



**CABINET OFFICE AND HM TREASURY**

**COMPREHENSIVE SPENDING REVIEW (CSR): REVIEW OF THE FUTURE  
ROLE OF THE THIRD SECTOR IN SOCIAL AND ECONOMIC  
REGENERATION**

**Background**

The Government is committed to creating a fair and enterprising society, and strongly supports the role that the third sector can play in building strong and vibrant communities, encouraging voluntary participation in the local community and through delivering public services.

The 'third sector' comprises non-governmental organisations which are value-driven and which principally reinvest their surpluses to further social, environmental or cultural objectives. It includes voluntary and community organisations, charities, social enterprises, cooperatives and mutuals. Faith groups also play a very important role. The third sector is large and growing, and plays an increasingly vital role in both society and economy.

As part of the 2006 Budget, the Chancellor announced that HM Treasury would undertake a review into the future role of the third sector in social and economic regeneration in England. This review is overseen by a cross-Whitehall Ministerial Group involving eight departments and has advice from Michael Jacobs, Special Advisor to the Chancellor and a Sector Advisor, Campbell Robb.

Since the creation of The Office of the Third Sector in the Cabinet Office in May, the review will be led by Ed Miliband, the Minister for the Third Sector and will be a joint Cabinet Office/HM Treasury Review, feeding into the CSR 2007 final outcomes.

**What is the aim of the Review?**

To define the future role of the third sector in social and economic regeneration within the context of the long term challenges that our society faces. It sits firmly within the Comprehensive Spending Review framework.

**What is the Review?**

The review:

- will take a cross cutting approach to the long term priorities for the sector, in the context of the future challenges that our society faces. These challenges include demographic and socio-economic change; cross border competition; acceleration in the pace of innovation and

- technical diffusion; continued global uncertainty and poverty; increasing pressure on our natural resources and global climate;
- builds on previous cross-cutting reviews of the third sector, which particularly examined its role in public service delivery, in 2002 and 2004;
  - is linked to the Comprehensive Spending Review;
  - will report to a cross-departmental ministerial group, chaired by Hilary Armstrong and reporting to the Chief Secretary, responsible for the CSR;
  - will be advised by a lead third sector adviser, Campbell Robb; and
  - will be advised by a Third Sector Advisory Panel comprising representatives across the sector, including faith groups.

### **What are the objectives of the Review?**

- To assess the current landscape with regard to what has been achieved so far and what remains to be done.
- To define the role of the sector, identify how it interacts with the sector and how this should be structured.
- To identify how government and the sector can best work together and what more it should do to achieve the long term goals of building a more cohesive society in the context of demographic change in the global economy.

### **How will you conduct the Review?**

There will be two phases

#### **Phase 1 – consultation/engagement with the sector (May – end of September 2006)**

- The largest ever consultation with the sector with nine regional events starting with a launch in London on 15<sup>th</sup> May 2006
- Sub-regional, sub-sectoral events to listen to and engage small community based groups and organisations (more information will be available in due course)

#### **Phase 2- analytical phase (July – November)**

- Analyse what the sector has told us
- Report initial findings to Ministers
- Initial recommendations in Pre-Budget Report.
- Full report for Budget 2007
- Final recommendations announced as part of the Comprehensive Spending Review