

Extracts from NACVS Briefing on the Local Government White Paper 2006 - Strong and prosperous communities

1. Introduction

1.1 On Thursday 26th October 2006, the Department for Communities and Local Government (DCLG) published the Local Government White Paper 2006 (the white paper). The white paper sets out a range of proposals designed to strengthen local communities, devolving more responsibility to local authorities, whilst placing a duty on them to cooperate with other statutory partners at the local level, and also to engage with other partners including the VCS.

2. Overview of the Local Government White Paper

2.1 This white paper is the latest step in the government's agenda for the modernisation of local government. It outlines new proposals for devolving power and significantly strengthening local government's leadership role in local areas. The paper also outlines plans for improving partnership working, as well as providing a major expansion of opportunities for local people to influence local decision-making.

2.2 This briefing sets out a number of key areas that are of particular relevance to the voluntary and community sector (VCS), and highlights proposals and commitments which will have significant impact on voluntary and community organisations (VCO's).

2.3 Throughout the white paper there is a consistently high recognition of the importance of the relationship that local government has with VCOs and the wider third sector.

3. Partnership working

3.1 There are three main elements of partnership working in a local area: the Local Strategic Partnership (LSP); the Sustainable Community Strategy (SCS); and the Local Development framework (LDF). There is a clear expectation that the VCS must be involved in all three of these.

3.2 The white paper has a strong focus on partnership working as a key vehicle by which to set priorities and where appropriate shape, design and deliver services in local areas. LSPs will continue to be the main vehicle for bringing together public, private and VCS organisations and coordinating the contribution that organisations from each sector make to improving localities. LSPs will remain as non statutory bodies, and the white paper takes steps to strengthen the accountability of partnerships through the overview and scrutiny functions of local authorities. The DCLG will be working with national VCS umbrella bodies to establish a standard by which local third sector bodies should organise themselves to be effectively represented on LSPs.

3.3 The role of the SCS is to set out the strategic vision for a place. Local authorities are responsible for preparing the SCS in their area; however a local authority can neither agree nor deliver an SCS without working with other local statutory bodies, private sector and VCS, through their LSP. The SCS should reflect the views of all the partners and other key local plans.

3.4 The Local Area Agreement (LAA) is viewed as the 'delivery plan' for the SCS. LAAs use an outcome based approach; central government is interested in what is delivered but local partners decide how best to do it. Local authorities will remain responsible for preparing the LAA and the local authority and local partners will be responsible for agreeing with government the small number of priority targets for improvement that are relevant to them. The white paper proposes to place a new duty on local authorities and named partners (predominantly statutory bodies in a local area) to co-operate with each other in order to agree LAA targets.

What does this mean for the sector?

3.5 Partnership working will grow in importance as the mechanism by which priorities are agreed, and SCSs must not be prepared without the engagement of the local VCS. There is a clear focus on the involvement of the VCS in partnerships; the streamlining of community consultation requirements (and revised Best Value duties to include community participation) will also strengthen the involvement of the VCS in local partnership working.

4. Neighbourhood working

4.1 The white paper has a focus on strengthening participation and enabling citizens and communities to help shape policies, services and places. The government is encouraging the expansion of neighbourhood management by supporting and encouraging local authorities to take up neighbourhood management, particularly as part of New Deal and other community renewal programmes. The white paper also discusses devolving the power to create town and parish councils to local district and unitary authorities.

4.2 Local charters are also being encouraged as a tool to empower citizens and communities. Charters are the outcome of a dialogue between the community, the local authority and its service providers. They are used to set out the service standards and priorities for action which local people expect from the local authority, and sometimes a wider group of partners, as well as any obligations that the community has taken on itself.

4.3 There is a significant move towards increasing the opportunities for local VCOs to take on the ownership and management of assets. The white paper announces the establishment of a fund by the DCLG to give local capital support in refurbishing buildings to facilitate their transfer to community management or ownership. In addition, new guidance is to be issued to local authorities on asset management which will demonstrate how the social benefit resulting from community management and ownership can be appropriately taken into account.

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4.4 Neighbourhood-level decision making will be stronger; local authorities will have the option to devolve a small budgets to councillors to spend on their area. The review of community ownership and management of assets will conclude in spring 2007, and in the meantime the DCG will set up a fund to give local support.

5. Community Engagement

5.1 The white paper proposes to streamline and simplify local arrangements for involving local people by streamlining plans for involving communities in the creation of SCSs, LAAs and LDFs. The statement of community involvement required in an LDF will be reviewed, and streamlined procedures for consulting with communities will be introduced.

5.2 Local authority overview and scrutiny functions will be further strengthened; the white paper sets out proposals to enable councillors to champion the interest of local people across a wide range of local issues. Local public service partners will be required to appear before and provide information to overview and scrutiny committees and to have regard to any recommendations that the committee might make.

5.3 The white paper also introduces the 'Community Call for Action' (CCfA), a mechanism to strengthen the ability of local councillors to speak up for their communities and demand an answer when things go wrong. The CCfA aims to make a real difference through enabling councillors to ask the Council executive to take action, and can be further escalated to overview and scrutiny committees if this action is not satisfactory. Individuals or organisations can ask any councillor to take up a matter as a CCfA.

5.4 Plans for reforming the Best Value regime are also introduced, with a key proposal to ensure that local authorities *inform, consult, evolve and devolve* to local citizens and communities where appropriate. This will require authorities to work with their partners to ensure participation by the wider VCS and other stakeholders. The proposed Best Value guidance will be on key commissioning principles, community participation and competition.

What does this mean for the sector?

5.5 The revised Best Value duty to engage and to secure the participation of citizens, together with the new streamlined community consultation mechanisms for partnerships will mean a significant and welcomed reduction of the current consultation burden on local VCOs. Stronger overview and scrutiny committees will be better placed to scrutinise decisions made by the council and named statutory partners.

6. Funding

6.1 The white paper has a significant focus on transforming public services, efficiency and delivering value for money throughout. In order to tackle difficult cross-cutting issues and maximise the value for money of public resources, the white paper is clear that services should be designed around the needs of the citizen and the community, not around the processes and structures of individual agencies, and places an emphasis on the need for collaboration with both statutory and non statutory partners to transform services.

6.2 The white paper explicitly recognises the importance of a good mixture of funding for the local VCS, and the crucial role that grants can play in local areas. The DCLG is encouraging local authorities to make a step-change in the funding relationship that they have with the third sector with regards to grants: *"The general starting point will be three year grant funding, except where this does not represent best value in individual cases, and in terms of overall affordability."*

6.3 Local authorities are required to secure continuous improvement in the way that procurement and commissioning functions are exercised, and the government proposes to issue one piece of revised best value guidance that will cover the commissioning role of councils and community participation, and will also ensure that local authorities should regularly test the competitiveness of their performance in comparison with others. The third sector is explicitly recognised as an important part of the local government services market.

6.4 There is a commitment to improving local authority procurement and commissioning processes and recognition of the importance of the Compact funding

and procurement principles. The DCLG proposes to work with local government, inspectorates and the private and third sectors to build a consensus on the core practices expected in all local authorities and suppliers through a code of practice on competition.

6.5 There is an acknowledgement of the ongoing challenge that the comprehensive spending review 2007 (CSR07) will bring, and the white paper sets out a commitment to embed efficiency as part of the new performance framework.

What does this mean for the sector?

6.6 Grants have been explicitly recognised as an important part of the funding mix for the VCS, and Best Value guidance will be revised to include commissioning, competition and third sector funding. Proportionality and the importance of engaging with the VCS in all aspects of procurement and commissioning are also recognised.

7. Performance

7.1 A new performance framework is introduced in the white paper to provide a better balance between local and national priorities. Making performance information relevant and available to local people and organisations is a key message throughout the white paper. There is a focus on giving greater responsibility to local authorities and their partners for securing improvements in services and on strengthening the accountability of local authorities to citizens and communities.

7.2 The government's aim is to radically reduce the number of performance indicators which areas will be required to report on from between 600 and 1200 to 200 in. LAAs will be further developed as discussed above, and the number of targets in each LAA will be limited to around 35 (plus statutory and early years targets from the Department of Education and Skills), in order to create more space for flexibility and local responsiveness

7.3 The government also plans to reinforce the importance of the user perspective in the judgments of inspectorates, such as the Audit Commission, on the performance of services and of local authorities. Funding granted to third sector bodies will be assessed in a local public sector bodies 'Use of Resources' judgment.

What does this mean for the sector?

7.4 Local authorities' performance assessment requirements will be dramatically reduced, and the importance of consulting with the VCS, as well as appropriately funding the sector will be taken into account within the new requirements for all local public sector bodies.