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# **Ensuring the Future Resilience of the Third Sector**

Date: 22<sup>nd</sup> February 2024

Report of: Ensuring the Future Resilience of the Third Sector

Report to: Environment, Housing and Communities Scrutiny Board

Will the decision be open for call in? $\Box$  Yes $\boxtimes$  No

Does the report contain confidential or exempt information? Yes x No

What is this report about?

# Including how it contributes to the city's and council's ambitions

- Leeds needs a thriving third sector, made up of charities, social enterprises and voluntary groups, delivering community based services, many of them essential in terms helping to improve people's wellbeing, whilst also contributing to the city's economic growth, supporting the council to deliver its Best City Ambitions.
- This report provides a summary of the challenges faced by the third sector due to the cost of living crisis as reported to Scrutiny in December 2022, and provides an update on the progress made against the identified actions.
- The latest *State of the Third Sector* report evidences the sectors resilience, however, also emphasises the stress it is under, specifically the reduced number of registered organisations, workforce, volunteers and the number of organisations reporting a zero income. The impact of sustained efficiency savings on third sector budgetary pressures is described.
- The report details the collaborative actions taken forward by the public and third sector to establish a *Leeds Third Sector Strategy 2023 2028*, in our collective response to ensuring the future resilience of the third sector. The identified ambitions for the first year (2024) focus on commissioning and funding, partnerships, and social value; with a more detailed action plan currently being developed by key stakeholders.
- The *Leeds Volunteer Strategy,* launched in October 2023, sets out a vision for Leeds to be the best city for volunteering, whereby all partners work together to support an innovative and diverse volunteering environment.
- The council's investment in third sector for 2021/22 and 2022/23 is outlined. The consistency of the council's payments to the third sector has been broadly maintained over recent years, despite the very significant and challenging public sector financial constraints associated with austerity. The council continue to invest in third sector-based infrastructure which provides a range of support to frontline third sector organisations.

- Dialogue has been taking place with the third sector around the council's budget pressures and the future direction of travel and investment. Third Sector Leeds and infrastructure organisations have affirmed these early insights and detail of the timeline are helpful to manage expectations and sector messaging.
- The financial constraints of both the council and health partners will continue to impact significantly on third sector organisations, further detail is provided on the opportunities and challenges presented.
- The report concludes with a summary of partnership and engagement relationships with the sector, including city-wide strategic bodies which facilitates strategic engagement with the sector, dialogue between the sector, council and a range of partnerships and forums. Thus, leading to a thriving third sector and strong civil society that can deliver for all of the people of Leeds.

#### Recommendations

a) For Scrutiny to note the findings of the report.

#### Why is the proposal being put forward?

1 To outline the council's and third sector's efforts and collaboration in ensuring a resilient Third Sector for the city, taking into account the financial challenge faced by the council alongside increased demand and pressures.

#### What impact will this proposal have?

Wards affected:		
Have ward members been consulted?	□Yes	X No

#### 2 See appendix 1

#### What consultation and engagement has taken place?

3 Ongoing discussions have been taking place with the Third Sector through the Third Sector Partnership and Third Sector Leeds. Further detail on this is provided within appendix 1.

#### What are the resource implications?

4 See appendix 1

#### What are the legal implications?

5 Not applicable

#### What are the key risks and how are they being managed?

6 The financial constraints of both the council and health partners will continue to impact significantly on third sector organisations, and further reduction in the number of organisations, staff and volunteers across the sector is anticipated. There are opportunities for thinking differently about which services can be provided by the third sector, making the most of the wealth of expertise and local knowledge the sector holds, as well as the value for money, particularly in comparison to some private businesses. Shifting from extremely high-cost private providers to greater use of local, third sector organisations provide opportunities not only to bring costs down, but to also maximise quality of service and positive outcomes, and provider better value for the Leeds pound.

#### Does this proposal support the council's three Key Pillars?

Inclusive Growth	Health and Wellbeing	Climate Emergency
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7

#### Options, timescales and measuring success a) What other options were considered?

8 Not applicable

#### b) How will success be measured?

9 See appendix 1

#### c) What is the timetable for implementation?

#### 10 Not applicable

#### Appendices

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# Appendix 1: Ensuring the Future Resilience of the Third Sector

#### The Resilience of the Third Sector 2022

The report to Scrutiny in December 2022 provided a summary of the challenges faced by the third sector due to the cost of living crisis. Third Sector Leeds (TSL), the city's third sector strategic 'network of networks', had published a *'Response to the Cost of Living Crisis'* position paper in September 2022. This paper explored the resilience of the third sector to continue supporting communities and set out the significant pressures faced by the third sector in light of the cost of living crisis. From an organisational sustainability perspective, these pressures included funding which is increasingly short-term, non-recurrent, and insecure; recruitment and workforce issues with the sector experiencing a four-fold challenge with rising unmet wage costs, a depleted and exhausted workforce, organisations running with vacancies and constant recruitment and restructuring pressures; additional mental health impact on both staff and people seeking support; and rising demand, often from people with a combination of increasingly complex health and social needs requiring more complex and longer-term support.

This report led to a workshop discussion with the third sector, the council and health colleagues (Leeds ICB) in October 2022, where it was noted that financial pressures are likely to be enduring, at least in the medium term. During discussions, a number of shared principles were agreed and subsequently documented in the *'TSL Position Statement: Cost of Living and Third Sector Resilience'* which include:

- Working in a way that ultimately benefits people and communities living in Leeds.
- Investment in resilience.
- The importance of working together in partnership.
- A commitment to 'one workforce'.
- The third sector being an equal partner as part of both the WY Health and Care Partnership, 'Team Leeds' approach and WYCA.
- The importance of delivering preventative measures where possible.

As reported to Scrutiny in December 2022, these shared principles sought to provide a framework to move away from 'blanket' percentage financial reductions, toward a collaborative approach to achieve more effective ways of joint working. Furthermore, underpinned by the recognition that there are insufficient funds to resource everything, whilst facilitating scope for flexibility, creativity and partnership approaches which provide closer consideration of the longer-term impact on communities. The framework built on the approach taken during the Covid-19 pandemic of collective thinking and action to navigate the current crisis which protects and values the work of the third sector. There was strong recognition for the need of a continuation of strong partnership working, difficult conversations and bold creative thinking, moving away from statutory and non-statutory approaches and much more toward a collective way of thinking and working.

At the time, commissioning officers from Adults and Health, Childrens and Families, and Public Health considered the diversity of contracts including intervention and prevention, the volume of small contracts, and non-recurrent funding which often sits between the margins and the challenge of gaining a full insight into the latter. Commissioning officers considered these principles being helpful in facilitating conversations with grant and contract funded third sector providers and highlighted the need to engage with the Council's Corporate Leadership Team and Chief Officers to agree the direction and approach.

As future financial pressures were likely to be enduring, at least in the medium term, workshop participants agreed on the principles set out above (with a recognition that implementing these principles could look different across diverse organisations/directorates) as well as some key

actions to be taken forward as part of securing the longer-term resilience of the sector within the city. The following actions articulated in the *TSL Position Statement: Cost of Living and Third Sector Resilience* were to be progressed via the partnership arrangements in the city including Third Sector Partnership chaired by the Executive Member for Communities:

- **Short-term:** quantify the impact of the cost-of-living crisis on the third sector to develop a clear picture of spend, and to understand the broader value of the sector in order to understand the impact of potential cuts to the sector from a system perspective.
- Short to medium term: plan for the longer-term resilience of the sector through developing a city owned Third Sector Strategy, which sets out a path for more detailed / longer-term work around key areas such as social value and inward investment.
- **Medium-term:** where reductions need to be made next year, seek to collaboratively restructure in partnership with the third sector rather than 'salami-slice' cuts.

The above provides a summary of the key challenges and next steps as reported to Scrutiny in December 2022. The remainder of the report provides an update on the progress made against these forementioned identified actions.

# The State of the Third Sector 2022

Over the course of 2023, Forum Central, Voluntary Action Leeds and Nifty Sustainability CIC worked to produce an update State of the Sector report first commissioned by Forum Central in 2020. The 2023 *State of the Third Sector* report uses December 2022 data benchmarked with December 2020 data, to provide a clear and robust picture of the third sector in Leeds and contribute to the development of a shared narrative for the city. It provides evidence of the sector's resilience, whilst also emphasising the stress it is under (appendix 2). Between 2020 and 2022 the third sector experienced a 10% reduction in the number of registered (charitable) organisations predominantly; a reduction in the number of small and medium sized organisations; a workforce decrease of 34%; a 25% decline in the number of volunteers; and the doubling of organisations reporting a zero income.

The third sector has sustained ten years of year-on-year budget efficiency savings. Furthermore, the sector does not receive the same uplifts routinely applied to other providers, therefore the majority of contracts have been at the same value for some time. Recent inflationary and cost of living pressures (including pay awards) have led to increased costs to deliver services, at a time when demands have increased, and as a result, the sector is under significant financial pressure. Forum Central has conducted regular cost pressures surveys since 2022 (appendix 3), and through this a number of third sector providers have advised they have been increasingly subsidising the council and NHS contracts in recent years from their other revenue streams and/or reserves. This is an unsustainable position for third sector providers to maintain, to such an extent that some providers closed, ended provision or considered handling back contracts due to the challenge of sustainability.

#### Ensuring the Future Resilience of the Third Sector

A number of key actions progressed to secure the future resilience of the third sector.

In the short-term, Third Sector Leeds and others across the sector have been working closely with statutory partners to explore ways to mitigate impacts. For example:

- Third Sector Leeds has worked with the third sector and with commissioners to develop guidance on developing effective consortia which aims to support and enable creative responses to the challenging funding environment.
- Non-recurrent (2023/24) NHS Power of Communities funding through West Yorkshire Integrated Care Board (managed in Leeds by Forum Central) will provide foundations to underpin sector resilience.
- Distribution of the Household Fund to ensure reach into households with greatest need.
- Voluntary Action Leeds and Forum Central are working with the council to develop a second Welcome Spaces programme, enabling neighbourhood-based organisations to play their part in bringing communities together and supporting individuals in recognition of the impact of the cost of living crisis during winter and beyond.

Crucially, the sector has responded to the need reported to Scrutiny in December 2022 to plan for the longer-term resilience of the sector through the development of a city owned Third Sector Strategy, in order to set out a path for more detailed and longer-term work around key areas such as social value and inward investment.

The 'Third Sector Strategy 2023 – 2028', developed by Third Sector Leeds (TSL) in partnership with key stakeholders, was launched in October 2023 (appendix 4). The strategy builds upon a decade of developing trust, understanding and teamworking approach within the broad framework of the Best City Ambition. This work recognises there are ongoing opportunities for the third sector to leverage inward investment from other areas, providing support and services within communities whilst lessening the pressure on statutory partners; however, this needs to be further understood and quantified. It brings together Leeds policy commitments such as the Compact for Leeds, Third Sector Ambition Statement and Characteristics of a Thriving Community and West Yorkshire partnership work led by Power of Communities to progress recommendations supporting the resilience of the sector. A series of 'TSL Goes Local' events across the city during the autumn of 2023 identified priority ambitions for the sector for the first year of the strategy (2024). These ambitions are:

- **Partnerships:** City anchors, businesses and the third sector work together in a fair and equitable partnership as a whole system to make Leeds the best city to live in. Partners are open and transparent, and leaders actively share their decision-making power.
- **Commissioning and funding:** All partners invest in who is best placed to co-produce and provide the service or support needed in the city. Commissioning relationships are centred around trust, values, flexibility and outcomes and are a partnership of equals.
- **Social value:** In Leeds, partners agree that social value activities should be delivered with and through the third sector. Leeds has a clear set of co-designed priorities for where social value activity will have most impact. There are clear routes for larger organisations to be matched with opportunities that create social value, and to see the impact this has. social value and partnerships.

A plan of action is currently being developed with key stakeholders to drive forward the agenda and key priorities.

Voluntary Action Leeds and the council published the 'Volunteering and COVID-19 in Leeds' report in October 2022, which brought together learning from the collective response to the Covid-19 pandemic, as previously reported to Scrutiny, and the 'blueprint for future action', included the development of 'Leeds Volunteer Strategy'. This strategy (appendix 5), launched in October 2023, sets out a vision for Leeds to be the best city for volunteering, whereby all partners work together to support an innovative and diverse volunteering environment, and showcased 'Leeds' Community Champions: evaluation and report,'. It is recognised locally and nationally that the number of people volunteering has significantly reduced since the Covid-19 pandemic, as well as

funding meaning that volunteer managers are often amongst the first posts to be cut. The ambitions for change articulate a forward approach which celebrates volunteering in all its forms. The strategy sets out the steps partners can take to develop approaches to volunteering that will make it easy for people to find ways to get involved, build a more inclusive city and aid Leeds in adapting to future challenges.

#### Investment in the Third Sector

The council makes a significant financial investment in the sector each year. An annual analysis of the council's investment in the third sector is produced and presented to the Third Sector Partnership, allowing council colleagues and partners to track trends, scrutinise and build an overview of where investment is made.

Provisional analysis shows the council's overall investment in the third sector to have been £136.1m in 2021/22 with 1,158 individual third sector organisations and £149.6m in 2022/23 with 1,174 individual third sector organisations; up by 10% from 2021/22. This is likely to reflect the additional Covid-19 grants provided to support local communities and organisations. However, discounting any pandemic related weighting, the scale and consistency of the council's payments to the third sector has been broadly maintained over recent years, despite the very significant and challenging public sector financial constraints associated with austerity.

In 2022/23, Members Improvement in the Community and Environmental (MICE) allocation totalling £193,269.98 was invested in third sector-led, community-based initiatives. The council, along with third sector partners, continues to review the analysis of the council's financial relationship with the sector in order to understand how the approach is supporting our shared ambitions for the sector and the city.

The council facilitates the cross-sector Funding Leeds Partnership, which has been leading on ambitions to maximise external investment into Leeds through the third sector by making funding information and support accessible. This includes a Funding Support Service delivered through third sector-based infrastructure Voluntary Action Leeds; and the Funding Leeds platform (available here), which compliments work delivered by Leeds Community Foundation. Funding Leeds provides a comprehensive database of funding opportunities which aids the third sector to find funds to achieve their vision. The platform includes information about local support that is available and free to access. The platform is a valuable contributor toward a thriving third sector and has recently been updated to enable improved access and usability. Since the launch of the Funding Leeds website in 2017, organisations and community groups have self-declared successfully obtaining funding to the value of £3,165,446.

#### **Investment in Third Sector Infrastructure**

The council invests in third sector-based infrastructure which provides a range of support to frontline third sector organisations, including: communications, financial management, fundraising, training, legal, constitutional issues and governance, organisational development, volunteer management, brokerage, collaboration and the facilitation of specialist forums and networks. This investment has a particularly important role in ensuring that there is support for small and emerging groups and those groups from minority and marginalised communities and priority neighbourhoods.

In addition to Local Authority funding, additional investment has been secured from the Lottery to support the development of asset-based community infrastructure, building on the learning from COVID-19 community hubs. This network of organisations continues to work together and develop as Leeds Community Anchor Network, and have since helped develop support in the form of

Welcome Spaces throughout 2021/22 and 2022/23, and have allocated Household Support Fund through small and grassroots organisations to reach the most minoritised communities in Leeds.

# Dialogue with the Third Sector around Budget Pressures, Future Direction of Travel and Investment in the Sector

In light of the significant financial challenge currently faced by the council there has been ongoing dialogue with the third sector. The Leader of the Council, the Chief Executive Officer of the Council, the Director for Communities, Housing and Environment and the Director for Strategy and Resources met with Third Sector Leeds (TSL) Leadership Group and additional invitees in November 2023, to provide early insights into the council's financial proposals to be presented to the December Executive Board. Following this, during November the council's Deputy Chief Officer Financial Services provided Third Sector Partnership with a more detailed overview of the council's financial position outlining the proposed budget, projected gap and the key risks, issues and uncertainties. TSL and infrastructure organisations acknowledged there were limitations to the council's engagement until proposals were agreed at Executive Board, however affirmed these early insights and detail of the timeline are helpful to manage expectations and sector messaging. Further discussion is due to take place, including health third sector spending, alongside analysis from the National Lottery Community Fund and Leeds Community Foundation.

It is understood the Leeds Integrated Care Board (ICB) Health and Care Partnership need to make a £23 million financial saving for 2023/24 and recurrent savings of £30 million from 2024/25. A notice was issued in September 2023 to all NHS contract and grant funded providers, including the third sector of a potential 3% cut applied evenly across all contract and non-contract elements and a letter giving 6 months' notice from 1st April was issued to all contracts in late December. This is described as an equal approach across all providers, but the third sector contests whether this is the fairest or most equitable method as this will have a significantly detrimental impact on people facing the greatest health and social inequalities and those living in our priority neighbourhoods, as well as not being cost effective beyond enabling a short-term balanced Leeds NHS budget. The Leeds ICB is reviewing proposals for partners to collectively address the significant financial shortfall in 2024/25 through both reducing and reshaping spend, whilst engaging with the third sector in the evolving situation.

The diverse and wide-ranging nature of council funding means a similar method of a blanket reduction is not recommended. Instead, the approach should be driven through a process which considers savings and opportunities based upon the nature and importance of services, in terms of city priorities and best city ambitions and cost effectiveness. The council has been proactive in dialogue with third sector partners on any potential impact regarding contract and grant arrangements as well as working internally to ensure efficiencies are made with due consideration.

Inevitably, reductions in health will have a potential impact on planned the council's directorate commissioning arrangements where various contributions come together into a central pot. There is work taking place to understand the unintended impact of pooled budget reductions in terms of delivery outcomes and impact on the third sector.

#### **Opportunities and Challenges Presented**

The financial constraints of both the council and health partners will continue to impact significantly on third sector organisations, and further reduction in the number of organisations, staff and volunteers across the sector is anticipated. Evidence suggests that a shrinking third sector will reduce social resources that help communities cope and respond to new and emerging threats, weakening community resilience. At a time of growing social and economic need and increased demand for statutory provision, this is highly concerning.

Although current circumstances present significant challenges, open and honest discussion between council and third sector colleagues has been a positive outcome of ongoing partnership working, and has highlighted some areas of opportunity to work differently together. As noted by the Leader of the council in communications with partners, these challenges present a need to be clear on the functions of the council and what it can no longer afford to deliver, whilst remaining committed to our Best City Ambition. We do however need to follow through our words and strategies with a clear press on actions.

There are opportunities for thinking differently about which services can be provided by the third sector, making the most of the wealth of expertise and local knowledge the sector holds, as well as the value for money, particularly in comparison to some private businesses. Shifting from extremely high-cost private providers to greater use of local, third sector organisations provide opportunities not only to bring costs down, but to also maximise quality of service and positive outcomes, and provider better value for the Leeds Pound.

There are clear constraints on the funding available to the council, and how this is used. Whilst the council has a unique and specific role in lobbying central government around these issues and how they affect communities in Leeds, Third Sector Leeds has demonstrated its willingness to work in partnership to utilise other lobbying routes to support the council in this messaging.

It is unclear whether the Household Support Fund, C£14m, will be extended for 2024/25, which has a significant impact on both the support capacity and funding supplied to households. Clarity is being sought at the highest levels by the council, and work is underway by the Cost of Living Silver Group on options should the funding not be extended.

#### Partnership and Engagement Relationships

The council invests financial and staff resource in the development and maintenance of partnership and engagement relationships with the sector, including city-wide strategic bodies and a network of locality, service, thematic, community and equality-focused third sector forums. This facilitates strategic engagement with the sector, dialogue between the sector, council and a range of partnerships and forums. This enables the council to have better reach into communities through the third sector, resulting in more effective co-production and collaboration on key city and locality agendas. For example, the council provides executive support and plays a leading role in the Third Sector Partnership. This is a key part of the city infrastructure through which the third sector, council, NHS, universities and other public sector partners work together to ensure that collectively the conditions are created for a thriving third sector, so organisations can deliver better outcomes for the people of Leeds.

Third Sector Commissioning, Collaboration and Partnership Group builds on the strong history in Leeds of collaboration and partnership working, to maintain and further develop the strength of collaborative working between the third and the public sector, particularly as it relates to commissioning and joined up service delivery. This has been particularly important over the last few months, although it's accepted that the current financial pressures, timescales and approach of different directorates have made this challenging at times. As such the group has potential to provide a vehicle to ensure that investment, including in the third sector, is coherent and coordinated, and provides important discussion space for undertaking joint work and to address emerging priorities. Partners are reviewing the way that the commissioning group works with Third Sector Partnership Group, the NHS Integrated Commissioning Executive and TSL to bring about the ambitions outlined in the Third Sector Strategy.

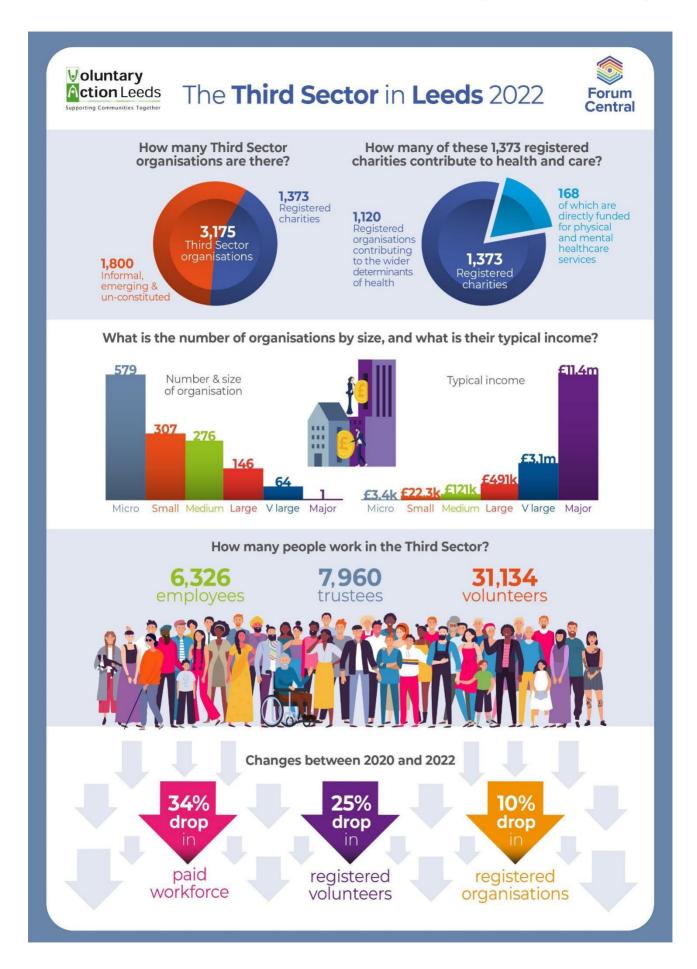
#### **Ongoing Commitments and Developments**

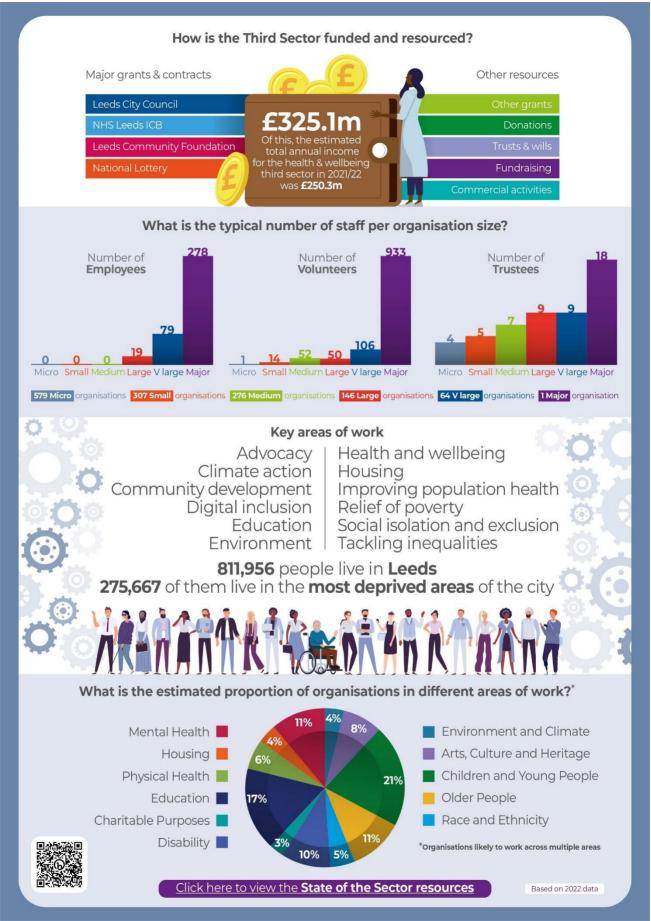
The council continues to drive and support a range of initiatives to ensure that Leeds has a thriving third sector and strong civil society that can deliver for all of the people of Leeds. For example:

- The Third Sector Partnership continue to build on the following policy commitments (all available to download <u>here</u>, and underpinned by the Leeds Third Sector Strategy):
  - Compact for Leeds
  - Third Sector Ambition Statement
  - o Characteristics of a Thriving Community
  - o Leeds Pledge to Strengthen Civil Society
  - Leeds Commissioning Code of Practice
  - Leeds Code of Practice for Working Together
  - o Social Value Charter

Council colleagues and third sector partners will continue to broker further discussions as necessary on budget, global, national, local and other emerging challenges that impact on Leeds, in order to drive new ways of working and contribute to the delivery of the city ambitions; specifically, to ensure that there is a diverse and thriving sector that continues to involve, engage and meet the needs and aspirations of all communities.

#### Appendix 2: State of the Third Sector in Leeds 2022 – Infographic of Key Findings





Full paper: https://doinggoodleeds.org.uk/state-of-the-sector/

# Appendix 3: Third Sector for Health & Care Cost Pressures, Survey Results January 2024

# Key Findings Summary:

- Third Sector providers are having to turn away people in need: almost 60% of respondents have had to operate a waiting list for their services. 48% of respondents have had to reduce or close a service/services since September 2022. 84% of respondents answered yes or maybe to being concerned their organisation is at risk of service reduction this winter.
- Cost pressures are coming from multiple directions: raising energy and staff costs are significant factors. A 300% energy bill increase was reported by one respondent. Financial challenges are resulting in organisations having to close: 12 organisations responded yes or maybe to them considering closing their organisation this winter with more organisations indicating that they are considering it in the near future.
- Chronic lack of uplifts are creating unsustainable services: with some organisations using reserves to cover pay increases or subsidise contracts. Feedback in comments indicates a loss of staff to the public sector's better pay and conditions, and more reports of concerns for service viability in 2024/5.
- Workforce under continuous pressure: staff retention challenges; higher staff turnover; recruitment problems; and newly appointed staff not starting or leaving quickly (reasoning evidenced through comments). 80% of respondents were concerned (answering yes or maybe) that their organisation was at risk of losing staff this winter.
- Third Sector Organisation Boards are being asked to take high level risks: use of reserves, lowering pay scales, service reduction affecting service quality. Evidence gathered in feedback shows that third sector organisations are having to make decisions that they know will put business sustainability, staff levels and service user wellbeing at risk.
- Cost pressures, leading to service reductions, are contributing to risks to population groups: With 44 organisations (78% of respondents) indicating that they want to flag a risk with a population care board.

#### Appendix 4: Leeds Third Sector Strategy - Executive Summary

# LEEDS THIRD SECTOR STRATEGY: OUR AMBITIONS

Leeds is a city where all partners work together to ensure that the third sector is more diverse and resilient, and therefore better able to continue supporting our communities.



Full paper: https://doinggoodleeds.org.uk/leeds-third-sector-strategy/

# Leeds Volunteering Strategy Making Leeds the best city for volunteering.



Full paper: https://doinggoodleeds.org.uk/leeds-volunteering-strategy/

#### Appendix 6: LEEDS THIRD SECTOR AMBITION STATEMENT TO SECURE A THRIVING THIRD SECTOR FOR LEEDS

City partners acknowledge that Leeds needs a thriving third sector able to rise to current challenges and opportunities and work alongside all partners to deliver the Best City ambitions. To enable this to happen Leeds needs a culture that is creative and brave enough to embrace further new ways of doing business with the third sector. In order to achieve this new culture, a Third Sector Ambition Statement has been created to enable partners to understand what is meant by a 'thriving third sector'. The Statement:

- provides a general description of the type of third sector that Leeds needs and wants to invest in and nurture
- sets out ambitions in order to influence practice, and
- provides encouragement and clear expectations about doing business in new ways with the third sector.

#### Leeds Third Sector Ambition Statement

The success of Leeds and the wellbeing of all of its citizens is dependent on having thriving private, public and third sectors, each independently successful but working effectively in partnership. The City's ambition is to have a sustainable, diverse third sector economy, with organisations from the smallest self-help group through to larger, local and national service providers. The ambition is to use the Leeds pound to invest in a local infrastructure that has a legacy beyond the life of any single funding programme.

#### Leeds needs a third sector that is:

- enterprising, responsive, sustainable, resilient, professional and civic minded
- diverse in its activities and the size, type and governance of its organisations
- inclusive, with extensive participation and broad reach into all neighbourhoods and communities
- confident in its strong and mutually beneficial relationships with the public and private sector
- driven by the needs and priorities of people and communities in Leeds
- able to champion and advocate for citizens, communities and causes
- led by local people
- able to evidence outcomes and be recognised for quality delivery and impact

#### Leeds also needs:

- a vibrant and active community and self-help sector operating at the grassroots level in local neighbourhoods and across communities of interest
- an effective third sector support and development infrastructure that can help to grow the third sector that Leeds requires
- the conditions that allow small, neighbourhood and community groups to emerge, develop and grow

#### A thriving and sustainable third sector will include:

- National and regional third sector organisations delivering in Leeds
- Leeds-based organisations able to compete for and win major contracts in Leeds and beyond
- Local voluntary organisations: evolving to meet local needs, sustainable and flexible enough to respond to changing circumstances, with the potential to grow
- Small Voluntary, Community and Self Help groups often volunteer-run with low running costs and high impact

#### Leeds commits to create the conditions for a Thriving Third Sector that can play its role in the City