which also constructively challenges and advises the Department on the way it works with the sector. This review provides an opportunity to consider the most effective models for achieving this as well as reviewing the current membership, terms of reference and name of the group. It is also an opportunity to consider how independent of Defra this group or mechanism should be. Members of the Defra Compact Group have already been discussing the future of the group. Their input will help shape its future direction. We would like to invite wider views about the future form and function of the Defra Compact Group.

We are also keen to hear views about the way in which such a Group could relate to our delivery bodies. It may not be the right mechanism for many of our Executive Agencies or NDPBs who are independent organisations with their own governance arrangements. These bodies may wish to establish their own mechanisms of engaging with the sector (if they have not already done so) which could include establishing their own Compact groups.

What are the key roles which should be performed by a Defra third sector stakeholder group and how should it operate?

How independent should the group be? For example, should it decide its own agenda and undertake its own secretariat function (with appropriate resourcing provided by Defra)?

Common goals

Creating a level playing field through our day to day business

Defra has promoted the Compact to its own staff and has provided advice about the implications of the Compact on the way the Department arranges consultation, procurement and grant funding. We recognise that there is more to be done to ensure that our procedures systematically and consistently demonstrate good practice in working with the third sector.

Defra is committed to:

- Implementing the Government's commitment to 3 year grant funding and full cost recovery;
- Improving procurement practices overall to create a level playing field for potential third sector suppliers;
- Helping to build the strategic capacity of the sector and look at ways we can support the sector's infrastructure.

We are keen to hear views about any practical changes which Defra could make to its procedures that would make the most difference to working with the third sector.

What are the most important practical changes that Defra could make to the way it does business, which would improve our working relationship with third sector organisations?

Third sector organisations leading by example on environmental performance

Defra is keen to encourage third sector organisations it works with to lead by example and demonstrate their own commitment to improving their environmental performance as part of a broader commitment to sustainable development. For example, by minimising the impact of their operations on the environment and embedding environmental awareness into their learning and development procedures. The way that individual third sector organisations approach this will be different depending on the size of their organisation and their functions. Through the Every Action Counts initiative⁶ which is supported by Defra, 27 third sector organisations have put in place their own sustainable development action plans or environmental policies. They have integrated environmental aims into their social and regeneration activities. For example, by training their trustees, staff and volunteers on environmental issues. Over 100 third sector organisations have also now signed the Third Sector Declaration on Climate Change⁷ which commits them to publishing their own action plan.

We would like to see third sector organisations learn from available good practice like this and to communicate their own commitment to environmental performance to their members and networks. We are working with the OTS to explore the ways in which mainstream third sector support programmes can better reflect environmental responsibility and climate change.

In what ways could Defra encourage third sector organisations it works with to commit to improve their own environmental performance?

⁶ www.everyactioncounts.org.uk

⁷ www.everyactioncounts.org.uk/declaration/

Common goals

b) Enabling voice and campaigning

The purpose of this section is to invite views about the way in which Defra can best draw on the expertise and reach of third sector organisations to advocate environmental and rural needs.

Third sector organisations already work to advocate the needs of those experiencing poor environments or environmental inequalities. Many advocate and campaign for the precious wildlife and important habitats – at home and abroad – which need our protection. Defra respects and values the independence of these organisations. Third sector organisations can and do also play a key role in advocating the needs of rural communities so that mainstream service providers at all levels can more effectively address these needs. For example, on transport, health and learning.

There are hundreds if not thousands of third sector organisations whose objectives are broadly in line with those of Defra. They range from small community based groups in rural areas providing much needed services such as community shops and post offices; social enterprises providing waste and recycling services that benefit their local communities rather than shareholders and large national and international organisations championing land management, conservation and animal welfare issues.

Like other Government Departments we have a wide range of stakeholder groups where the sector is well represented. However, these tend to be larger well established organisations. We are aware that the diversity of the sector deserves equal recognition and that we must not be seen to favour working solely with large, mainly “household name” third sector organisations. There is much to be gained from drawing on the expertise and knowledge of smaller grass routes organisations – many of whom have the ear of their communities, who are trusted and respected where sometimes Government Departments or agencies are not. Along with OGDs, we need to help develop the capacity of the umbrella organisations and gatekeepers so they can better engage and empower individuals and communities and then advocate their needs. We would be interested to hear your views on how best we can help build the capacity of the sector in this task.

How could Defra work better with advocates, umbrella organisations and community gatekeepers to tackle climate change, protect the environment and champion the needs of rural communities?

What structures and innovative consultation measures could Defra put in place to ensure policy making reaches out to smaller and more ‘hard to reach’ groups?

c) Strengthening communities

Third sector organisations can help create stronger and more environmentally sustainable communities. This section invites views about how Defra could further help the third sector to:

- Enable active citizenship so that individuals can choose ‘greener living’
- Champion climate change and the environment when working in partnership in particular places to achieve a genuinely sustainable community – for example through Local Area Agreements
- Help rural communities to work with service providers at all levels and put in place effective solutions to rural issues
- Boost volunteering which helps create environmentally sustainable communities

Common goals

Engaging and enabling individuals on greener lifestyles

Defra is preparing a Framework for Pro-Environmental Behaviour Change for publication in autumn / winter 2007. This sets out the ways in which public, private and third sectors can help individuals to adopt greener lifestyles, (Act on CO₂), and, as a result, make a major contribution to tackling climate change. A number of Defra delivery bodies are already working in this area, for example, ISA the Energy Savings Trust.

The research and stakeholder engagement which has been carried out to develop the Framework, including the Climate Change Community Study, has highlighted the important role of third sector organisations. Third sector organisations are trusted communicators with extensive networks which can reach large numbers of people. Third sector organisations can also tailor messages to the communities they serve.

Defra is keen to explore the potential for appointing a small number of third sector strategic partners on the cross-cutting theme of greener living, so that we can more effectively encourage individuals in communities of interest and communities of place, to make a difference.

How best could Defra help third sector organisations to encourage their members and communities to choose greener living?

Securing genuinely sustainable communities – championing climate change and the environment in place-based work

The Government's Sub-National Review and Local Government White Paper both highlight the increasingly important role of Local Area Agreements, Sustainable Community Strategies and a new single regional strategy.

These are also critical for the delivery of Defra's priorities. We cannot tackle and adapt to climate change and protect the environment on our own. We need everyone to play a part at the local and regional levels. This was highlighted in the results of the Climate Change Community Study.

Communities and Local Government and the OTS are already working together to ensure that the third sector is able to play a stronger role in Local Strategic Partnerships and Local Area Agreements. Third sector organisations can be very effective champions for a more integrated approach to a genuinely sustainable community which embodies the principles of sustainable development. Third sector organisations can reflect the experience of individual citizens who see the obvious links between environmental, social and economic issues. The majority of third sector organisations active in partnerships at the local level have perhaps traditionally represented social issues (for example health and social care, housing and community safety interests). There is therefore significant potential to make the links with environmental priorities within their local partnerships and to play an active part in delivering the environmental outcomes agreed as part of their overall Sustainable Community Strategy. To integrate social, economic and environmental aims more effectively, local third sector organisations will need access to the latest data about the environmental issues in their own area so they are able to highlight these issues in local partnership negotiations. They will also need to link up and network with other third sector organisations and agencies who already have particular expertise or functions on environmental issues. Many local areas already have committed and thriving environmental or sustainability forums, networks and thematic partnerships which need to be fully engaged in Local Strategic Partnerships and their work. A number of our delivery bodies i.e. Natural England, the Environment Agency and the Energy Savings Trust already play an important role in this area.

Common goals

Understanding the environmental priorities in different places is also a challenge for Defra and its delivery bodies. We are having to work in a different way to refine our evidence base and to work through others to represent these important issues at the regional and local levels.

How best could Defra help third sector organisations to champion climate change and the environment in local partnership negotiations and in preparing regional strategies?

Helping rural communities seek solutions to rural issues

The RCC network estimates that there are around 40,000 grass roots third sector organisations in 11,000 rural communities. Such third sector organisations help to build social capital as well as filling many gaps in service provision. The sector is responsible for a diverse range of activities, often stepping in to fill gaps left by the private or public sectors – providing services such as community centres, play groups, community village shops, credit unions to name but a few. In short, local volunteers and third sector organisations play a big part in ensuring the social sustainability of rural communities.

Through the RSCP Defra has given over £25million over the past two years to help strengthen rural communities. As part of this programme, around £3.5 million a year, for the past three years, has been given to RCCs. The programme will come to an end in March 2008.

In line with the Local Government White Paper Defra encourages local partnership working between the third sector, local government (including town and parish councils) and local businesses. The Government's view is that active community involvement leads to community-based solutions and actions, community enterprises and empowered rural communities. The third sector plays an important role in engaging and mobilising rural communities to achieve change.

In what ways can Defra help improve the effectiveness of engagement with the third sector in rural areas?

Are there any good models of effective rural partnerships that include third sector organisations, which the sector could learn from?

Volunteering to strengthen communities

Defra recognises the value of volunteering – for the individual volunteer and communities alike. Defra promotes a culture of volunteering amongst its own staff and will shortly publish its own internal Corporate Social Responsibility and Wellbeing Strategy. This will address both volunteering by Defra staff and volunteering by the public in support of Defra's objectives. HM Treasury's Third Sector Review acknowledges that there are many opportunities for volunteering in the public services – both in service delivery and in contributing to wider policy goals. We would be interested to hear of your views on how we can best develop volunteering in Defra and in the public more widely, to help us all live within environmental means.

Do you consider there would be value in Defra supporting a programme that engaged a range of volunteers in the work of Defra and its Executive Agencies? How can this best be developed?

Common goals

d) Transforming public services

This section invites views about how Defra can help the third sector improve delivery of environmental services and create innovative solutions to rural needs.

The third sector is a vital component in the delivery of many public services. A good example of third sector delivery is in the waste and recycling sectors – although there are other examples. There are an estimated 1,000 third sector organisations in England operating in the area of waste and recycling. Third sector organisations typically run recycling and composting schemes, or handle specialised waste i.e. furniture, white goods and IT equipment which are refurbished and distributed to low income families or community groups. These organisations deliver added benefits to the community through employing disadvantaged and / or long term unemployed people to undertake collections, refurbishment and sales. Historically, innovations such as kerbside recycling collections were developed by third sector organisations, driven by social values and a commitment to reduce the environmental impact of waste. Defra's Waste Strategy published in May 2007, reflects the value we place on third sector involvement.

There are other public services where the third sector also plays a vital role. We believe there is potential for more third sector organisations to provide energy services to households and communities, covering energy advice but also small-scale renewable energy schemes.

Defra is keen to work with the Innovation Exchange and NESTA to encourage and then mainstream innovation from third sector organisations who wish to deliver services which help tackle climate change and protect the environment.

Defra is committed to embedding best practice in commissioning and procurement in both core Defra and our delivery partners. We are working to ensure that our commissioning frameworks reflect the eight principles of good commissioning set out in the OTS Public Services Delivery Action Plan and are signed up to the Compact code on Funding and Procurement. We will explore the use of template contracts where they are applicable. We will draw on the expertise and experience of third sector organisations in the design and delivery of public services in key Defra areas, for example on waste recycling and in providing local energy services. We realise we have some way to go in achieving this, particularly in embedding these principles in the agreements we have with our delivery partners.

In what ways could Defra further support an enhanced role for third sector organisations in delivering services which help tackle climate change, protect the environment and address rural needs?

What are the key areas of 'market potential' where third sector organisations could provide new or improved services on climate change and the environment?

What more could Defra do to help create a level playing field for potential third sector suppliers in its own procurement procedures?

Common goals

e) Encouraging social enterprise and environmental entrepreneurship

This section invites views about how Defra can promote greater social enterprise and entrepreneurship for environmental sustainability.

Social enterprises show a strong commitment to delivering social and / or environmental as well as economic benefits. In fact social enterprises put sustainable development into action. Many directly contribute to Defra's objectives by delivering services such as improving energy efficiency, tackling fuel poverty, waste minimisation and recycling. Many operate in rural areas. The Government is committed to creating the conditions which will enable increasing numbers of social enterprises to thrive. In November 2006 the OTS published the Social Enterprise Action Plan: Scaling New Heights. Defra, like other Government Departments, is represented on the project board which oversees the implementation of the plan throughout government departments.

We want to see more social enterprises in support of our objectives. We also want to encourage and enable more environmental entrepreneurs to come forward with ideas for enterprises that can help us all live within our environmental means.

There are some things we can do directly, such as making sure social enterprises are not disadvantaged when submitting tenders for work. We also want to encourage our delivery partners to adopt the same principles. We support the Department for Children, Schools and Families in the work they are doing to develop the skills of social entrepreneurs through education and training, particularly with young people. There is much scope for schools, colleges and youth organisations to include environmental enterprise in their activities. We also support the Innovation Exchange and NESTA in their work to promote third sector innovation on climate change and the environment.

In 2005 Defra published a Social Enterprise Position Statement which contained several actions for Defra to take forward – many of which have now been actioned. We also host a Social Enterprise Stakeholders Forum comprised of representatives of major social enterprise umbrella organisations. Unlike the Defra Compact Group, the Forum is an informal group which meets twice a year to discuss issues of mutual interest, but like the Compact Group, we now feel the time is right to look again at the Forum and perhaps widen membership and give it a specific remit.

We acknowledge that there is more to be done to promote and foster a culture of social enterprises that deliver Defra's objectives.

In what ways could Defra further support the contribution of social enterprises and entrepreneurs to environmental sustainability?

Do you think there is merit in a strengthened Defra Social Enterprise Forum? If so, what do you suggest should be its terms of reference? Should the Forum engage with key social enterprises or just umbrella organisations?

What information would you like to see on Defra's website under social enterprise that is not duplicated on other Government sites?

Glossary

CO	Cabinet Office
CSR	Comprehensive Spending Review
Defra	Department for Environment, Food and Rural Affairs
DSO	Departmental Strategic Objectives
FCR	Full Cost Recovery
HMT	Her Majesty's Treasury
NESTA	National Endowment for Science, Technology and the Arts
NDPB	Non Departmental Public Bodies
NGO	Non Governmental Organisation
OTS	Office of the Third Sector
OGDs	other Government Departments
PSA	Public Service Agreement
RCCs	Rural Community Councils
RSCP	Rural Social and Community Programme
VCS	Voluntary and Community Sector

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