

What is your vision for community anchors? How do you see anchors combating social problems? How will the \$10m for Community Anchors be allocated? How do you see the Working Neighbourhoods Fund in supporting the community anchor programme? In delivering the Community Anchors programme how will CLG make sure that national third sector expertise is in the driving seat?

In the Third Sector Review: *The role of the third sector in social and economic regeneration*, the Office of the Third Sector made a commitment to invest £10m over the next three years in community anchors. The Office of the Third Sector and Communities and Local Government are working together on their contributions to this agenda.

Our shared vision for community anchors, and plans for supporting them, are currently being developed. Broadly, we see community anchors as locally controlled organisations that address their neighbourhood needs in a holistic way. They empower local people by stimulating community-led action. They often draw in resources for smaller community groups and act as a strong advocates for those whose voice is rarely heard.

Comments from the conference on local partnership working on community anchors were welcomed and will be considered while we develop our vision further. Creating an environment in which community enterprise, including community anchors, can thrive and be sustainable is vital to the regeneration, economic development and empowerment of communities.

Communities and Local Government has been consulting with the third sector on what our vision for Community Anchors should be and how any program could be most effectively delivered. The conference on local partnership working was particularly useful for both departments in bringing issues, challenges and ideas on this area to our attention. The departments intend to continue involving the third sector in the design and delivery of their policies.

What enforcement mechanism is available to the third sector to enforce engagement requirements? Given that most third sector organisation have a funding relationship with their local authority and not central government how do you ensure LAs do what you wish? Are you going to ensure delivery of the policies discussed at the local level?

The Local Government and Public Involvement in Health Act 2007 introduced the new duty to involve, which is due to come into effect 1 April 2009. The duty will require authorities to consider, as a matter of course, the possible information provision, consultation and involvement opportunities they need to provide citizens and communities, including third sector organisations, across all authority functions. It will be for authorities to determine when, how and whom should be informed, consulted and involved, but they should aim to involve representatives of local people as much as possible.

There are several mechanisms that will be used to monitor this new duty:

- **risk assessment, audit and inspection** will have greater focus on outcomes for communities, including consideration of how an authority is meeting this duty. This will provide an external challenge to authorities. If they are wanting it may lead to closer inspection.
- **publication of national performance indicators** and public reporting on performance will increase accountability, not only to inspectorates and partners but also local people. The indicator set will include measures of citizen perception concerning their ability to influence decision in their locality. If there is a cause for concern it may lead to further audit or inspection, peer-led or Government Office led support and challenge, or local people raising issues through a community call for action.
- **new Overview and Scrutiny arrangements** will support citizen and community empowerment. If an authority appears to be failing to meet the duty the committee could publicly recommend changes to the way the authority discharges the duty.

Ultimately if the Secretary of State is satisfied that an authority is failing to meet its duty to involve local representatives the Secretary of State's intervention powers under section 15 of the Local Government Act 1999 could apply. However before exercising such powers the Secretary of State would generally expect to work with the authority to give the authority an opportunity to address the issues before taking such action. If, following that opportunity, the Secretary of State was still of the view that the authority was failing to meet its duty she would need to be able to present clear evidence to support that view.

The new Comprehensive Area Assessments (CAAs) will reflect both community engagement and the effectiveness of local partnership working in assessing the prospects for delivery of outcomes in a local area.

What financial penalties are there for local authorities who do not engage?

There are no penalties linked to Area Based Grant (ABG) for authorities who do not sign up to the LAA process because the ABG is a non-ring fenced grant which has no direct link to the LAA process. ABG is going to be paid to authorities from April 2008 which is before any of the LAAs are signed off.

Why is there not an emphasis in the National Indicator 7 on involvement of locally based organisations? Don't the current indicators leave authorities open to deal only with national third sector organisations?

National Indicator 7 (NI 7) will measure the contribution that local government and its partners make to the environment in which independent third sector organisations can operate successfully. Performance against NI 7 will be measured using a specially designed, new perceptions based survey of third sector organisations. The survey will be representative of different types of third sector organisations – large and small, local and national – and the responses of small organisations will count as much as those of larger organisations.

How can OTS / CLG get the message through to other central departments about the transforming effect of NI 6 & 7? LA's / GO's under so much pressure from HO / CSF /etc for their must-have's - space for local innovation risks being lost. Perception measures out of favour.

The National Indicator set is not about Whitehall departments competing to ensure that their Indicators take centre stage. Consistent with national priorities, it is about areas focusing on the priorities that are right for their circumstances. NIs 6 and 7 seek to achieve valuable ends in their own right – active communities with a vibrant, diverse and independent third sector can help communities to be more cohesive and inclusive, and help individuals to have more say over issues that affect them. But good performance against NIs 6 and 7 could also help local statutory agencies to address a wide range of community concerns, from strengthening community cohesion; to increasing environmental sustainability; to tackling many of the causes and consequences of social and economic disadvantage. Third sector organisations can often have links into parts of the community that statutory agencies can struggle to engage with, and may be especially good at providing holistic solutions to complex or deep rooted problems.

NI 6 will be measured through the Place Survey. Although many of the questions in this survey are perception based, the responses that will be used to measure performance against NI 6 are not perception based. A perception measure was chosen to measure NI 7 because it is the direct experience of third sector organisations of the outcome that is most useful for assessing performance.

How representative will the measure of NI7 be?

The survey aims to be as inclusive of third sector organisations as possible, while maintaining the methodological robustness essential to provide a fair appraisal of performance in each area. The survey will be sent to a sample of third sector organisations drawn at random from comprehensive lists of registered charities and a range of other incorporated organisational types including Community Interest Companies (CICs), Companies Limited by Guarantee (CLG) and Industrial and Provident Societies (IPSs). It will also include Housing Associations.

Achieving coverage of the unregistered and unincorporated parts of the sector was a primary consideration for the design of the survey as these organisations can play important roles in many local communities. However, there is currently no way of sampling such organisations in a consistent and comprehensive manner across all local authority areas. Consistency is essential to the integrity of the survey as a whole, allowing meaningful comparisons between areas and over time. We are keen to improve on the current situation and are seeking to broaden the scope of the organisations captured for future waves of the survey (without of course undermining comparisons with the baselines set this year). We want to encourage greater consistency in the way that local lists are compiled, and to bring more organisations within the scope of national lists.

How we engage with the grass roots front line organisations?

In the Local Government White Paper, the government put forward its intention to “*work with national third sector umbrella bodies to establish a standard by which local third sector bodies should organise themselves to be effectively represented on LSPs.*”¹

Communities and Local Government convened a third sector stakeholder group, chaired by Neil Cleevley of NAVCA, to draft a guidance document, facilitated by CLG, aimed at the third sector and other members of Local Strategic Partnerships. A discussion document, entitled Principles of Representation: A framework for effective Third Sector participation on Local Strategic Partnerships (LSPs), was launched in November 2007. The final document, to be released in 2008, should be helpful guidance for local third sector organisations and LSPs in light of the “duty to involve”

The purpose of the principles is to assist third sector bodies in coming together to be the collective voice for the sector in an area which we hope will complement the new local performance framework and LAA statutory guidance in building better partnership working in localities. This would include consideration of the ‘community’ part of the sector which is less formal and may be less able to be involved in decision making structures directly.

How does CLG reconcile its drive on community empowerment through the third sector with the role of parish and town councils? Q. Many of the new ideas sound great, but how will all of this information be effectively communicated at a parish level?

CLG's community empowerment programme, as set out in last October's Action Plan for Community Empowerment, identifies local authorities as key agents for achieving empowerment, and the new statutory Duty to inform, consult and involve local people as a key driver for change. In developing their approach to community engagement and empowerment, however, local authorities will need to work closely both with third sector organisations in their area, and with parish and town councils, which form the most local tier of local government. The role that the parish council sector can play will potentially be enhanced by the reforms that have been introduced by the Local Government and Public Involvement in Health Act 2007, including the extension of the well-being power to eligible parish councils, the provision for parishing in London, and the devolution of responsibility for community governance reviews and the establishment of new parish councils to principal councils.

There is a democratic deficit in the LSP's?

The new local performance framework, with its strengthened commitment to local as well as national priorities, provides a basis to reconnect citizens with government. The empowerment of citizens, through engagement in the design and delivery of services and other activities will provide impetus to improve service quality and citizen satisfaction. The Local Government White Paper: *Strong and Prosperous Communities* stated that to deliver these ambitions “local government will need to work in partnership not only with statutory bodies but also with the third sector.”

Local government has long been involving communities in decisions and services and there is a lot of good practice across the country. A new duty to involve seeks to build on this to ensure people have greater opportunities to have their say. The aspiration for the new duty is to embed a culture of engagement and empowerment. This means that authorities consider, as a matter of course, the possible information provision, consultation and involvement opportunities they need to provide people across all authority functions. Local third sector organisations can facilitate communication, consultation and engagement between local service providers and citizens and provide information to citizens about local decisions, services and performance.

Does the emphasis on Local Authorities to engage local citizens bypass the Third Sector?

No it doesn't, but neither is it entirely dependent on the third sector. We are working, through the Local Government Association and the IDeA, with local authorities to encourage and support improvement in their approach to community engagement. This will help them to prepare for the introduction of the Duty to Involve in April 2009, which will require them to inform, consult and involve local people in relation to their activities and services.

The Guidance to the Act states that there are three possible ways authorities should think about involving the third sector as part of the new Duty to Involve. These are firstly, that third sector organisations might be affected by or interested in a particular authority function; secondly, they might have a role as an advocate for local people; and thirdly, they might be able to provide specialist knowledge that might help the authority in reaching out to particular groups. (reference: Creating Strong & Prosperous Communities: Statutory Guidance, chapter 2, page 26)

Our aim is to build on the good practice that already exists in many areas. This good practice comes in many forms - it could be, for instance, a participatory budgeting exercise carried out by a local authority, or the transfer of local government assets to a community or voluntary sector group so that they can manage it in a way that best serves the local community. Depending on the method of engagement, local authorities work either with local people directly or with or through voluntary and community sector groups and social enterprises, to ensure that people in a locality are able to influence the decisions taken by the local authority and other public bodies.

With the rural mainstreaming agenda for rural communities, what assurance can you give around the development, financial support and targets for rural community anchors?

Any Communities and Local Government or Office of the Third Sector programme on Community Anchors will look at the varying financial and development needs of community anchors. Many factors will need to be considered including the size, current capacity and local benefits of community anchors.

How do you see the Compact supporting the Principles of Representation?

The national Compact contains a large number of undertakings relevant to the Principles of Representation, many of which have been incorporated into local Compacts. As well as

the main Compact, the Community Sector codes and the BME code are also particularly relevant to the Principles of Representation.

The Compact and local compacts can have a valuable role in supporting third sector representation. It can frame the boundaries of the relationships that exist between the sector and local authorities and other statutory agencies and help to set the 'terms of engagement'.

Many report that the *process* of developing local compacts was where the real value lay, providing a framework for dialogue between local authorities and the third sector. The Principles of Representation can support the third sector in its role in any compacts and help the sector organise itself so that it can get the most out of developing local compacts

In the Third Sector Review - *The future role of the third sector in economic and social regeneration*, the Government recognises the value of real partnership working between the public and third sectors, and restates its commitment to the Compact. The report also recommends that the Commission for the Compact give priority to reviewing the Compact. The Commission has welcomed this recommendation, and will, through any review of the Compact aim, among other things, to reaffirm the principles of good partnership working.

Regeneration schemes take years to come to fruition and require a great deal of development work within the community before the brief can be properly developed if they are to be truly inclusive and participatory. This itself takes time and money, yet funding streams rarely provide the funds or timescales to ensure that participation is not tokenistic. How can we ensure accountability and transparency of the participation process in both the submissions and evaluation of schemes to be funded?

The net burden on authorities as a result of the introduction of the duty to involve will be fully funded. However, we believe that in the long run the duty will lead to more economic, efficient and effective functions. This is based on growing evidence, from both the UK and abroad, that citizen engagement is an effective way of driving up performance.

We see authorities and partners working together to meet the duty, collaborating and sharing resources. We believe that this will lead to better outcomes for citizens and more efficient, effective services with less duplication.

Authorities will only be required to engage communities where they consider it appropriate. Thus authorities will not be required to undertake involvement activities that do not represent value for money.

When commissioning work, for example through LAAs, how do you ensure that small local organisations can compete against large national third sector organisations? How will you ensure that commissioning contracts are intelligent and fit for purpose? How will the mismatch between large county-wide or regional contracts and the local area of 3rd sector operations be addressed? How can commissioning be made accessible to the third sector and how can it be joined up

across local authorities and other statutory bodies? Commissioning - Is it just for the Big Boys?

We are keen to ensure that at whatever level commissioning takes place – local, regional or national – third sector organisations, which choose to, can participate in the design and delivery of services. Government departments have been working in a number of ways to look at how they commission and ensure that the strengths of different partners, including those from the third sector, can be fully maximised. For example, NOMS is currently considering responses to its public consultation on their third sector action plan. A number of departments have third sector strategies, which set out their approach, including the Department for Communities and Local Government, the Ministry of Justice and Defra.

The cross-government public services action plan *Partnership in Public Services*, published in December 2006, sets out 18 key actions being taken forward by departments, such as developing template contracts and identifying and reducing any administrative burdens placed on third sector organisations as a result of contracting. We are developing a guide for third sector organisations to developing consortia, to enable them to participate in large-scale contracting, which should be available in summer 2008. The action plan also created some new programmes:

The National Programme for Third Sector Commissioning: aims to build the skills of commissioners in the public sector to better understand the third sector. It is being run by the Improvement and Development Agency on behalf of the Office of the Third Sector. More information here:

www.idea.gov.uk/idk/core/page.do?pagelId=6583598

The Innovation Exchange: aims to foster innovation within the third sector and as part of this, find ways of improving relationships between third sector social innovators, public service commissioners and investors. More information here: www.innovation-exchange.org

Information on what OTS is doing can be accessed here, along with copies of the public services action plan and an update “one year on”, published December 2007:

www.cabinetoffice.gov.uk/third_sector/public_services.aspx

Local government

The new performance framework creates a unique opportunity for providers other than local government (for example, third sector organisations) to deliver services that are needed in a local area. The Local Authority will have a role as commissioner of services, without automatically being the provider of those services. We hope that the new performance framework of local indicators focussing on outcomes, together with the national Public Service Agreement targets (PSAs) will encourage a culture of joint commissioning as public sector commissioners work across boundaries and commission for those outcomes. A number of departments specifically encourage joint commissioning,

for example, through the reducing re-offending pathways set out by NOMS or the 2006 Joint Planning and Commissioning Framework for Children, Young People and Maternity Services from DCSF and Department of Health.

The Comprehensive Area Assessment is concerned with outcomes delivered by councils and their partners. It will judge risks of failing to deliver on the LAA – including commissioning capability. Specifically, the Use of Resources Judgement will look at commissioning practice and use of third sector providers.

Compact

The Compact plays an important role in setting the framework for effective partnership working between the third and public sectors. The new Compact Commissioner, Sir Bert Massie, will be vigorously championing the Compact across the public sector. He will also be reviewing the Compact Code on Funding and Procurement to ensure that it is relevant to today's commissioning landscape.

Why is it that it is no longer a requirement to involve VCS in local strategic partnerships?

There is no longer a requirement for a Statement of Community Involvement, although in many areas the partnership has opted to retain this. However, the role of the third sector in Local Strategic Partnerships is written into the structure of the new performance framework. The Guidance states that 'It is essential that representatives from the local third sector... are represented as part of the formal membership of the LSP and relevant sub-groups'.

The Local Government White Paper: *Strong and Prosperous Communities* stated that to deliver these ambitions "local government will need to work in partnership not only with statutory bodies but also with the third sector."

The new '*duty to involve*' is intended to both build on current best practice and to give local people more opportunities to have their say and get involved in the issues that affect their local area. This means that authorities consider, as a matter of course, the possible information provision, consultation and involvement opportunities they need to provide people across all authority functions. Once the new duty comes into effect (1st April 2009) LAAs need to be developed with the duty in mind, however, good local authorities will have the new duties in mind already. Local third sector organisations can facilitate communication, consultation and engagement between local service providers and citizens and provide information to citizens about local decisions, services and performance.

In addition, Government Offices have been instructed to report on the evidence of LAA engagement with partners, including Third Sector partners, in the GO recommendation to Ministers on whether to sign the agreement (Ops guidance, chapter 4 – timetable and sign-off arrangements).

Budgets run out April and there is a funding gap before June when LAAs are in place.

There will be no funding gap. Authorities will receive their Revenue Support Grant and Area Based Grant, both none-ring-fenced grants, from April 2008. There are no funding streams directly linked to the LAAs, and the majority of their funding will be paid through their Area Based Grant from April 2008.

3 year funding - Why do LAs put such barriers for the 3rd Sector e.g. turnover, credit rating?

Some local authorities already provide 3 year funding and have a very good relationship with their local third sector. Through introducing local reporting regarding the implementation of three year funding, we are hoping to address some of the barriers that remain. We are hoping to work with local authorities to trial a reporting process that is streamlined and does not increase bureaucratic burdens. This information, combined with central government information, will be useful both in terms of working to improve partnership working but also to report in a transparent and open way how government funding is cascaded to the third sector.

With all the funding opportunities across government - how can you ensure that they are joined up constructively and make sense to those third sector organisations who are trying to access them?

Too many funding streams for small 3rd sector orgs to get their heads around?

This is something that we are particularly keen on working on. It is vital that funding opportunities for the sector are communicated clearly. This is why the OTS currently funds the government funding portal (www.governmentfunding.org.uk). A new service will be made available through the OTS in 2009/10, aimed at improving information on grants and other funding opportunities for the sector. The OTS will shortly put the provision of this service out to tender. The aim is to ensure that we provide as comprehensive a source of information as possible.

How does funding and supporting established groups fit with the drive to support innovation and new activity?

The Government has made a commitment to three year funding as the norm rather than the exception because of the stability, certainty and flexibility encouraged by secure funding streams. However, it also recognises that there ought to be room for shorter term funding than three years, to give funders space of innovation and to support new ideas. The length of funding should be tied to the length of the objective - value for money is the overriding principle that dictates whether or not a longer-term funding arrangement is appropriate.

Is the third sector limited to service delivery? What about innovation, strategy development and advocacy?

The third sector is not limited to service delivery and has a wide range of roles, including those mentioned in the question. Indeed this is reflected in the Third Sector Review which had four themes: Enabling Voice & Campaigning, Strengthening Communities, Transforming Public Services, and Encouraging Social Enterprise.

From 2008-11, the Office of the Third Sector will invest over £515m to implement this, £130m in Grassroots Grants, £117m in the youth volunteering charity, v, over £85m in Capacitybuilders for third sector infrastructure development, £65m in Futurebuilders, and £30m in community asset development and £10m in community anchors.

Transforming public services is one of the Government's goals, but this does not mean transfer of services to the sector, nor does it limit the sector to delivering public services. It simply means that there are now greater opportunities for the third sector to be a delivery agent for public services, where the organisation wishes to do so and where this is the best solution for service users.