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VOLUNTARY ORGANISATIONS are

PIVOTAL

TO SUFFOLK

SPECIAL EDITION

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FAST >> FORWARD

- **Suffolk County Council Budget Briefing**
Page 2
- **The implications of local government reform for the VCS**
Page 4
- **Challenges for the VCS**
Page 5
- **Compact in Suffolk**
Page 8
- **Charities Act 2006**
Page 9

Compact
working together better together

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ISSUE 18

Welcome...

... to a special edition of PIVOTAL, which gives an update on Suffolk County Council's budget setting for 2007/08. This issue concentrates on Adult and Community Services, which held a briefing last week and details the likely impacts on the voluntary and community sector.

PIVOTAL also takes a detailed look at the new White Paper: *Strong and Prosperous Communities* and the implications this has for the voluntary and community sector and how we work with public sector agencies.

This Special Edition also includes a brief description of the Charities Act 2006, which received Royal Assent on the 8th November 2006.

A further reminder that the Compact in Suffolk is now live and organisations are being asked to sign up to it. All the details can be found on our website:

www.savo.co.uk

Laura Hack, Editor

Suffolk County Council Budget Briefing

SAVO recently attended Suffolk County Council's Adult and Community Services (ACS) budget briefing led by Graham Gatehouse. This was aimed specifically at the voluntary sector, though the same discussions are being held with other service providers.

The picture painted was fairly bleak with the need to freeze funds, increase efficiency and make savings.

ACS realise that non-payment of inflation for services is not feasible for another year. They have stated that inflation will be paid to service providers in 2007/08, though the rate has yet to be set. All cost increases for inflation, demography and demand must be matched by equivalent efficiently savings or other budget savings. This means that though inflation will be paid for services bought, purchasing from other services will need to be cut to achieve this.

All the directorates in SCC have to make minimum efficiency savings of:

- workforce	2%
- goods and services	2.5%
- income	1% (extra over inflation)

ACS's strategic objectives and aims over the medium term are set out in a 76 page document called, 'A Better Way of Suffolk,'

<http://www.suffolk.gov.uk/CouncilAndDemocracy/SuffolkCountyCouncilPlansAndPolicies/A+Better+Way+for+Suffolk.htm>

ACS recognises that not everything can be a priority in the short term in this financial climate. They have therefore agreed a set of priorities to work to:

- Supporting vulnerable people (including the elderly, children in need, those with learning difficulties and respite care)
- Income generation through fairer charging
- Waste management
- Safety
- Planning for the future; and
- Caring for the council tax payer

A saving of **£21,835,000** must be made to stand still. As ACS accounts for half of Suffolk County Council's budget, much of the savings are to come from the ACS portfolio; **£12,200,000**. Children, Schools and Young People's Services (CYP) must make a saving of **£4,403,000** and Roads & Transport **£3,503,000**.

Suffolk County Council Budget Briefing

ACS's long term strategy is to become a commissioner of services, rather than a provider. This is in tune with the Government's goals for local councils.

In 18 months, ACS envisages that they will provide very few services themselves. This will mean that the current staffing levels of over 3000 staff in ACS would drop to fewer than 200. Compulsory redundancies will be avoided. However, they have stated that they are committed to ensuring the same or better quality standards of service provision.

ACS's approach to making these savings include:

- The Investment and Service Review
- Service eligibility issues (it has been stated that people will need to be of substantial or critical need for meeting the criteria for services.)
- Service and organisational change to create efficiencies
- Review of changing policies
- Strict vacancy targets

A timetable for the budget setting is given, with the presentation of the budget to Cabinet on the 6th February 2007 and Council agreement on the 22nd February 2007.

ACS are committed to ensuring that the voluntary sector has a voice in influencing budget settings.

What does this mean for the VCS?

ACS have set out their proposed budget savings in Annex 1 document for the Adult and Community Services Scrutiny Committee, which takes place on the 16th November. This can be found at:

http://apps2.suffolk.gov.uk/cgi-bin/committee_xml.cgi?p=doc&id=1_8788&format=xls

The whole paperwork for this meeting can be found at:

http://apps2.suffolk.gov.uk/cgi-bin/committee_xml.cgi?p=detail&id=1_8779

The Scrutiny Committee for CYP took place on the 7th November and paperwork for this meeting can be found here:

http://apps2.suffolk.gov.uk/cgi-bin/committee_xml.cgi?p=detail&id=1_8789

Annex 1 for ACS sets out a number of proposals, of which over half have a direct consequence on the voluntary and community sector.

Graham Gatehouse is keen to know of cases where the budget cuts this financial year have negatively impacted on service users. Contact:

graham.gatehouse@socserv.suffolkcc.gov.uk and copy your response to laura.hack@savo.co.uk

The implications of local government reform for the VCS

Strong and Prosperous Communities - The Local Government White Paper. was published on the 26 October 2006,

The White Paper is on the side of individuals and families who want to make a difference, both to their own lives and to the communities in which they live. The vision is of revitalised local authorities, working with their partners, to reshape public services around the citizens and communities that use them. This means changing the way that local government works to give citizens and communities a bigger say; to enable local partners to respond more flexibly to local needs; to reduce the amount of top-down control from central government - and to enable citizens and communities to play their part.

The White Paper can be downloaded from this link:

<http://www.communities.gov.uk/index.asp?id=1503999>

NCVO (National Council of Voluntary Organisations) has welcomed the Local Government White Paper, and its proposals to devolve power to local communities, which it claims represents an important step towards 'bottom up' policy making.

NCVO has welcomed the White Paper's reference to the Compact. It believes that Local Compacts, in particular, have the potential to be an invaluable tool in building and sustaining the relationship between local authorities and the voluntary and community sector.

NCVO's publication on the transformation of local government *How voluntary and community organisations can help transform the local relationship* is available at www.ncvo-vol.org.uk/transform.

The National Council for Voluntary Organisations (NCVO) held a Third Sector Foresight Seminar on the 6th September, to which Suffolk representatives attended. A seminar report was produced, which sets out a number of questions and discussion points for the implications of the VCS in the White Paper.

This report can be downloaded here: <http://www.ncvo-vol.org.uk/3sf/events/?id=3499>

The following pages set out some of the challenges for the VCS from the White Paper that NCVO forsee.

Challenges for the Voluntary and Community Sector #1

Lyons' challenges for local government:

- Step up to the place-shaping role
- Develop its ability to convene other agencies
- Engage better with citizens, business and the VCS
- Consider its style and behaviour
- Take ownership of local choices and manage expectations
- Become champions of efficiency and value for money

Challenges for the VCS

Providing voice

The sector's role in this is to make sure that when local government is managing competing pressures and conflicts, the full range of voices are being heard. It is not our role to try and balance these pressures and conflicts or to make the decisions. It is our role to make sure that all of the arguments are put forward, that the people who might not otherwise get their voices heard are taken into account and that it's not the single loudest voice, the majority interest, or the most powerful voices alone that influence decisions.

Achieving a better dialogue

If we are to have greater local flexibility then local government and the VCS will need to achieve a new, better dialogue. This will, in part, need to be about the ways in which services are provided. If we expand the job we ask local government to do then this should broker a future where there is more debate about how some of the current jobs are done. This includes debate about the contribution of the VCS to place shaping and the potential of co-production as one of the ways of managing competing pressures in future.

Of course new dialogue between local government, the VCS and the wider community needs to be a two way interaction where there is genuine opportunity for influence. This is particularly important if we are talking about involving people more in their local services, co-production and so forth. There will be conflicts of interest and we need to see these as potential drivers for progress. Engaging people who have conflicting interests is one of the things that the VCS does well. It is the *raison d'être* for many VCOs which have evolved out of these conflicts to represent vulnerable groups or people who do not conform to the consensus. These people also need to be given a voice and this is where the VCS can play an important role.

Challenges for the Voluntary and Community Sector #2

Place shaping - Place shaping is absolutely part of what the VCS does. It is very often the community groups, the VCOs that people work with and through, that make them feel part of a place and which gives them a sense of identity and community. Lunch clubs, sports clubs, arts group are all things which give people a sense of identity and belonging. Place-shaping undoubtedly needs to balance communities that are geographically defined with communities of interest as well. This is a real challenge for local government. There is a very great tendency to focus on geographical boundaries which are administratively useful and which make sense to local government. But, the vast majority of people could not tell you where their ward boundaries are. Local government will need to work smarter with boundaries that people understand and which make sense to local communities.

Service delivery - The role of the VCS is to deliver services where this fits with our objectives and where we can add something extra. Not many in the VCS want to see wholesale transfer of services into the sector. What we do want is better services for the people we work with. Often the best way we can achieve that is by being allowed into the debate at the early stages to try and identify the problem, work out what the solution is and then maybe bid for the contract to deliver it, or maybe not. There are clear limits – 38% of the sector's income comes

from government but this is only 2% of full Government expenditure. But more fundamentally this is about what we are here to deliver, and the answer will be different for each organisation. It is a strategic choice about meeting our mission.

Efficiency and procurement - The Gershon review clearly stated that efficiency measures could be about improved service delivery as well as reduced cost. However, research in local government identifies that procurement officers have focused very much on efficiency savings and the room given to improvement of services has been limited. There are many examples where the VCS has been delivering effective services but where the drive for efficiency has led to a dash to block procurement which can destroy years of VCS development and the relationships which have built up between organisations and local communities. Local opportunities and innovation have been overridden in the search for something which looks more systematic.

In future it will be important to build the skills of local government procurement offices so that they have greater knowledge and understanding of the VCS and so that the VCS can have an earlier engagement in these processes.

Challenges for the Voluntary and Community Sector #3

Identifying opportunities - There is also work for the sector to do in identifying opportunities for partnerships and alliances, within and beyond the sector, which will enable them to contribute to service delivery in ways that are proportionate to their size and appropriate to their mission. There are now contracts which insist that whoever takes them on must have some local impact (ie. that the contractor must operate in the local economy and have a link with the local community). VCOs have to acknowledge that they are working in a much more plural world and need to be much cannier about how, and with whom, they might work to see their objectives met. This may include large and small organisations working better together

Co-production - The VCS has a role to play as co-producers and as brokers for co-production by individuals and communities. There is great potential for this to be a part of the next phase in the relationship between the state and civil society. However, if co-production is to be fair and effective it will require meaningful involvement of individuals and communities from the outset, not just in the delivery but also in the design of models for co-production. This is not just about achieving better value for the public pound but needs, very much, to be about bringing back or enhancing active communities.

Making a stronger case - Sometimes we need to make our case more strongly. We are not always very good at going out and explaining what we do and why we should be there. We need to get better at articulating what we can bring to the table. This includes demonstrating the distinctive value of the sector. What is it that's different about us? Why should people want to work with us? If you are a busy director of social services trying to pull a partnership together and someone can actually tell you what it is they bring, they are going to have a lot more pulling power than someone who says 'I ought to be there because I'm good' or because 'central government requires it'.

We need to be much better at communicating what we can bring. We also need to be better at promoting the positives, about ourselves, but also about where relationships work. It can be very easy to just focus on the negative but we tend to work much better when we focus on the positive. Highlighting good examples from other areas can be useful. What the VCS do very well in their annual reports is show the things that they do, what they achieve, people's experiences and how they have helped to improve this. It would be good to find a ways to get these stories across earlier in the debate and where they can have most influence.

Challenges for the voluntary and community sector #4

Learning to say no - At the end of the day we also need to be willing to say no. We're not very good at saying no to statutory bodies, we're not very good at saying 'you may want to do that but it's not of interest to us, it doesn't serve a purpose for us and we're not going to do it'. We have got into a situation where our public sector partners, as funders, often have the power and we feel we have to do what they want. We have to be clearer about what we will and won't do.



Ensure that your organisation is ready for working with the public sector. Sign up to the Compact in Suffolk now.

In a nutshell, the Compact is a tool for improving relationships between public sector agencies and the voluntary and community sector in Suffolk for mutual advantage.

Its purpose is to provide a framework for good and productive relationships between the VCS and public sector agencies and promote a better understanding of how each sector works.

It is underpinned by 5 Codes of Good Practice that aid in the implementation of the Compact, giving guidelines for both sectors to work to. In essence, it is a common sense toolkit.

Find out more at www.savvo.co.uk

NCVO's vision of good local government:

Leadership and partnership – the correct role of local government is to provide local leadership but they can't do it alone. Local government needs to work in partnership and bring people together to work out the answers.

Community engagement, development and ownership – local government needs to be part of the community, develop communities and create ownership within the community of the things that are happening at a local level.

Public Services – sometimes local government needs to deliver local services, sometimes it needs to ensure that a wide range of services are available to local communities by providing an enabling environment.

Funding – local government needs to work out what people want to fund, balance competing priorities and fund different services in the most appropriate way

Accountability – local government needs to be accountable to the communities they represent.

The Charities Act 2006

The Charities Act 2006 became law on 8th November. It's a major piece of charity legislation, reflecting both the changes in society and the charity sector over the last decade.

Essentially, it will set charities free from some of the previous bureaucracy, enabling them to adapt to new needs in society and new and effective ways of working. There are many opportunities on offer for charities that want to grow and develop in different ways.

The Act underlines the requirement that all charities must exist for the public benefit, and the Commission has a new objective to promote understanding and awareness of this public benefit requirement.

For would-be registered charities the new income level for registration will be £5,000. Previously, small charities which had an annual income of £1000 or less didn't have to register unless they had a permanent endowment or the use, or occupation, of land.

The Act gets rid of this permanent endowment or land requirement and raises the income threshold to £5,000. Put simply; if an organisation is charitable and has an annual income of £5,000 or above it must be registered.

In due course charities under this threshold will be able to register voluntarily if they want to when this part of the Act comes into force. Existing charities under this threshold will be able to ask to be removed from the register, but they'll still remain charities and have to abide by charity law.

Charities which want a corporate structure currently have to register both as charities and as companies, which means they have to meet the dual regulatory burdens of both the Charity Commission and Companies House. The Act creates a new vehicle for these charities – the Charitable Incorporated Organisation (CIO). A CIO will have the advantages of a corporate structure, such as reduced personal liability for trustees, without the burden of dual regulation.

Creating CIO's will require additional, secondary legislation and the recently formed Office of the Third Sector will start consultations in preparation for this legislation in the New Year.

The Act does not allow trustees to be paid for being trustees. Voluntary trusteeship still remains a key principle of charity.

However, the Act allows trustees to pay an individual trustee for providing an additional service to the charity – if they think it's in the best interest of the charity – without having to come to the Commission for authorisation to do so.

These are just some of the ways in which managing a charity has changed.

The Charities Commission has set out the Act and what it means for Charities in a very comprehensible way:

<http://www.charity-commission.gov.uk/spr/ca2006prov.asp>