

Why the third sector matters to health and social care in Wales

Richard Newton

May 2024



EXECUTIVE SUMMARY

The third sector in Wales has a significant impact on health and social care outcomes across Wales.

WCVA's Health and Care Project has undertaken extensive research over the past three years to help further understand these outcomes. The role of third sector organisations, where there is a 'touchpoint' with statutory services, is explored in our paper: [The values and value of the third sector: collaboration with the statutory sector to deliver health and social care in Wales](#). The role of volunteers is explored in [The values and value of volunteering – our hidden asset](#). An [infographic summarises relevant data](#).

This summary paper pulls together key findings from this research, while recognising that most third sector organisations contribute to health and social care without reference to statutory sector organisations or service provision.

The third sector in Wales comprises a diverse group of independent, values-driven organisations operating on a not for profit basis. There are over 12,000 Welsh-based third sector organisations contributing to health and social care. These organisations employ nearly 59,000 people at 2,700 locations. Over 60,000 people volunteer in health and social care roles in Welsh charities alone (thereby not counting volunteering for the public sector, unregistered groups and social enterprises).

This is in contrast to the statutory sector, where health and social care is the responsibility of large organisations (primarily health boards and local authorities) who operate under a legislative duty which determines what they can and cannot deliver. At times their responsibilities may be delivered via outsourcing to third party organisations, including the third sector.

Third sector organisations deliver a range of activities that fall under the scope of health and social care. This can include health education, befriending, advocacy, community development and wellbeing support. Much of this work is focused towards the long-term, offering a preventative/early intervention approach. This contrasts with statutory

services whose priority is often chronic and acute conditions. As such the work of the third sector continually enriches health and social care delivery on the part of statutory organisations. In our research fieldwork we frequently heard about the added value or benefit that was delivered by third sector organisations. The term 'benefit' was often preferred to 'value' as it reflected better the long term, preventative, well-being type outcomes delivered by the third sector, which are often challenging to quantify. These benefits are underpinned by the key common characteristics of third sector organisations: they are agile, resilient, connected, independent, trusted and value-driven.

Both the statutory and third sector have essential roles to play in respect of Wales' health and social care outcomes, but it is the differences (both between the two sectors, and between the organisations that comprise the third sector) that can, in the right conditions, create transformational change to society's engagement with health and social care. There are good examples of this within WCVA's Health and Social Care Case Study Library.

Given the acute pressures on statutory services (particularly in health and social care), changes to the way society engages with these services is essential. This upholds thinking expressed in the Bevan Commission Report, ['A Conversation with the Public'](#) and in ['Cymru Can: our Vision and purpose'](#), as set out by the Future Generations Commission.

Early intervention, well-being and preventative actions, as delivered by Wales' third sector, support key government legislation and policies including:

- The Wellbeing of Future Generations (Wales) Act 2015
- The Social Services and Well-Being (Wales) Act 2014 (via Section 16 – Social Value Forums)
- The Social Partnership and Public Procurement (Wales) Act 2023, and
- A Healthier Wales.

This creates a legislative framework which can support the third sector to deliver public benefit in respect of health and social care outputs.

To maximise the health and social care benefits they can collectively deliver, the third and statutory sectors need an ecosystem in which the third sector can thrive. There needs to be:

- Equitable and strengths-based relationships between the two sectors.
- Trust across and within the two sectors as to the role and capability of third sector organisations.
- Co-production, based on long-term sustainable relationships that extend beyond contracting and supply chains.
- Recognition: all sectors, and the public, need to fully understand the benefits the third sector delivers.
- Representation: the third sector needs to be appropriately resourced to ensure it can play a full role on strategic and planning forums.

To achieve this, we need to:

- Recognise the third and statutory sector's differences as strengths.
- Develop, understand and communicate the third sector's value in respect of health and social care outcomes.
- Increase awareness from the general public as to what the third sector delivers towards health and social care outcomes.
- Support third sector organisations to fundraise from non-statutory sources.
- Adopt consistent reporting processes by the statutory sector regarding formal engagement with the third sector and volunteers.
- Fund third sector representation on strategic/planning forums in a consistent and adequate level across Wales.
- Scrutinise vehicles such as Social Value Forums to ensure there is inclusion of the third sector.
- Recognise that thriving relationships are about more than money, and that co-production can transform how people work together.

- Avoid inadvertently creating organisational vulnerability when developing new services, through dependency that is not sustainable in the long term
- All parties (the statutory, third and private sectors, and general public) need to be trusted and recognised as key stakeholders in securing beneficial health and social care outcomes.

CONTENTS

Background and context	7
Statutory health and care in Wales	8
Wales' third sector and health and social care	9
The pressures on our health system	10
Sociological considerations	12
Third sector support for health and care outcomes	17
Sustaining and developing the third sector's role	21
Summary and recommended action	27
Appendix. Wales third sector enriching health and social care outcomes - summary table	30

BACKGROUND AND CONTEXT

The third sector in Wales plays an indisputable role in supporting the achievement of Wales' health and social care outcomes. Statutory health and social care services in Wales (and across the UK) are facing acute pressures, as explored later in this paper.

Since 2020, WCVA has worked with stakeholders from both the third and statutory sectors to develop an understanding of how the impact of Wales' third sector can be maximised when working alongside statutory health and social care provision.

A cluster of papers and research assignments have been commissioned by WCVA in this period including –

- [Framework to enable volunteering in health and social care](#)
- Data gathering exercise (unpublished)
- [Wales' third sector and health and care. What we know. What we don't know](#)
- The [values and value of volunteering- our hidden asset](#)
- The values and value of the third sector: collaboration with the statutory sector to deliver health and social care in Wales (publication due May 2024)

These have been informed by desk-based research and consultation through focus groups and structured conversations.

This paper seeks to draw findings from our published, and wider background research in order to identify actions that different stakeholders can take, to create the environment needed for the third sector's impact on health and social care to be maximised.

The paper is timely, and echoes themes emerging from the work of other organisations including Cymru Can: the long term vision set out by the Future Generations Commissioner¹, and the Bevan Commission's

¹ Future Generations Commissioner – Our Work – Cymru Can - <https://www.futuregenerations.wales/work/cymru-can/> accessed 23.04.24

Conversation with the public² reflecting on how society takes responsibility for the way health and social care services are delivered and accessed.

STATUTORY HEALTH AND SOCIAL CARE IN WALES

Health provision is a statutory duty, with various legislation focused on securing improvement in the physical and mental health of the population through prevention, diagnosis and treatment of illness.

Statutory organisations including Welsh Government and NHS Wales (via Health Boards, NHS trusts and other bodies – Health Commission Wales, Health Education and Improvement Wales, NHS Wales Shares Services Partnership, Digital Health and Care Wales, Health Technology Wales, and NHS Direct Wales) have responsibility to deliver **health outcomes**. In the main, NHS directly delivers services, though some are contracted out to third party organisations (including some in the third sector).

Statutory responsibilities in respect of **social care outcomes** in Wales are contained in the Social Services and Wellbeing (Wales) Act 2014. The Act imposes duties on local authorities, health boards and Welsh Ministers that require them to promote the well-being of those who need care and support, and carers who need support. Whilst much of this is delivered through domiciliary and residential care, the scope of social care reaches wider to include other vulnerable groups, including care experienced young people, the homeless and those affected by addiction.

The social care delivery environment is significantly more complex than the health delivery environment. Whilst local authorities are responsible for the majority of provision, delivery may be directly by the local authority itself, or via a network of contracted organisations from both the private and third sectors.

² Bevan Commission -Programmes – A Conversation with the Public - <https://bevancommission.org/programmes/a-conversation-with-the-public/> - accessed 23.04.24)

WALES' THIRD SECTOR & HEALTH AND SOCIAL CARE

The **third sector** in Wales comprises a diverse range of organisations that share a set of values and characteristics. They include not only registered charities but also, for example, community associations, self-help groups, social enterprises and housing associations. Third sector organisations operate on a not-for-profit basis, independent of government. They are established voluntarily by individuals, motivated by social, economic, or cultural purposes.

Research for WCVA's infographic ['Wales' third sector and health and care. What we know. What we don't know'](#), calculated there were over 12,000 Wales-based third sector organisations which contribute to health and social care delivery in Wales.

Third sector delivery is via a network of organisations that are diverse in scale, reach, governance, resources and delivery models. With regard to supporting health and social care, third sector organisations may –

- Directly deliver statutory services via commissioned arrangements with the statutory sector.
- Enhance statutory sector provision through activities such as befriending and ward support.
- Support societal wellbeing through advocacy, health promotion and engagement activities.
- Develop capacity through education, training, research, funding, and the support of networks.

This creates a relationship between the three sectors as depicted in Figure 1:

Volunteering is strongly associated with the third sector. From our data research we estimated that over 60,341 people volunteered for health and care charities registered in Wales. However, volunteering is not exclusive to third sector organisations with many people volunteering also within statutory and private sector organisations.

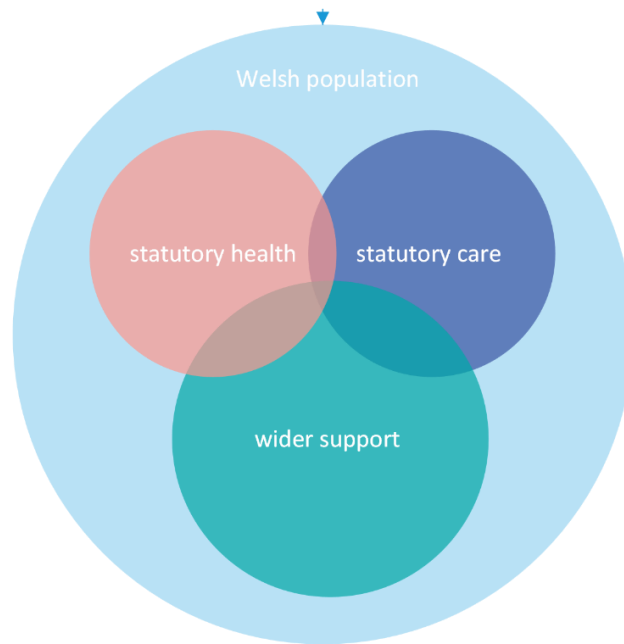


Fig 1 Multi sector contribution to health and social care

THE PRESSURES ON OUR HEALTH SYSTEM

Statutory spending on health and social care represents almost 50% of Welsh Government funding. The Health and Social Services Main Expenditure Group draft budget for 2024-25 is £11.7bn, which is 49.4% of the total for all Welsh Government departments³.

Even with this level of investment, there are significant operational challenges, as the following quotations attest:

‘Our findings show unrelenting pressure on healthcare services across Wales, and whilst there are initiatives in place to help support healthcare services cope with increasing demand, our

³ Welsh Parliament – Welsh Government Draft Budget 2024/25 – paragraph 13 - <https://senedd.wales/media/o5yortko/cr-ld16324-e.pdf> accessed 28.03.24

work during this year did not find evidence of these making a clear and significant difference to services at the front line.⁴

‘Within Emergency Departments across Wales, we have noted overcrowding, long waits for triage and long waits for treatment, plus ongoing delays in being admitted into the most appropriate beds.’⁵

‘Within General Practice and Dentistry, access to NHS services remains a matter of real concern to patients.’⁶

‘Over the long term, ambulance and emergency department activity has increased significantly and at a far greater rate than the corresponding increase in Wales’ population.’⁷

‘There were over one million attendances at emergency departments in the latest year, more than five times as many as in 1951.’⁸

⁴ Healthcare Inspectorate Wales – Annual Report finds sustained pressure on healthcare services across Wales - <https://www.hiw.org.uk/annual-report-finds-sustained-pressure-healthcare-services-across-wales> accessed 28.03.24

⁵ Healthcare Inspectorate Wales – Annual Report finds sustained pressure on healthcare services across Wales - <https://www.hiw.org.uk/annual-report-finds-sustained-pressure-healthcare-services-across-wales> accessed 28.03.24

⁶ Healthcare Inspectorate Wales – Annual Report finds sustained pressure on healthcare services across Wales - <https://www.hiw.org.uk/annual-report-finds-sustained-pressure-healthcare-services-across-wales> accessed 28.03.24

⁷ Welsh Government - Trends in NHS urgent and emergency care activity as ta March 2023 - <https://www.gov.wales/trends-nhs-urgent-and-emergency-care-activity-march-2023-html> accessed 28.03.24

⁸ Welsh Government - Trends in NHS urgent and emergency care activity as ta March 2023 - <https://www.gov.wales/trends-nhs-urgent-and-emergency-care-activity-march-2023-html> accessed 28.03.24

An aging population, wider health inequalities exacerbated by the Covid pandemic and the cost-of-living crisis, place further pressure on the social care sector, which faces significant capacity constraints.

Over 50 Welsh NHS leaders (Chairs, Vice-chairs, Chief Executives and Directors) surveyed by NHS Confederation in August 2020⁹ universally recognised that the care workforce was in crisis, with an inability to recruit and retain sector staff.

SOCIOLOGICAL CONSIDERATIONS

There is growing recognition that the way society accesses health and social care services needs to change to ensure the development of sustainable delivery that is appropriate for modern day populations. This in effect recognises that many of the present pressures faced are structural and as such are not time limited.

This recognition is underpinned by Wales' aspiration to develop as a wellbeing nation as described in the Wellbeing of Future Generations (Wales) Act 2015.

Cymru Can¹⁰ sets out the Commissioner's strategy for 2023-30. Health and wellbeing is one of five missions and is supported by a theory of change.

There is a clear role for the third sector in relation to the following activities and outcomes of the theory of change:

- Apply long-term and preventative approaches

⁹ Welsh NHS Confederation – 'It's not just a crisis, it's a national emergency': Addressing the challenges in social care - <https://www.nhsconfed.org/system/files/2022-09/EMBARGOED%20Addressing%20the%20challenges%20in%20social%20care%20-%20Welsh%20NHS%20Confederation%20-%2028%20September%202022.pdf> accessed 28.03.24

¹⁰ Future Generations Commissioner for Wales – Cymru Can: our vision and purpose - <https://www.futuregenerations.wales/work/cymru-can/> - accessed 28.03.2024

- Convene public bodies, community groups and others to facilitate learning exchanges
- Ensure organisations outside the NHS use their levers to improve health and well-being
- The social model of health is understood
- A more diverse range of people are involved in co-producing services

The **Bevan Commission** has published the results of 'A Conversation with the Public: Challenges and Opportunities for Change (2023)¹¹'. This engaged local people across Wales in an open and honest conversation about their health and wellbeing and the future of health and social care services, setting out the current context and drawing insight from their experiences, understanding and expectations to help identify solutions for the future.

Bevan Commission found that seven consistent themes were presented by the public:

- Prevention, early intervention and lifestyle
- Empowerment and shared responsibility
- Integrated services and support
- Wider determinants of health
- Communication
- People across communities
- Workforce

Underpinning these themes were concepts such as the balance of power between healthcare planner/commissioner and service user; shared responsibilities; empowerment of citizens and communities to engage in planning and delivery of activities which support societal health and wellbeing.

¹¹ Bevan Commission - A Conversation with the Public: Challenges and Opportunities for Change (2023) - https://bevancommission.org/wp-content/uploads/2024/02/A-Conversation-with-the-Public_National-Report_Bevan-Commission_with-annexes.pdf accessed 28.03.24

The **Wales Centre for Public Policy** is researching the role of multisectoral collaboration in supporting community action¹². The literature review to support this work highlights the actions needed to develop multisector collaboration that supports community action.

Multi-sector collaboration – means collaboration between, for example, public services and/or local and national government, **with** community, voluntary and third sector organisations or groups.

Community Action – means any activities, formal or informal, aimed at supporting the well-being of individuals and communities and undertaken by groups based on shared geography or shared interest. These actions fall into three categories: activities for shared process, governance arrangements and financial mechanisms, as summarised in the Figure 2.

¹² Wales Centre for Public Policy – The role of multisectoral collaboration in supporting community action - <https://www.wcpp.org.uk/project/supporting-community-action-enhancing-community-wellbeing-a-synthesis-of-lessons-learnt-during-the-covid-19-pandemic/> - accessed 28.03.24






















	Activities for developing shared purpose: Activities supporting multisector collaboration by developing shared aims/ understanding	Governance arrangements: Roles, responsibilities, processes and structures developed to support multisector collaboration	Financial mechanisms: Approaches to funding work/ initiatives in ways that support multisector collaboration
Actions from phase one review of existing evidence	 Information gathering (community research, listening exercises, engagement events)	 Liaison/coordination roles and referral pathways (e.g., in/ across LAs, 3rd Sector, public services)	 Grant funding (flexible, long term, participatory)
	 Systems thinking and mapping (mapping issues to identify root causes and shared goals for addressing them)	 Responsibilities and boundaries (mutual agreement over scope of different partners' responsibilities)	 Commissioning (collaborative/ strategic/ place-based/ outcomes-based)
	 Long term planning and macro-goals (flexible, living documents outlining steps towards shared goals)	 Leadership and shared decision-making (e.g., diverse, evolving, values-based steering groups)	 Community wealth building (procurement; investment/wealth funds)
	 Training/ mutual learning (events, conferences, communities of practice, webinars, 'lunch and learns', training, resources)	 Policies and procedures (e.g., formalised processes/ requirements at organisational or wider levels)	 Infrastructure and estates (community asset transfers, land trusts, estate rationalisation)
	 Pooling and sharing information (online platforms, lists/ directories, databases, asset mapping)	 Regional/ national bodies or infrastructures (creating or utilising these to coordinate/ support efforts)	 Fundraising (Crowdfunding, Local Giving, private donations)
Additional actions from phase two workshop discussions	 Defining outcomes and how to measure them (agreeing how shared goals might translate into outcomes/ impacts and how to measure these)	 Focused collaboration sub-groups (sub-groups for collaboration members to focus on areas of expertise and interest)	 Convening resources (pooling budgets/ capacity; in kind support; skills/ knowledge exchange)
	 Shared oversight to coordinate services (multisector mechanisms to coordinate service provision, which develop shared priorities)	 Supporting workforce capacity and consistency (living wage, core cost and long-term funding)	 Reporting impact (case studies and stories; standardised tools; capturing invisible impacts)

Figure 2 Multi sectoral collaboration for community action

The research by the Bevan Commission and WCPP, cited above, clearly highlight the sociological case for change, as outlined in Cymru Can. There are, however, clear conditions needed to create an eco-system in which the change we want to see can happen, supported by multisector collaboration.

Focus groups delivered as part of our wider work for WCVA identified some broad conditions for success in respect of multi-sector working: –

- Trust and equity between sectors
- Long term planning
- Effective representation in decision making
- Information sharing and learning from good practice
- Strengths-based approaches

The policy environment in Wales creates a favourable basis for change. Of note:

- **Social Services and Well-Being (Wales) Act 2014** places a duty upon local authorities, with local health board partners to ‘establish regional forums to support social value-based providers to develop a shared understanding of the common agenda, and to share and develop good practice. The aim of these **Social Value Fora** is to encourage a flourishing social value sector which is able and willing to fulfil service delivery opportunities.’
- **Social Partnership and Public Procurement (Wales) Act 2023**. This Bill includes provision for a Social Partnership Council, statutory duty on certain public bodies to consider socially responsible public procurement, to ensure that certain public bodies ensure that socially responsible outcomes are pursued through supply chains.
- A Healthier Wales, Welsh Government’s plan for health and social care, makes the case for a whole system approach to health and social care, i.e. a ‘wellness’ system, which aims to support and anticipate health needs, to prevent illness and to reduce the impact of poor health.
- Various health and social care workforce strategies for Wales recognise the strategic importance of volunteering as part of workforce planning.

THIRD SECTOR SUPPORT FOR HEALTH AND CARE OUTCOMES

Third sector organisations have long supported the delivery of health and care outcomes in Wales. Whilst at times this is delivered in partnership with the statutory sector (with or without funding), often there is no such formal relationship. Either way, the third sector does offer significant value towards Wales' health and social care outcomes and as well as toward wider well-being goals.

WCVA's [case study library](#) provides many examples of the themes noted in this section.

Supporting statutory responsibility

It is important to distinguish between the occasions where third sector organisations deliver services for which there is a statutory responsibility and wider service delivery. Where third sector organisations are delivering a service for which there is a statutory responsibility, this is likely to be delivered as a commissioned service, under competitive tender and subject to public procurement legislation. The statutory body will have concluded, on the basis of its assessment, that it is in its best interest to outsource a particular service to a third party. A contract is awarded on the basis of a competitive tendering process and subject to public procurement legislation. This is **not** the same as making a decision to entrust that service to the third sector based, for example, on its ways of working, its local reach and reputation, etc.

Examples of contracted third sector delivery which supports health and social care include:

- Community focused condition support i.e. dementia, Parkinsons
- Public health activities i.e. community-focused HIV initiatives, smoking cessation
- Rehabilitation services
- Supported housing
- Violence against women, domestic abuse and sexual violence services
- Support for particular groups, e.g. care experienced young people, young carers

- Independent advocacy and visiting of those in statutory care

Wider support

Much of the health and social care activity that the third sector delivers is **in addition** to that for which there is a statutory requirement. This activity often complements and enriches statutory provision and may include:

- Wider well-being support for those/the families of those receiving health care. i.e. financial planning for the terminally ill and their families.
- Hospice support for those requiring palliative care.
- Health information such as web resources and helplines which are often condition-focused.
- Enrichment activities for population cohorts who are receiving statutory care such as counselling for the care experienced and creative learning for those experiencing homelessness.
- Cultural and wider participation activities linked to conditions e.g. choirs for cancer patients and their supporters, drama groups for those in recovery and wider social prescribing activities .
- Emotional and wellbeing support at critical points in a health and care journey e.g. peer support, end of life befrienders, birth partners for refugees.
- Place-based support, often on a hyper-local level, working with local residents to support sustained (or a return to) independent living .
- Warm hubs and community-focused activities to reduce isolation.
- Infrastructure development such as air ambulances and blood bikes.
- Medical and social care research via both traditional charities and exempted charities such as Universities.
- Work with communities to identify the services that they want and to empower them to develop and implement these services.

The third sector's involvement in the delivery of health and social care outputs when operating on a non-commissioned basis is more likely to be focused on the long-term and on well-being and preventative outputs

(rather than acute or chronic responses). The focus of activities may at times be less on health improvement and more on living well, within recognised constraints.

Value and public benefit

It is challenging to identify the specific value that third sector organisations contribute to the nation's health and social care. This is due to:

- activities are not delivered in isolation and so it is hard to determine their unique contribution.
- it is harder to determine the impact of softer/preventative/well-being activity, particularly in the short-term.
- many third sector organisations are small, with limited capacity for monitoring and evaluation. The diverse composition of the third sector makes uniform pan-sector impact measurement challenging.

Discussions held as part of our research highlighted that many third sector representatives were uncomfortable with the term 'value'. In a delivery ecology underpinned by financial considerations, the term 'value' was felt to have a strong association with money and an assumption that it should be evidenced by a quantitative measure. The term 'benefit' was preferred as it better reflects qualitative impacts and also aligns with the concept of public benefit that underpins charity regulation.

The term 'value' was often associated with competitive processes such as public sector commissioning. As noted above, commissioning of services applies to a relatively small number of third sector organisations. When bidding for commissioned work, however, the concept of value becomes more acute.

Third sector organisations which are involved in the delivery of commissioned services were keen to highlight the added value that they provided. This included:

- Match funding to any contract offer, with a risk at times that statutory duty was being subsidised by philanthropic sources. This may also include non-cash contributions via volunteers and gifts in kind.
- Access to wider services. For example, many larger third sector organisations with prominent brand names maintain large national (often UK-wide) information resources; these are expected by service users, but not paid for by the statutory sector at a contract level.
- Intellectual property, often gained by large third sector organisations through innovation/pilot activity, funded from philanthropic sources.
- Discharge of risk – of particular relevance in an era of salary and energy cost increases, multi-year contracts protected statutory providers from such risks within a fixed price contract period.

Some common characteristics of third sector organisations were identified in our research, which support their capacity to deliver value/public benefit through their operational activities. They are summarised in Figure 3 below.

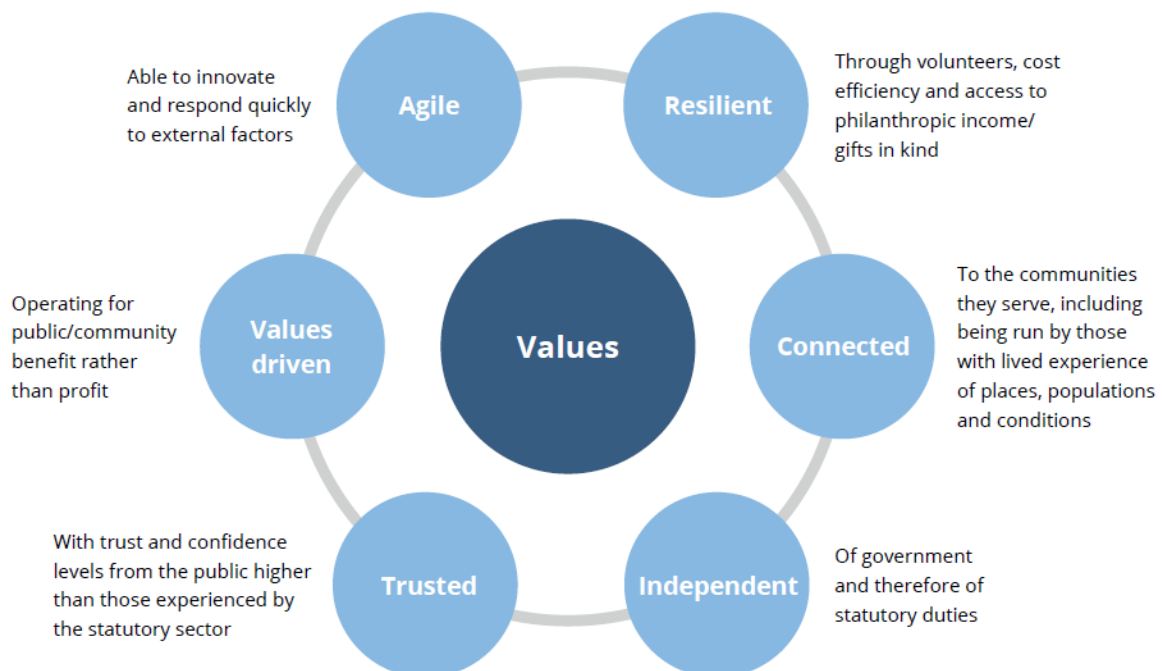


Figure 3 Common characteristics of third sector organisations

Focus group participants from across statutory and third sectors reported that maximum benefit/value is delivered when there is planned co-working both between sectors, and within the third sector itself. There was compelling case study evidence such as:

- Health boards recognising the benefits to patients of working with leading condition charities who can provide a wider breadth of services, including accessible information, peer support, well-being support for both the patient and their family and friends.
- MacMillan Cancer Support recognised the benefit of partnering with Coalfields Regeneration Trust. The Trust is a recognised and respected community development organisation supporting former coalfield areas where there are typically high levels of late cancer diagnosis within the male population. Partnership working has enabled education and testing services to improve testing and prevention levels within this community.
- Large third sector organisations who routinely bid to deliver services under commissioned arrangements recognised that their successful delivery was often dependent on building effective relationships with the multitude of community-facing organisations that serve a particular community of interest or geography.
- Multi-sector collaboration such as PIVOT in Pembrokeshire in which a partnership of third sector organisations work in partnership with the local health board to prevent hospital admission, and to expedite hospital discharge.

Whilst it is challenging to place a quantitative value on the contribution that the third sector in Wales makes towards health and care outputs, it is clear from an overview of the nature and scale of activities delivered that it is significant. Without this contribution the health and wellbeing of people in Wales would suffer.

SUSTAINING AND DEVELOPING THE THIRD SECTOR'S ROLE

The contribution of the third sector to health and social care outcomes needs to be maintained and, where possible, developed. There are two

considerations at play here: sustaining the third sector as a whole and developing its role in relation to health and care outcomes.

i. Sustaining the third sector as a whole

This is worthy of a paper in its own right; however, having noted in this paper the acute pressures facing statutory health and social care services, it would be improper not to reference the significant pressures that third sector organisations are also facing.

The pandemic and the cost-of-living crisis have placed considerable pressure on third sector organisations in various ways:

- Increased demand for services given societal challenges and inequalities.
- Increased costs of delivery, particularly related to staff and energy.
- Reduction in volunteering levels post-pandemic¹³.
- Workforce challenges, due to third sector salaries being lower than public and private sector counterparts.
- Reduced income – both from public sector contracts (e.g. multi-year fixed prices failing to uplift with inflation), and a wider reduction in philanthropic giving.

This is explored further in WCVA’s blog [‘The aftermath of an afterthought’](#)¹⁴.

Survival of the third sector clearly underpins the third sector’s capacity to support health and social care outcomes in Wales.

ii. Sustaining and developing the third sector’s role in health and social care delivery

¹³ NCVO – News and Insights - <https://www.ncvo.org.uk/news-and-insights/news-index/latest-research-reveals-mixed-impact-of-pandemic-on-volunteering/> accessed 01.04.24

¹⁴ WCVA – Information and Support – The aftermath of an afterthought - <https://wcva.cymru/views/the-aftermath-of-an-afterthought/> accessed 01.04.24

Research in recent years has highlighted several themes that would enable a positive co-existence between the two sectors.

Equitable, strengths-based relationships

Discussions with representatives from both the third and statutory sectors highlighted that relationships were vital to developing the benefits delivered by the third sector. These were as often informal as formal, and the strengths of relationships with the third sector varies between and within statutory bodies depending on the knowledge and prior experience of staff members / departments.

The third and statutory sectors are not equal, but relationships could be more equitable. For example, the statutory sector has access to public funds and has to deliver within a complex regulatory and inspected framework. The third sector is to a greater extent free from this. Neither party can duplicate the work and purpose of the other, but through working together the impact made by both increases. The differences between the sectors are the strengths that underpin the potential benefit that can be delivered. Despite the two sectors not being equal, they can work with equity recognising the strengths and importance of each other.

The need for equitable relationships also applies to relationships between organisations in the third sector. The diversity and scale of the third sector is one of its strengths, and there is a role for all those delivering quality services.

Trust

Linked to the concept of equity and strengths-based relationships is the theme of trust. The agility and independence of the third sector is one of its strengths. The statutory sector needs to recognise this, and other than where third sector organisations operate directly as an agent of the public sector, there needs to be a recognition that third sector organisations are independently led entities which embody the values which, in many cases, are shared by statutory sector partners.

Open dialogue and communication is a sign of trust. Many third sector organisations reported being wary of criticising activities of the statutory sector for fear that it would have an adverse effect on working relationships (including access to any funding).

The statutory sector must recognise its independence and responsibility to the communities the third sector serves. The third sector needs to be able to be a critical friend of the statutory sector, calling out issues of concern or improvement which align with the third sector's vision for, and obligation to, maximising public benefit.

Co-operative working is about more than money

Discussions and analyses in respect of relationships between the two sectors are often dominated by financial considerations. In reality, we know it is only a small number of third sector organisations involved in the delivery of health and social care who receive grant and/or commissioned income from the statutory sector.

Co-operative working can include:

- Cross referrals
- Shared premises and facilities
- Knowledge exchange
- Co-production and planning in respect of service delivery.

Where there is an exchange of funds from the statutory sector to third sector this may be via contracted/commissioned income or, less commonly (and at lower amounts), via grant aid.

The commissioning process presents many challenges for third sector organisations. These relate to timescales, scale (geography, size of financial envelope, etc.) and the nature of the contractual obligations, and are beyond the scope of this paper .

Small grant funding is sometimes available from statutory bodies. We heard during our research fieldwork how local authorities supported small grassroots organisations, sometimes via their County Voluntary Council with funding (often originating from Welsh Government). The

theme for funding changes from one year to the next – for example isolation, warm hubs. Many tasked with both distributing and applying for this funding highlighted that what these organisations needed more than project funding was a low level of core funding. It was argued that if an area had a strong network of community organisations, issues such as isolation and the provision of warm spaces would be naturally provided.

Larger grants include the Regional Integration Fund¹⁵ as delivered by Regional Partnership Boards. Even though a proportion of this funding was ring-fenced for the social value sector (and therefore should reach third sector organisations), much of this is intended for pilot activity. Pilot activity and innovation are obviously important, but many reported a disconnect between pilots and how they were evaluated by funders (both statutory and philanthropic such as the National Lottery Community Fund), and the lack of a routeway to become mainstream activity. This resulted in activity stopping and starting, and funding gaps which present significant challenges.

There is clear learning for organisations across the statutory and third sectors in respect of exit strategies and sustainability. Given present funding pressures, particularly within the statutory sector, it is not appropriate to develop services without a long-term perspective, including a plan for future resourcing.

Recognition of the third sector's contribution towards health and social care outcomes

Being able to recognise the benefit/value delivered by the third sector is essential if working relationships with the statutory sector are to develop. We have already identified that the strength/depth of working relationships across the two sectors is variable, often based on the knowledge/experience of staff. Being able to recognise the contribution

¹⁵ Welsh Government – Health and Social Care Regional Integration Fund - <https://www.gov.wales/sites/default/files/publications/2022-02/health-and-social-care-regional-integration-fund-revenue-guidance-2022-2027.pdf> - accessed 03.04.24

made by the third sector is key to establishing stronger and more uniform relationships.

This is particularly challenging given the diversity of the sector. Research undertaken by WCVA has highlighted that even where there is a direct relationship between a statutory and third sector organisation, this is often not recorded, reported or reviewed.

Given the statutory sector has to prioritise activities (across all resources not just external funding), based on indicators such as return on investment, often within short/mid-term planning periods there needs to be a better understanding of the footprint of third sector/volunteer activity that is delivered through formal partnerships between statutory and third sector organisations delivering in health and social care.

Representation

Statutory sector organisations (local authorities and health boards) are limited in number, and vast in their reach and size, when compared to the typical third sector organisation in Wales. As such there is a contrast between the thousands of independent third sector organisations and their statutory sector peers which makes it challenging for the two sectors to collectively plan and/or deliver activities. Given the advantage that third sector organisations have in engaging with specific geographic/interest communities, this can, in turn, limit the ability of the statutory sector to engage with some of the communities that they are mandated to support.

Whilst the third sector does have representation at a strategic level (via positions on Health Boards and Regional Partnership Boards), these positions risk being un/under-resourced. Whilst third sector representation is protected by legislation, this is only effective if it is fully resourced.

The resourcing of representation needs to be reviewed. Effective representation of the third sector at strategic boards will enable a greater level of benefit/value to be realised. Representatives are rightly expected to represent a broad portfolio of organisations but this is only possible if they are resourced to engage fully with those they represent.

SUMMARY AND RECOMMENDED ACTION

Effective health and social care delivery in Wales is essential to us all, as organisations and as citizens. From the evidence presented in this paper, we can conclude that:

- Statutory health and social care services in Wales (as elsewhere across the UK) are facing unprecedented pressures.
- The third sector in Wales plays a key role in supporting statutory health and social care delivery, and as a sector is facing resource pressures of its own.
- Sociological evidence suggests that we need to work as a society to redefine our expectations and use of health and social care services.
- This will involve a shift to focus more on well-being and preventative services, and empowering the communities to develop the services that they want.
- The third sector has significant potential to contribute to this refocus in activities, both through its capacity to deliver activities and its ability to engage with interest and geographic communities across Wales.

The conditions discussed above will help us to create enabling environment in which the third sector can thrive, with all of its characteristic agility, responsiveness and its independence, and the needs of those it represents can be effectively met. To that end the following actions are recommended:

- i. All sectors need to **recognise the differentials** (between statutory and third sectors and within the third sector itself as a strength, not a problem. Co-working arrangements should not suppress the agility, resilience and independence of third sector organisations.
- ii. The third sector should collectively **explore how to convey its 'value offer'** in respect of health and social care so that this can be more widely understood.
- iii. Undertake **communication campaigns** to increase public and political awareness of the established and potential benefits

that the third sector delivers towards health and social care outcomes. Engaging the public as advocates may manifest through donations, volunteering and increased support for the third sector as a political priority with elected members locally and nationally.

- iv. Support third sector organisations, (in particular smaller organisations), to **diversify income** in a suitable manner. This includes the ability to make an ask at a local level (Local Giving has compelling evidence that this delivers a return), and national support for SMEs in enabling citizen action for health and social care.
- v. Regional and national statutory bodies (led by Welsh Government) should adopt **consistent and transparent reporting processes** as to their level of formal engagement with the third sector and volunteers.
- vi. Ensure appropriate and consistent level of **funding for third sector representation** on strategic stakeholder groups across Wales, given the legal requirements of the statutory sector to ensure the participation of the third sector in service design and delivery and the impact that can be achieved by co-delivery with the third sector
- vii. **Ensure that the third sector has the opportunity and the means to fully contribute** to social value forums and as a key partner in delivering visions such as Cymru Can.
- viii. Promote recognition that **co-working between the third and statutory sectors is based on more than financial exchange**. It may also be in the form of sharing of knowledge and experience, shared use of premises, or joint training, for example
- ix. **Avoid creating unsustainable dependency** when developing services, - consider the long term impact on the services, organisations and relationships i.e beyond the period of funding.
- x. **Empower all parties to recognise and play their unique and essential role** as part of a complex ecology of health and care in Wales. (i.e statutory, third and private sectors, as well as the general public) to contribute to health and social care in ways

which they uniquely can, recognising the essential roles that each can play.

APPENDIX: WALES' THIRD SECTOR: ENRICHING HEALTH AND SOCIAL CARE OUTCOMES					
Third sector contribution	A developed third sector enriching statutory provision for communities (geographic and interest), through preventative work focused on the wellbeing of citizens, as well as through direct health and social care operations in partnership with the statutory sector.				
Strengths	Third sector organisations are: agile, resilient, connected, independent, trusted, values driven. The third sector is diverse: in scale, geography, governance structures, delivery models.				
Conditions required for third sector organisations to flourish	Equitable, strengths based relationships Relationships between third and statutory sector organisations are based on principles of equity. Organisations respect differences and strengths e.g. the third sector's freedom from legislative restrictions, and breadth of scale - micro to mega.	Trust Relationships, both across third sector organisations and between the third and statutory sector trust the sector's track record, capability, independence, values and agility. There is good communication. Monitoring is not over burdensome	Co-production Co-production and planning with the third sector ensures that long-term health and social care outcomes are enriched for all. An adequately resourced third sector supports knowledge exchange, citizen wellbeing and innovation.	Recognition All sectors, and the public, understand and recognise the benefits the third sector delivers. Wellbeing and long-term impact are recognised in ways that can be understood against shorter term planning cycles.	Representation The third sector is resourced to ensure it can fully represent its breadth and diversity on strategic and planning forums.

<p>Recommendations for a thriving health and social care ecology</p>	<p>Recognise differences between the third and statutory sector organisations are strengths</p>	<p>Build on trust (across the statutory, third and private sectors and the general public) so that all are recognised as stakeholders in securing health and social care outcomes.</p>	<p>Support third sector organisations in a variety of ways, monetary and non-monetary, recognising that thriving, mutual relationships are about more than money.</p> <p>Avoid relationships that are unsustainable</p>	<p>Communicate the sector's value—e.g. through consistent reporting by the statutory sector about its formal engagement with third sector and volunteers. and through clear public messages</p>	<p>Ensure representation is resourced on strategic/planning forums in a consistent and adequate level. including on Social Value Forums.</p>
<p>Supporting policy, legislation etc</p>	<p>Wellbeing of Future Generations (Wales) Act, Social Services and Wellbeing (Wales) Act, Social Partnership and Public Procurement (Act) Wales, A Healthier Wales, WCVA papers, Cymru Can, Bevan National Conversation.</p>				