

## The voluntary sector skills landscape

The landscape that voluntary organisations need to operate in is undergoing rapid and considerable changes following the formation of a Coalition Government, new legislation, new ideas about how to address the public spending deficit and more information about the role that the voluntary sector should play. All of which have a direct impact on a national skills strategy for the voluntary sector.

This document sets out some of the key messages for the voluntary sector that have come out of recent legislation and policy announcements, together with information about what the future looks like for skills in the voluntary sector.

We will continue to monitor and analyse the voluntary sector skills' landscape throughout the consultation on a national skills strategy for the voluntary sector (July to September) and will publish updated information with the final skills strategy. This will set out why the voluntary sector needs skilled people and the challenges for the voluntary sector of the next three years.

### New legislation

Of the 22 bills in the Queen's Speech<sup>1</sup> several will impact on the voluntary sector including:

- Welfare Reform Bill to amend the benefits system and increase incentives to work.
- Academies Bill to expand the academy school model and grant automatic charity status to all academy schools.
- Health Bill to take forward proposals to cut the number of health Quangos and allow GPs to commission services on a local basis.
- Public Bodies (Reform) Bill to cut the number of public bodies and allow Ministers to abolish, merge or transfer functions undertaken by Quangos.
- Decentralisation and Localism Bill to abolish Regional Development Agencies, establish Local Enterprise Partnerships and give back decision-making on planning to local councils.

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<sup>1</sup> Number 10, [Queen's Speech](#) 25 May 2010

## The Big Society

The Big Society is a large part of the government's forthcoming agenda. Some of the policies planned as part of the Big Society that affect the voluntary sector include:

- A Communities First Fund to set up National Centres for Community Organising to train 5,000 community organisers.<sup>2</sup>
- A Big Society Bank to finance social projects and intermediary bodies, created from dormant accounts and funds, and available from April 2011.
- Reform of the Big Lottery Fund so that 40% (a decrease) is paid to voluntary organisations, while the proportion allocated to the arts, heritage and sport all increase to 20% each.<sup>3</sup>
- A National Citizen Service for 16 year olds to encourage active citizenship.
- A Big Society Day to encourage collective voluntary action.
- Increased support for innovative and effective smaller non-governmental organisations working in international development.

## Opportunities to get involved in the Big Society

Various policy proposals around encouraging greater diversity of public services provide opportunities for voluntary sector organisations, including:

- Patients will be given the power to choose any healthcare provider that meets NHS standards and prices, including voluntary sector organisations.
- A single welfare-to-work programme is to be created to develop greater incentives to work. The programme will be targeted at the voluntary sector, with contracts based on payment-by-results.
- Service Academies and Work Clubs will offer pre-employment training, work placements, and peer support for unemployed people.
- The expanded academy schools model will encourage charities and social enterprises to get involved in supporting and running schools.
- Greater opportunities for the voluntary sector to run offender rehabilitation services, with contracts being awarded and assessed on a payment-by-results basis.
- Regional Development Agencies will be replaced by Local Enterprise Partnerships, joint local authority and business bodies that will promote and coordinate investment in transport, housing, skills, regeneration and other areas of economic development.

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<sup>2</sup> This will replace the Grassroots Grant Scheme and the Futurebuilders fund.

<sup>3</sup> The current division of funding is charities (50%); Sports (16.67%); Arts (16.67); and Heritage (16.67%). Source: [The National Lottery Good Causes : About Lottery funding - FAQs](#)

## **Making it easier for charities and social enterprises to deliver public services**

The planned reforms of public services create more opportunities for the voluntary sector to get involved in delivering more public services. Policy proposals that support this include:

- The government being required to award 25% of contracts to small and medium-sized enterprises, which could benefit smaller voluntary organisations currently disadvantaged in the commissioning process.
- A joint Cabinet Office and Department for Business, Skills and Innovation (BIS) taskforce that is investigating the bureaucratic burdens on voluntary organisations, with the aim of providing a better level-playing field in the commissioning process.
- Communities having the 'right to bid' for local state-owned community assets that are for sale or face closure.
- Public sector workers having the right to form their own co-operatives to bid for and deliver services.

## **Public spending cuts**

The Treasury announced initial savings in public spending of £6.2 billion on 24 May<sup>4</sup>. The ones that particularly affect the voluntary sector are:

- The Department for Education is expected to make £670 million of cuts, BIS £836 million and DWP £535 million.
- A total of £520 million will be cut from 'low value spend', including Child Trust Funds, the housing pledge, Future Jobs Fund, Regional Development Agencies and education Quangos.
- Local government will be expected to contribute £1.165 billion of savings by reducing the grants paid to individual local authorities.
- A total of £500 million will be saved for reinvestment in key areas, including £50 million for Further Education colleges and £150 million for 50,000 new apprenticeship places.

The [Spending Review Framework](#) promised a consultation over the cuts that would include the voluntary sector, the private sector and key experts during August 2010.<sup>5</sup> This will take the form of a series of events to discuss and debate proposed cuts. The Spending Review also promised to comprehensively examine social security, tax credits and public service pensions, which are due to be cut by up to 20%.

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<sup>4</sup> HM Treasury press Release, "[Government Announces £6.2bn of Savings in 2010/11](#)" 24 May 2010

<sup>5</sup> HM Treasury, [The Spending Review Framework](#) June 2010

The [Emergency Budget](#) promised £83 billion of savings by 2014/15<sup>6</sup> mainly through cuts to public spending (77%) rather than tax increases (23%). The affects of many of the cuts and changes to the benefits systems will mean there is likely to be more demand for advice and information services provided by voluntary sector organisations.

However, for voluntary sector organisations supporting NHS services and working in international development then the Emergency Budget also pledged that NHS spending is set to increase in real terms and international aid budgets will not be affected.

## Voluntary sector programmes and Quangos

Voluntary sector programmes under review include:

- V the volunteering charity is under review in light of the proposed National Citizen Service.
- The £30 million Community Assets fund for transferring council buildings to the voluntary sector is under review.
- The Conservatives have indicated they would refresh Compact.<sup>7</sup>
- The Office for the Third Sector strategic partners received £90m in 2008/9 - it is unclear whether they will continue to receive such levels of funding.

The government has committed to make £600 million of savings from Quangos. To survive public bodies will have to meet three criteria – provide technical advice, make impartial decisions and ensure transparency.<sup>8</sup> Quangos with a non-statutory function will be abolished between June 2010 and July 2011. More details about which Quangos will be abolished will be in the Public Bodies Reform Bill in November 2010.

## What does the future look like for skills in the voluntary sector?

These changes in government policy and practice will mean new demands on the capacity of staff and volunteers. To respond positively to these new opportunities, the voluntary sector will need to attract and retain volunteers and staff and equip them with the right skills for the task. Voluntary sector organisations have a key role to play in providing quality public services and building strong local communities - in delivering the Big Society. But they need the right skills to do this.

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<sup>6</sup> HM Treasury, [Budget 2010](#) 22 June 2010

<sup>7</sup> The Conservatives, *A Stronger Society: Voluntary Action in the 21<sup>st</sup> Century* June 2008

<sup>8</sup> Cabinet Office, [Structural Reform Plan](#) June 2010

## National skills priorities

The government's priorities for skills are:

- expand apprenticeships
- reduce the number of 18 to 24 year olds not in employment, education or training
- provide independent careers guidance
- develop Lifelong Learning Accounts to encourage demand-led learning
- increase participation in adult and community learning.<sup>9</sup>

## Funding and skills

- £200 million has been redirected from the Train to Gain scheme to invest in apprenticeships (£150m) and further education colleges (£50m)
- Department for Business, Innovation and Skills has been asked to cut spending by £836 million
- Department for Education has been asked to cut spending by £670 million.

## Changes to skills bodies

The following organisations that have had responsibilities for developing and / or funding skills are closing, having their funding cut significantly or their remit is being changed considerably

- [British Educational Communications and Technology Agency \(BECTA\)](#) has been closed.
- [General Teaching Council for England \(GTC\)](#) is to close following Parliament's approval.<sup>10</sup>
- [Qualifications and Curriculum Development Agency \(QCDA\)](#) is to close following Parliament's approval.<sup>11</sup>
- [Children's Workforce Development Council \(CWDC\)](#) has been asked to save £15 million.
- [Higher Education Funding Council for England \(HEFCE\)](#) is likely to be tasked with working more closely with the [Student Loans Company](#) to better co-ordinate student finance.<sup>12</sup>

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<sup>9</sup> [Department for Business, Innovation and Skills Website](#) 17 June 2010

<sup>10</sup> [Department for Education Website](#) 2 June 2010

<sup>11</sup> [Department for Education Website](#) 22 May 2010

<sup>12</sup> The long-term future of HEFCE will ultimately be decided upon following the publication of the Browne Report in autumn 2010.

- The number of [Sector Skills Councils \(SSCs\)](#) will be reduced - those which cover a relatively small workforce will be disbanded, while those which cover similar sectors are likely to merge.

Three skills bodies will have an enhanced role under the government's proposals

- [Young People's Learning Agency \(YPLA\)](#) will fund the expanded academy schools.
- [National Apprenticeship Service \(NAS\)](#) will be essential to delivering the expansion in apprenticeships.
- The [Learning and Skills Improvement Service \(LSIS\)](#) will support opportunities to develop leaders in the further education sector.

## Who's looking after the voluntary sector and skills in the new government?

Ministers with responsibility for the voluntary sector:

- [Francis Maude](#) (Conservative) has responsibility for the Cabinet Office (which houses the Office for Civil Society) and the Public Expenditure Committee to oversee departmental spending.
- [Nick Hurd](#) (Conservative) is the minister with responsibility for civil society.
- [Lord Nat Wei](#) is based in the House of Lords and is the government adviser on civil society.

Ministers with responsibility for skills:

### Department for Business, Innovation and Skills (BIS)

- [Vince Cable](#) (Liberal Democrat) has responsibility for the BIS departmental strategy and budget, which includes further and higher education.
- [David Willets](#) (Conservative) has responsibility for higher education, including the Higher Education Funding Council for England.
- [John Hayes](#) (Conservative) has responsibility for further education; adult skills; the Skills Funding Agency; the skills strategy; lifelong learning; informal adult learning; apprenticeships; the UK Commission for Employment and Skills; Sector Skills Councils; workplace training reforms; and the qualifications reform programme.

## Department for Education

- [Michael Gove](#) (Conservative) has responsibility for the Department for Education's departmental strategy and budget.
- [Nick Gibb](#) (Conservative) has responsibility for school assessment; independent schools; the Qualification and Curriculum Development Agency and Ofqual; apprenticeships; reform of the National Curriculum; and the Young People's Learning Agency.
- [Sarah Teather](#) (Liberal Democrat) has responsibility for early learning and development, voluntary and community sector learning, and local authority funding.
- [Tim Loughton](#) (Conservative) has responsibility for the children's workforce, social work reform and youth services.
- [Lord Jonathan Hill](#) (Conservative) has responsibility for academies, free schools and Ofsted inspection.

## Other Ministers relevant to the voluntary sector include:

- [Oliver Letwin](#) (Conservative) – is based in the Cabinet Office and provides policy advice to the Prime Minister.
- [Iain Duncan Smith](#) (Conservative) – has responsibility for work and pensions and will be reforming the benefits system.
- [Andrew Lansley](#) (Conservative) – has responsibility for health and will be exploring new models of local health commissioning
- [Eric Pickles](#) (Conservative) – has responsibility for communities and local government and will be overseeing the implementation of the localism agenda.

## Glossary of terms

[Alliance of Sector Skills Councils](#) – works to enhance the capacity and performance of Sector Skills Councils.

[Big Lottery Fund](#) – responsible for redistributing half the National Lottery's profits to good causes.

[Capacitybuilders](#) – invests in improving advice and support for voluntary organisations.

[Higher Education Funding Council for England \(HEFCE\)](#) – distributes funding to colleges and universities.<sup>13</sup>

[Learning and Skills Improvement Service \(LSIS\)](#) – increases participation and raises standards in learning and skills.

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<sup>13</sup> HEFCE also distributes some public money to further education colleges which run degree level courses but the main responsibility for further education funding is within the remit of the Skills Funding Agency.

[National Apprenticeship Service \(NAS\)](#) – responsible for administering and funding apprenticeships and matching employers with potential apprentices.

[Qualification and Curriculum Development Agency \(QCDA\)](#) – responsible for developing the national curriculum, delivering assessments, and reforming qualifications.

[Regional Development Agencies \(RDAs\)](#) – the nine bodies responsible for promoting and supporting growth in England’s regions.

[Sector Skills Councils \(SSCs\)](#) – 22 employer-led organisations with responsibility for setting national standards, developing qualifications, designing apprenticeship frameworks, promoting training, and gathering research into their sector’s workforce.

[Skills Funding Agency \(SFA\)](#) - funds and regulates adult education and skills. SFA allocates funding to colleges and other training providers to be spent according to locally-defined need.<sup>14</sup>

[“V”](#) – a charity funded by the Cabinet Office to provide volunteering opportunities to young people.

[Young People’s Learning Agency \(YPLA\)](#) – supports education and training for 0 to 19 year olds.<sup>15</sup>

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<sup>14</sup> SFA also administers the Adult Learning Grant, the Careers Advice Service and Train to Gain programmes.

<sup>15</sup> YPLA also funds academies and provides financial support to young learners via the Education Maintenance Allowance.