

CDF policy update

November 2010 to January 2011

Presented by the Community Development Foundation

In this update

Welcome to CDF's policy update! The policy landscape is changing rapidly, with several new bills, strategies and consultations published in the past few months. This update summarises the key announcements coming out of government that are relevant to community development and the voluntary and community sector (VCS). In particular, it looks at the following bills, papers and strategies:

- The Office for Civil Society (OCS) strategy for *Building a stronger civil society*
- Localism bill
- The *Decentralisation and Localism Bill: an essential guide* from the Department of Communities and Local Government (DCLG)
- OCS' Giving green paper
- OCS' Modernising Commissioning green paper
- Public Services bill
- Local Enterprise Partnerships
- Equality Strategy

Each section gives you a summary of the key aspects of the policy, links to where you can find more information and opportunities for you to get involved.

Introduction to the current policy context

Budget cuts, metaphorical swinging axes and the spectre of substantially reduced government support have dominated the thoughts of many involved in the CD and the VCS over recent months. George Osborne's unprecedented cuts in the [November 2010 budget](#) hit CD funding hard, with DCLG losing 27 percent of its budget and its Communities arm alone slashed by an enormous 51 percent.

OCS managed to escape the cuts largely unscathed, but its relatively tiny budget will only go a small way towards compensating for the reduction in funding elsewhere in government. As a result, many projects and programmes face a deeply uncertain future.

But there has been more to life than cuts over the previous months, with the Big Society agenda also looming large over the VCS. The government's vision of the Big Society is beginning to take shape, with a flurry of bills and policy papers released over recent months. Attracting the most attention is the Localism bill, which has been described by Secretary of State for Communities and Local Government [Eric Pickles](#) as 'the centrepiece of what this government is trying to do to fundamentally shake up the balance of power in this country'. Among the new powers devolved by the bill are rights for community organisations and civil society groups to bid to buy local community assets such as libraries and pubs, and the right to challenge local authorities' monopoly over public service delivery. Where the Localism bill focuses on rights and powers, other government consultations like the Giving and Modernising Commissioning green papers look at how elements of the Big Society can be supported in practice.

Building a stronger civil society

Published by: Office for Civil Society (OCS)

Date: October 2010

Link: <http://www.cabinetoffice.gov.uk/sites/default/files/resources/building-stronger-civil-society.pdf>

OCS' strategy paper was the first time government brought together all the various policy strands aimed at building the Big Society. Its ultimate intention is to 'radically re-cast the relationship between the state and charities, social enterprises and voluntary and community groups' and to provide more opportunities for them to shape and deliver services, ultimately creating the Big Society.

OCS identifies three principal courses of action needed to build the Big Society:

- **empowering communities** by giving local authorities and communities more power to take decisions that affect their neighbourhoods
- **encouraging social action** to make it as easy and as attractive as possible for people to give their time, money, knowledge and skills for the good of society as a whole
- **opening up public service delivery** to enable charities, social enterprises, private companies and employee-owned cooperatives to compete to offer high quality services.



Several government initiatives will help achieve these ends, including plans to start a cooperative mentoring programme, set up the Big Society Bank and Community Match Fund (see Giving green paper section

below), and establish a National Citizen Service for 16-year-olds to try to encourage the spirit of volunteerism in people from an early age. Five thousand community organisers will also be introduced around the country to help communities organise themselves and take action on issues that affect them.

How to get involved

The accompanying consultation, [Supporting a stronger civil society](#), is now closed. OCS aims to publish its findings on how infrastructure bodies and others could support frontline organisations in spring 2011.

The Localism bill

Presented by: Department for Communities and Local Government (DCLG)

Date: December 2010

Link: <http://www.publications.parliament.uk/pa/cm201011/cmbills/126/11126.i-v.html>

CDF's briefing: http://www.cdf.org.uk/c/document_library/get_file?uuid=6d956fd6-0abe-46ce-92a2-0213436dced4&groupId=10128

The Localism bill is a central part of the government's vision for the Big Society. It aims to radically transform the relationships between central government, local government, communities and individuals, and contains a package of reforms intended to devolve more power and freedoms to the local level. The bill creates new rights for local authorities and neighbourhoods, revolutionises the planning system, and gives local people greater control over housing decisions. The bill passed a second reading on 17 January 2011 and is now being examined by a Public Bill Committee, which started its review on 25 January 2011. The key points of interest in the bill are set out below.

Establishing powerful new rights for local people and communities

- **Local referendums:** People, councillors and councils now have the power to instigate a local referendum on any local issue if five percent of the electorate petition the council to do so.
- **Right to challenge:** This will allow VCS organisations, public sector workers and others to make an expression of interest (EOI) in taking over the running of council services, such as children's centres or social care services, which the local authority will have to consider. Councils will have to take account of the social value of an EOI when deciding whether or not to accept it.
- **Right to bid to buy:** Communities will be able to place certain community assets, such as libraries, pubs and post offices, on a 'most wanted' list to be approved by the local authority. If approval is granted, these assets will be put up for sale and communities will be given time to develop a bid and raise the necessary funds to purchase them.
- **Council tax referendums:** If any local authority wants to increase council tax above the rate recommended by the Secretary of State and approved by the House of Commons, it will now have to hold a referendum, forcing the council to make the case for the increase.

Devolving significant new powers to councils

- **General power of competence:** Councils can now do anything except what is prohibited by law, rather than having to wait for statutory powers to be granted to them. Central government hopes that this will allow councils to be more flexible and innovative.
- **Governing structures:** Rather than having to continue using the mayor and cabinet system, councils may now use a committee system instead. Twelve cities will also have the opportunity to directly elect

mayors. A series of referendums scheduled for May 2012 will determine whether or not these areas would like to adopt this new arrangement.

Reforming the planning system

- **Abolishment of the Regional Strategies:** The current administration view these as too centralised and top down.
- **The community infrastructure levy (CIL):** This existing levy allows local authorities to require that developers contribute to the cost of improving infrastructure in the areas they work. The Localism bill will amend this power so that some of the funds generated can be used for maintaining infrastructure in the affected communities as well as building new infrastructure.
- **Neighbourhood development orders (NDOs):** Local planning authorities will make NDOs for projects put forward by parish councils or neighbourhood forums. Where a proposal to develop a building or piece of land gains the support of more than 50 percent of the local electorate in a referendum, the council will be obliged to allow the project. This is known as the **community right to build**.
- **Neighbourhood development plans (NDPs):** These will help facilitate NDOs and will operate alongside existing planning commissions. They will allow communities to permit planning applications without the need for planning permission, though they will exclude certain types of developments such as mining.
- **Duty to consult communities:** Developers will now be obliged to consult communities affected by their work at the planning stage. This is expected to give local people greater influence over planning proposals. Developers will have to provide details of how they complied with this duty, any responses they received and what action they took with regard to those responses.
- **Duty to cooperate:** Local authorities will be required to ensure that they work together as much as possible, particularly in areas connected to sustainable development and use of land.

How to get involved

The Public Bill Committee is currently accepting written evidence from individuals and organisations with relevant expertise and experience. For more information on how to submit evidence, visit the [parliament website](#).

The government will also be consulting interested parties on the secondary legislation and statutory guidance during February 2011. Consultation questions are available now on the [right to challenge](#) (respond to crtchallenge@communities.gsi.gov.uk) and the [right to build](#) (respond to crtbuy@communities.gsi.gov.uk). If you are interested in contributing your thoughts, recommendations or experience to CDF's submission, please contact natalie.williams@cdf.org.uk.

Decentralisation and Localism Bill: an essential guide

Published by: Department for Communities and Local Government (DCLG)

Date: December 2010

Link: <http://www.communities.gov.uk/documents/localgovernment/pdf/1793908.pdf>

In this guide DCLG sets out six practical steps in behaviour, expectation, and culture that government will need to take to meaningfully decentralise power in the UK. These recommendations sit alongside the Localism bill and aim to inspire policymakers to drive the decentralisation agenda further. DCLG will issue a progress report by summer 2011 setting out what each Whitehall department has done to implement each of the following six essential actions.

- **Lift the burden of bureaucracy:** Measures already taken include the abolishment of the Standards Board regime, Regional Strategies, the Audit Commission, Local Area Agreements, Comprehensive Area Assessments and the 'predetermination' rule, which saw councillors accused of bias for acting on certain local issues. DCLG has also started a new initiative where specified civil servants will act as 'bureaucracy busters' for community projects in order to help local people overcome bureaucratic obstacles.
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- **Empower communities to do things their way:** The Localism bill devolves new rights to communities through provisions such as the right to buy and run local assets and neighbourhood plans, which give people greater say in local planning decisions.
 - **Increase control of public finances:** Communities will now have the power to veto council tax increases above a certain threshold, local authorities will be able to give business rate discounts to essentially create mini enterprise zones, and ring-fencing to council funding has been removed. The government has also introduced community budgets to 16 areas (for more information see the Modernising Commissioning green paper section below).
 - **Diversify the supply of public services:** Communities will now have the right to express an interest in taking over certain local services through the right to challenge. This is in addition to the already active free schools policy and is set to be followed by a right to provide that will allow public sector workers to bid to take control of the services they deliver.
 - **Open up government to public scrutiny:** Local councils will now have to publish details of all spending over £500, giving the public a chance to hold them to account for wasteful spending. Central government will also publish information on its spending.
 - **Strengthen accountability to local people:** Elected mayors and local referendums will be introduced, along with elected police and crime commissioners.

How to get involved

DCLG have urged those with interest and expertise on matters raised in the *Decentralisation and Localism Bill*: an essential guide to give their feedback by e-mailing decentralisation@communities.gsi.gov.uk.

Giving green paper

Published by: Office for Civil Society (OCS)

Date: December 2010

Link: <http://www.cabinetoffice.gov.uk/resource-library/giving-green-paper>

CDF's briefing: http://www.cdf.org.uk/c/document_library/get_file?uuid=c2fc3865-6b5c-4729-8f09-7ae2ad2d4b72&groupId=10128

This consultation paper complements the Localism bill. The paper offers numerous ideas and examples from the public and private sectors that could help giving and volunteering become 'social norms' in the UK. Government sees this consultation as an important first step in bringing about the culture change that will see social action and volunteering become part of everyday life, and an integral part of the Big Society. In order to realise such ambitions, the paper identifies several areas that need to change in order for this to come about. These include greater use of technology within the sector, emphasising the reciprocal benefits of volunteering, removing the red tape and bureaucracy that discourage people from giving time and money, and encouraging corporate and philanthropic donations to the voluntary sector. The government has also introduced the following programmes and initiatives to support the VCS and raise the profile of giving and volunteering.

- **Volunteering Match Fund:** This will match private donations to voluntary groups pound-for-pound and will be worth around £10 million per year.
- **Volunteering Infrastructure programme:** Worth £42.5 million over four years, this programme will provide brokerage and support services to volunteers.
- **Other funding streams:** These include the already announced Community First programme, which will be worth £80 million over four years, and the £100 million Transition Fund that is available to the VCS this year and next.
- **Civil servant volunteering:** Civil servants are to be encouraged to donate their time and expertise to their communities as part of a new 'civic service' initiative, while the Department of Health and the Ministry of Justice will set out how they will encourage more volunteering in their services. The National Citizen Service, the volunteer programme for 16-year-olds, is also highlighted in the paper.

How to get involved

The Giving green paper contains specific consultation questions open to any and all interested parties. Responses can be sent to giving@cabinet-office.x.gsi.gov.uk. For a complete list of the consultation questions, see pages 28-29 of the [green paper](#). The deadline to submit a response is 9 March 2011.

Modernising Commissioning green paper

Published by: Office for Civil Society (OCS)

Date: December 2010

Link: <http://www.cabinetoffice.gov.uk/sites/default/files/resources/commissioning-green-paper.pdf>

The Modernising Commissioning green paper builds on previous commitments made by the coalition government to 'support the creation and expansion of mutuals, co-operatives, charities and social enterprises, and enable these groups to have a much greater involvement in the running of public services.' The government wants to shift power away from Westminster to local communities, which they believe will lead to greater quality and efficiency in the delivery of public services. The green paper complements the Localism bill, which contains plans to introduce a right to provide public services for communities and public sector workers and the right to bid to buy community assets. The findings from the consultation will inform the publication of a white paper, due to be released over the coming weeks. Among the measures government is taking to ensure that the commissioning process is as accessible to civil society organisations (CSOs) are:

- award **25 percent of government contracts** to small and medium enterprises (SMEs)
- commission a **Red Tape Task Force** to examine how the bureaucratic burdens on the voluntary sector can be reduced (due to report early this year)
- set up the **Big Society Bank**, which will help fund the activities of community organisations
- create **HealthWatch England**, a new consumer watchdog comprised of local HealthWatch organisations to drive commissioning in the health service by providing feedback on services provided by the NHS and social services
- establish **Local Health and Wellbeing Boards**, which will bring together GP Consortia, local authorities, HealthWatch and VCS organisations to draw on their experience and expertise and capitalise on their access to some of the most excluded people in society
- pilot **community budgets** in 16 areas, which will pool resources from different government departments to tackle problems relating to families with complex needs
- develop a new **Free Schools programme** to empower teachers, civil servants, communities, parents and VCS organisations by giving them the opportunity to set up their own schools outside the Local Education Authority's control
- extend the use of **personal budgets** into areas such as adult social care and special education needs to give people direct control over the money they receive from government.

How to get involved

This consultation is now closed. The findings will inform a white paper to be published in early 2011.

Public Services bill

Presented by: Chris White, MP

Date: June 2010

Link: <http://www.publications.parliament.uk/pa/cm201011/cmbills/006/11006.i-i.html>

Proposed by: Chris White, MP, in June 2010.

This private member's bill aims to strengthen the social enterprise business sector and make 'social values' more relevant and important in the provision of public services. Introduced by Conservative MP Chris White in June 2010, the bill passed a second reading in November 2010 and will be scrutinised by a Public Bill Committee. So far the bill has received broad cross-party support in the House of Commons, which has created optimism among social enterprises and the VCS that the bill will eventually pass into law. Key elements of the bill include:

- a duty on the Secretary of State to publish a **National Social Enterprise Strategy** to encourage engagement with these organisations
- amendments to section four of the Local Government Act 2000 to require local authorities to engage with social enterprises as part of their **Sustainable Community Strategy** proposals and consequently promote the work of the sector
- requirements for councils to give greater consideration to how the **awarding of a public procurement contract** might promote or improve the economic, social and environmental wellbeing of their local area.



How to get involved

The bill passed its second reading in the House of Commons on 19 November 2010. Membership of the Public Bill Committee has yet to be decided. For information on if and when members of the public will be consulted on the bill, visit the [parliament website](#).

Local Enterprise Partnerships

Sanctioned by: Department for Business, Innovation and Skills (BIS)

Date: October 2010

Link: <http://www.bis.gov.uk/policies/regional-economic-development/leps>

The [Local Growth white paper](#) announced Local Enterprise Partnerships (LEPs) – private-public bodies to promote thriving local economies. LEPs replace in part Regional Development Agencies (RDAs), which were recently abolished by the coalition government. So far 27 bodies have been approved across England by the Department for Innovation and Skills (BIS). The LEPs will be led by a representative of the private sector, and are intended to help create an environment where the private sector, including social enterprises, thrive and generate new employment and increased prosperity. The government hopes that LEPs will provide a more nuanced growth strategy for specific localities than what was provided by the now defunct RDAs, with the ultimate goal of rebalancing the economy in favour of the private sector. LEPs will also work with Jobcentre Plus and the new Work Programme to help get the long-term unemployed back into work. LEPs could also become involved in transport, housing and planning decisions, particularly where the private sector is directly affected.

LEPs will have no statutory powers or funding from central government to cover the costs of setting up or running the new organisations. However, they will be able to apply for a new capacity fund of £4 million over four years (around £100,000 per LEP) for analytical work to assess the state of local economies. They will also be able to bid for central government contracts, including a share of the new £1.4 billion Regional Growth Fund, though they will have to compete on an equal footing with other private sector and public-private partnerships.

Although the government does include social enterprises within its definition of the private sector, evidence suggests that they have been largely excluded from the first 27 LEPs. Stephen Bubb, the chief executive of the Association of Chief Executives of Voluntary Organisations, claimed recently that 70 percent of LEPs had no plans to appoint representatives of the voluntary sector or social enterprises to their boards. Although the government may support the idea of LEPs representing social enterprises, they have not explicitly imposed any requirements on these new bodies as their overall approach is not to micro-manage local affairs.



Equality Strategy

Published by: Government Equalities Office (GEO)

Date: November 2010

Link:

<http://www.equalities.gov.uk/default.aspx?page=1745>

The Equality Strategy 'is built on two principles...equal treatment and equal opportunity' and provides a strategic framework outlining the government's approach to equalities.

The government will implement most of the previous administration's 2010 Equality Act, though some parts of it have been scrapped, including the socio-economic duty. In line with the coalition's overall approach, emphasis will be on 'light touch' regulations and working closely with communities, employers, employees and others to try to address

equalities issues. Policies will include recognising employers for good and bad equalities practices, and giving career advice to women and ethnic minorities to avoid 'occupational segregation.' The strategy also signals the government's desire to move away from targeting support to particular groups and instead stresses the need to recognise that 'we are a nation of 62 million individuals' and that government has a duty to strive to improve everyone's life chances. Part of the government's strategy is to open up the delivery and commissioning of public services to individuals, communities and civil society groups, which it believes will empower them and help improve participation in public life for all. For more details on this, see the section on the Localism bill. Highlights of the Equality

Strategy include:

- the **Equality Duty**, which will require all public bodies to have due regard to the need to foster good relations between different groups and will replace targets and quotas set by the previous government
- a **ministerial working group** that will look at improving the educational achievements of Gypsy, Roma and Traveller communities
- working closely with schools to tackle the **high rates of exclusion** experienced by Afro-Caribbean boys
- an **Early Intervention Grant** and a new £150 million **National Scholarship fund** to support students from disadvantaged backgrounds
- an **independent review into poverty and life chances**, led by former Labour minister Frank Field
- an **independent review of social mobility** led by former Labour minister Alan Milburn, aiming to publish its report in February 2011
- a **commitment to ending child poverty by 2020** as set out in the previous administration's Child Poverty Act 2010
- **tackling hate crime** by continuing to work with the Independent Advisory Group on Hate Crime, as well as other equalities advisory groups, such as the Ethnic Minority Advisory Group.

For more information

If you would like to find out more about CDF's policy work, contact Natalie Williams, Policy Manager, at natalie.williams@cdf.org.uk.



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