

Policybite – an update on policy issues affecting Hampshire

Bulletin No 1

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2009 State of the Sector survey

This survey, carried out by nfpSynergy and Third Sector, not surprisingly says a fall in income has been the biggest effect of the recession, with services and jobs faring the hard times better. 29% felt the government's recession action plan had not helped the sector at all, and 65% said it had not helped their own organisation.

Compared with the last State of the Sector survey in May 2007, there has been a marked change for the worse in respondents' perceptions of the relationship between their organisations and their stakeholders. The worst decline was in the relationship with trustees: only 25% thought their organisation worked extremely well with trustees, down from 33% in 2007.

More lottery or government funding is top of the wish list for small charities.

<http://www.thirdsector.co.uk/BigIssues/Details/78631/state-sector-survey-results/>

Public Funding Cuts in the Third Sector: Scale and Implications

This is a new publication from the Charity Finance Directors Group. It says that any reduction in public sector financing, (likely to be substantial) will significantly change the context for charities. Whilst some working in areas that remain a priority for government, such as getting people into work, skills, tackling family breakdown or substance misuse – and on the face of it health/social care - may benefit, others will feel left out in the cold. It recommends planning for cash flow problems!

It also points out that both main political parties are keen, if not on consortia, at least on greater collaboration or possibly mergers. Commissioners are more likely to look for 'partnerships' too, to squeeze out overcapacity or duplication of effort. Those who fare best will be those able to find more efficient and flexible ways of working, and who can show themselves to be part of the solution.

http://www.cfdg.org.uk/docs/publications/shareddoc/public_funding_cuts_to_the_third_sector_0910CHSH0002.pdf

After the downturn – managing a significant and sustained adjustment in public sector funding

This is a joint paper from CIPFA (Chartered Institute of Public Finance & Accountancy) and Solace (Society of Local Authority Chief Executives); it discusses possible scenarios following the general election during the next 3-year spending round. Scenario A envisages 7.5% cut in current public spending 2011-14, with the likelihood of similar cuts in 2014-17. Scenario B considers a 15% cut in 2011-14, but maybe less severe cuts in the next 3 years.

These are headline cuts before any politicians – national or local – put down markers about protected services, which would obviously mean deeper cuts for other services. Without getting into the nitty-gritty of the two scenarios, there are some interesting headline messages.

- Both scenarios involve sustained cuts on an unprecedented scale
- The challenge facing public bodies is a 'marathon rather than a sprint'
- Whole system efficiency is now essential, ie across government and public services
- People may have to get used to receiving less from local public services
- It is critically important that public bodies do not solve today's problems by passing heavy costs to future generations

http://www.cipfa.org.uk/pt/cipfasolace/download/After_the_Downturn.pdf

Policy through procurement action plan

There is an increasing desire to see public sector spend being used to deliver wider policy objectives - known as "Policy through Procurement" or PtP. There are a number of agendas that public procurement is expected to deliver, including environmental issues, removing barriers to SME (small & medium sized enterprises, including third sector organisations) participation in public procurement, fostering innovation and promoting equality of opportunity.

This latest plan shows how procurement will be used to pursue economic growth through the three specific agendas of:

- supporting small and medium-sized enterprises

The plan includes online training aimed at increasing understanding of the public procurement process on Learn Direct. There is a course online called Winning the contract (small charge) but a relaunch should see this become a free service in January 2010. Other measures include looking into the feasibility of publishing forward programmes of likely SME-friendly opportunities. A new online portal is to be set up, advertising all government contracts worth more than £20k, due to go live in 2010/11. Prime contractors will be encouraged to advertise subcontracting opportunities on the same website.

- encouraging apprenticeships, training and youth employment

There is a cross-government ambition to get 20,000 apprenticeships over the next three years by encouraging suppliers to invest in the skills of their workforce and take on apprentices.

- reducing carbon emissions

Later this year the Office of Government Commerce will consult on applying the PtP action plan to the wider public sector beyond central government.

http://www.ogc.gov.uk/policy_and_standards_framework_policy_through_procurement.asp

Collaboration plans

- **TAP**

A group of north of England "middle-tier" charities are reported to be planning a formal collaboration in order to reduce duplication of provision and increase their commercial influence. The initiative aims to see a range of disability charities in the region sharing corporate services such as marketing, HR and contract management, whilst retaining their independence.

<http://www.hrmedia.org.uk/news/2009/dec/sir-norman-sets-out-charity-vision>

- **Consortico Ltd**

This operates from the Bedford area. The consortium, set up by 9 charities, was launched last August and has the powers to operate across the country. It says the consortium approach is more able to respond to the more holistic and complex public service contracts offered by government sector commissioners. They have now been awarded a loan and grant from Futurebuilders. <http://www.consortico.com/index.html>

Student Community Action Programme

V charity is currently recruiting a national team lead for this programme, bringing a step closer Gordon Brown's vision for all 14-16 year olds to complete 50 hours of community service by the age of 19. It will be linked to the citizenship curriculum. The programme is supported by the Dept for Children, Schools & Families. It is reported that in the schools that choose to implement the programme, it will be compulsory for students to take part in the community work. The scheme could involve pupils working for charities, but that students would also be able to set up their own community projects.

Social Enterprise Business Support Improvement: Evaluation baseline report

This interim research report provides a picture of how social enterprises rate the business support they receive across each of the English regions. Early indications from the Business Link Customer Satisfaction survey suggest that 6% of BL customers are social enterprises; most are satisfied with the service and would recommend it to someone else. However, emerging issues from the evaluation include:

- social enterprise business support is improving but this varies in each region
- social enterprises' business support needs are broadly similar to those of mainstream businesses but the nature of the business model means it will always need specialist support component
- social enterprises value peer-to-peer support, mentoring and networking opportunities as part of their development

The evaluation will be completed with the end of the project in March 2011. More information at

http://www.cabinetoffice.gov.uk/third_sector/news/news_stories/social_enterprise_business_support_baseline_report.aspx

John Denham appoints new faith advisers

To encourage a deeper and broader relationship between government and faith communities, Communities Secretary John Denham has announced the appointment of 13 new faith advisers who will act as a 'sounding board' to advise on effective engagement with faith communities, and the impact of Communities and Local Government policy on faith communities. The 13 new advisers come from a range of backgrounds and faith perspectives and include serving Bishops, academics and local activists.

Tackling race equality

This 'statement' sets out Communities and Local Government's strategy for tackling race inequalities and how it fits in with the wider agendas on equalities and fairness. It is prefaced with a message previously given by John Denham, namely that although we have to tackle all forms of prejudice, discrimination and equality, fairness is the name of the game – "No favours. No privileges. No special interest groups. Just fairness." The statement has three elements:

- enforcing the strong legal framework – looks ahead to the new Equality Bill
- ensuring that work on race equality is an important feature of every government department and that all public services continue to play their part in tackling race inequalities
- targeted work to address support particular groups to overcome specific challenges, where needed.

<http://www.communities.gov.uk/publications/communities/tacklingraceinequalitystatement>

Commission on Ownership

Tessa Jowell has called for more community ownership of public services – greater use of mutual organisations. An independent Commission on Ownership, chaired by economist Will Hutton and funded by Co-operative Financial Services, will look into creating a level playing field for mutuals to run public services and extending the right to ownership for communities.

The Commission on Ownership will be run by the Oxford Centre for Mutual and Employee-owned Business at Kellogg College, Oxford University. It starts work in February and is due to publish a final report in 18 months.

Developing a business case for health improvement

The IDeA through the Healthy Communities programme plans to support the public sector to understand where efficiency savings can be achieved and how to realise them, focusing on the financial impact of health improvement activity - prevention rather than 'cure'. It has looked at the evidence and research, and is now asking local authorities and partnerships to work with them to trial this theory in practice.

Going for Growth

This strategy document from the Dept for Business, Innovation & Skills sets out government plans for sustaining recovery and achieving tomorrow's prosperity. Key areas include:

- supporting enterprise and entrepreneurial activity
- fostering knowledge creation and its innovative application
- helping people develop the skills and capabilities to reach their personal and economic potential
- investing in the infrastructure required to support a low carbon economy
- ensuring open and competitive markets
- building on strengths in sectors where we have expertise and where there can be growth

It picks up the theme that the provision of skills training needs to reflect the demand of sectors where there is the potential for growth.

<http://www.bis.gov.uk/growth/going-for-growth>

The end of cheques?

People are getting hot under the collar over the promised future demise of cheques. It is said that grant-making charities will face increased costs and administration because of the decision by the Payments Council to phase out cheques by the end of 2018. Charities that receive their donations by cheque are also worried that people just won't bother.

Jenny Willott, Liberal Democrat spokeswoman for the third sector, has asked the Payments Council to rethink its plans to scrap cheques because of the problems this would cause for charities. She is one of 113 MPs to have signed an early day motion that "urges the banks to reconsider their proposals to abolish the cheque".

Responding to a question from Jenny Willott, the Treasury has said government believes it is imperative that adequate alternatives are in place before any closures of the current system, and that the Payments Council will seek to undertake further analysis with regards to the effects of closing the cheque system on all users such as the third sector, the elderly and small businesses.

Local Spending Reports (LSRs)

Introduced under the Sustainable Communities Act (see

<http://www.action.hants.org.uk/index.php?id=281>), the government has set out its broader

aims for the future of LSRs. The aim of LSRs is to provide information about how public money is spent on all local services in any one area, enabling the public to see what is going on and hold providers to account.

Not much interest was shown in the first LSRs (published in 2009), although this could change with improved accessibility. More detailed information will be more expensive to collect, so although they want to expand the information provided, it needs to be of high quality, clearly presented, useful and relevant, but balanced with value for money. More local information might be better investigated at a more local level, eg if people want to know about expenditure flowing into neighbourhoods or wards.

The 2nd LSRs will be published in summer 2010 covering 2007/08 alongside data for 2008/09 where available. At local authority level they will include (subject to consultation) additional information such as expenditure by the Homes & Communities Agency, grants by the Arts Council, grants from the Home Office to DAATs, and grants from the Ministry of Justice to YOTs. At a regional level there will be information on expenditure by a number of non-departmental public bodies such as English Heritage, RDAs, Highways Agency, LSC, Energy Savings Trust, Jobcentre Plus to name a few. The LSRs will provide links to sources and bodies to which they refer.

Development of these Reports dovetails with *Putting the Frontline First: Smarter Government* published shortly before Christmas. This made commitments to make data and public information more transparent and available. Prof Shadbolt from the University of Southampton is heading up a panel of experts to oversee the release of local public data.

Looking ahead government intends LSRs to be web-based and open to all, more user-friendly, allowing comparison and interrogation. Anyone interested in this sort of thing might like to take a look at www.openlylocal.com or www.wheredoesmymoneygo.org

CAH EVENT

Now get out of this! Friday, 29 January

Keynote Speaker: Andrew Robinson

The words '**three-eleven**' are casting a shadow. They refer to 31 March 2011, when the next three year government spending round kicks in. Government, at all levels, is making plans now for cuts in public spending. What can you do to plan for change in your own organisation? "**Now get out of this**" aims to give you the practical tools to look at future options, allowing you to plot, rather than get blown off, your course.

Time is running out - if you are planning to attend please book this week

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