

The Localism Bill

Best value: new draft statutory guidance

Joint response from NAVCA, ACEVO and NCVO

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Robert Beard
Policy Officer, NAVCA
Email: robert.beard@navca.org.uk
Phone: 0114 289 3984



NAVCA is the national voice of local support and development organisations in England. We champion and strengthen voluntary and community action by supporting our members in their work with over 160,000 local charities and community groups. NAVCA believes that voluntary and community action is vital for vibrant and caring communities. We provide our members with networking opportunities, specialist advice, support, policy information and training. NAVCA is a vital bridge between local groups and national government. Our specialist teams take a lead on the issues that matter most to local support and development organisations. We influence national and local government policy to strengthen local voluntary and community action. For more details about the full range of ways that NAVCA can help you please go to www.navca.org.uk or call us on 0114 278 6636.

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ACEVO is the Association of Chief Executives of Voluntary Organisations and we are the leading voice for chief executives in the third sector. With over 2,000 members nationwide, we support, develop, connect and represent third sector leaders. We offer a variety of services to our members including: access to a wide range of professional publications, free helplines covering areas such as HR, fundraising and accountancy, discounted special services from management consultancy services to private medical insurance and discounted or free membership to the IoD, RSA and Commonwealth Club. In addition, we give our members access to ACEVO events, conferences and publications that are either free or discounted.



The National Council for Voluntary Organisations (NCVO) is the largest general membership body for voluntary and community organisations (VCOs) in England. Established in 1919, NCVO represents over 8400 organisations, from large 'household name' charities to small groups involved in all areas of voluntary and community action at a local level. NCVO champions voluntary action. Our vision is of a society in which people are inspired to make a positive difference within their communities. A vibrant voluntary and community sector (VCS) deserves a strong voice and the best support. NCVO works to provide that voice and support.

1. Introduction

- 1.1 NAVCA, ACEVO and NCVO welcome the intention of the government “to deliver on its commitment to localism, growth and the Big Society”. We strongly support the Government’s intention to introduce statutory guidance to prevent disproportionate cuts to the voluntary and community sector (VCS), which result in the loss of important services to communities and poorer value for money for taxpayers. We believe that the draft guidance, clarified in accordance with our suggestions below, can avert such cuts without imposing unreasonable burdens on best value local authorities.
- 1.2 We particularly welcome the draft document’s aim “to be more explicit about the scope for authorities to consider social value in their functions”, rather than confining ‘best value’ to a narrow definition based on maximising financial return or savings.
- 1.3 We recognise that Local Strategic Partnerships have either evolved into or been replaced by ‘executive boards’ in most local areas, and that therefore much of the language of the statutory guidance *Creating Strong, Safe and Prosperous Communities* is no longer relevant. There is widespread concern among our memberships, however, concerning the government’s plans to repeal, without substituting equivalent updated instruments, the statutory requirement for the voluntary and community sector to be represented in local decision making structures¹. We fear that this will lead to a serious loss of local intelligence, experience and expertise at precisely the strategic level where these are most urgently needed.
- 1.4 We welcome the opportunity offered by the draft guidance for the Department for Communities and Local Government to strengthen the role of local Compacts.
- 1.5 Our members also report serious concern at the government’s intention to repeal the statutory Duty to Involve², in favour of a weaker intention “to encourage authorities and civil society to collaborate more”.
- 1.6 In general, from the language used in the draft statutory guidance, it is unclear where its requirements might be enforced or where failure to deliver on requirements might be open to challenge under public law. These points need to be made explicit.

2. Social value

- 2.1 We welcomes the requirement in this draft statutory guidance for authorities to “consider overall value, including environmental and social value, when renewing service provision.” We infer by this, in accordance with the Compact and with public law principles, that

¹ *Creating Strong, Safe and Prosperous Communities*, 2.7 iv

² National Health Service Act 2006, section 242; Local Government and Public Involvement in Health Act 2007; Local Democracy, Economic Development and Construction Act 2009

authorities must give notice should they decide **not** to consider environmental and social value when renewing service provision, and that authorities failing to do so may be required to make their reasons public.

2.2 'Social value', however, is a hotly debated term, currently lacking a generally accepted definition. While this will continue to be the case for the foreseeable future, the guidance must make very clear what the government means by social value in order to make the reference meaningful. We believe that any such definition should include

- enhancing citizens' capacity to participate in civic life; this would be consistent with the government's broader policies around promoting independent living for people with disabilities
- promoting equality of opportunity and eliminating discrimination, consistent with the Equality Act 2010.

Examples of public bodies taking social value into account would help to elucidate the term.

Defining 'social value'

2.3 The Social Value Commissioning Project conducted by North West NHS defines 'social value' as "[the] additional benefit to the community from a commissioning/procurement process over and above the direct purchasing of goods, services and outcomes."³

2.4 The Demos publication *Measuring Social Value* says that "'social value' refers to wider non-financial impacts of programmes, organisations and interventions, including the wellbeing of individuals and communities, social capital and the environment. These are typically described as 'soft' outcomes, mainly because they are difficult to quantify and measure."⁴

3. Duty to Consult

3.1 We welcome the proposed statutory requirement for authorities "to consult a wide range of local persons, including local voluntary and community organisations and businesses... at all stages of the commissioning cycle." We should like to see this requirement embedded in all Best Value, from the identification and prioritisation of local needs and the co-design of local services to address them, to the evaluation and review of these services.

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[http://www.northwest.nhs.uk/document_uploads/Social%20Value%20Project/Evaluation%20brochure%20web%20\(2\).pdf](http://www.northwest.nhs.uk/document_uploads/Social%20Value%20Project/Evaluation%20brochure%20web%20(2).pdf)

⁴ http://www.demos.co.uk/files/Measuring_social_value_-_web.pdf?1278410043

- 3.2 We share the concerns of our members, however, that a Duty to Consult the local VCS and communities will prove significantly weaker than the Duty to Involve. The Duty to Involve was the culmination and fulfilment of a long-term rise in providing for greater citizen involvement in local decision making. VCS and community representatives have been able to refer to the Duty to ensure that local authorities consider whether or not it is appropriate to involve them in the exercise of their functions. It has also been valuable for representatives to refer to the Duty in order to request information from their local authority, and to ask to be involved in other ways.
- 3.3 If the Duty to Involve is repealed, the guidance must contain alternative and equally strong provisions to ensure that local authorities harness the local knowledge, expertise and experience of local VCS and community groups for the benefit of their communities, and to guarantee their capacity to influence local decision making. Instituting only token provisions or even ignoring local VCS and community groups must not be an option for local authorities.
- 3.4 We welcome the proposed statutory requirement for “authorities to make provision for the organisation or wider community to put forward options on how to reshape the service or project,” and to make available “all appropriate information.” We believe that the Transparency Code of Practice, when finalised, should include provision for local communities and community groups to decide what information is defined as “appropriate” in this regard.

4. Consideration of public funding cuts

- 4.1 The guidance must make clear that it is designed to prevent disproportionate cuts to the local VCS overall; it is not about funding to individual local VCS organisations.
- 4.2 We welcome the Compact-compliant requirement for authorities to “give at least three months’ notice” of an “intention to reduce or end funding or other support to a voluntary organisation.” We believe that this commitment should be consistent with the national Compact paragraph 4.4, and that the reference “to materially threaten” should be deleted on the grounds that it is ambiguous and open to a wide range of interpretation. Guidance should also be given as to how these requirements may be enforced by the VCS, using public law challenges where necessary.
- 4.3 We urge the government to use the guidance to send a positive message that explicitly promotes the value of sustainable investment in the VCS to strengthening local communities, enable wider engagement in public life and support local action.

Contact details:

Neil Cleeveley
Director of Policy and Communications

NAVCA
The Tower
2 Furnival Square
SHEFFIELD
S1 4QL
T: 0114 289 3954
M: 07502 285 325
E: neil.cleeveley@navca.org.uk
W: www.navca.org.uk

Ralph Michell
Head of Policy

acevo
1 New Oxford Street
London
WC1A 1NU
T: 020 7280 4972
M: 07500 780 989
E: ralph.michell@acevo.org.uk
F: 020 7280 4989
W: www.acevo.org.uk

Daniel Fluskey
Policy Officer

National Council for Voluntary Organisations (NCVO)
Regent's Wharf
8 All Saints Street
London
N1 9RL
T: 020 7520 2460
E: daniel.fluskey@ncvo-vol.org.uk
W: www.ncvo-vol.org.uk