

Voice4Change England and Urban Forum joint submission to the CLG Committee Inquiry on Localism 2010

1. About Voice4Change England and Urban Forum

1.1 Voice4Change England (V4CE) is a national support organisation for the Black and Minority Ethnic voluntary, community and social enterprise sector (BME VCS). It is the leading voice in the formation of public policy and practice that has a direct effect on the development, delivery and impact of BME voluntary, community organisations and social enterprises (BME VCS organisations). It supports the sector to build its capacity, secure resources and to provide an informed and authentic voice for the BME VCS, at a national, regional and local level, in order to increase its ability to meet the needs of disadvantaged communities. It aims to develop a mutual understanding between the BME VCS and government to ensure policies are responsive to BME communities' needs and aspirations

1.2 Urban Forum is a national membership charity, with a membership of 700 local voluntary and community sector (VCS) organisations. Urban Forum carries out policy development and research to help communities and local VCS organisations to have more of a say in what happens in their local areas.

2. About our response

2.1 Our response focuses on three areas for investigation set out in the terms of reference for the Inquiry – devolution of power, decentralisation of services, and accountability. We have provided a number of recommendations for action for the Government to consider under each area. We also look particularly at the ways in which the BME VCS can be supported and recognised to take forward the government's localism agenda.

2.2 Our response also draws on evidence from consultation exercises V4CE has carried out to inform its response to CLG's consultation on Tackling Race Inequalities and the Office of Civil Society consultation on the

Government Action Plan. In addition we have used findings from V4CE's *Shared vision for the future of the BME VCS* (2010). This included analysis of over 100 online survey responses as well as thirteen in-depth interviews with leaders in the BME VCS.

2.3 Our response also draws on the findings from a number of pieces of research carried out by Urban Forum: *Citizens and Local Decision-making: What drives feelings of influence?* (2010); *Involving Communities. A Legal Duty?* (2010); *Where are the Women in LSPs?* (2008); *BME representation in LSPs* (2006). It also draws on emerging findings from current research on community governance, and improving communication between local councillors and communities. Lastly, it draws on evidence from a series of Big Society briefing events held by Urban Forum around the country.

3. Devolution of power

Devolution to communities

3.1 Devolution of power from central to local government is welcome and overdue. Equally as important is that devolution of power goes further than merely devolving power from Whitehall to the Town Hall.

3.2 As we move into a new era of civic engagement, the central question we need to answer is how we can ensure all communities can hold services and local government to account, and can play an active role in shaping priorities and services in their neighbourhoods. Furthermore, we need to determine how to do this in a way that tackles existing inequality rather than exacerbates it.

3.3 To do this, we need a framework for organisation, resourcing and decision-making at a local level that can support community action in a socially just way. It needs to support the growth of new civil initiatives that promote community resilience as part of our local economies – using ideas such as community co-operatives and community shares. It also needs to enable communities to exert an influence over decision-making through reformed and new forms of local and neighbourhood governance structures. In short, there needs to be a real devolution of power economically and politically to the community, taking a bottom-up approach.

Communities' influence on local politics and economics

3.4 The public's feeling of influence over decisions that affect them locally is low, and is declining¹.

Research carried out by Urban Forum in partnership with the University of Manchester and Ipsos Mori² found that a principal driver of feelings of influence is people believing that they are being consulted, being listened to, and having their views acted upon.

3.5 Conversely, experiences of poor consultation were shown to significantly undermine feelings of influence. Previous efforts to empower and involve communities have been hampered by a managerialist approach, dealing with the question of community empowerment as a performance issue, subject to measurement (National Indicator 4). **For localism to truly devolve power it needs to provide genuinely new opportunities for citizens to influence what happens in their area, and a clear set of rights. Retention of targets and measures relating to the promotion of equality and human rights is essential to target inequality in a local area.**

3.6 Local people are experts in their own neighbourhoods and communities and their own needs. Devolution to the community requires more avenues, and reinvigorating of avenues through which communities can influence local decision-making, both at the neighbourhood and local authority level.

3.7 In some areas, neighbourhood-level engagement is viewed by public bodies as time intensive for little increase in public involvement. However, evidence by organisations such as Action with Communities in Rural England (ACRE) shows us that models of neighbourhood governance that devolve real power, such as neighbourhood councils and community led planning, can generate high levels of participation and renewed local interest in the future of the community. Urban Forum is one of a number of organisations currently looking at how these models can be adapted for urban settings. The project is following the progress of a number of pilots, including in Hereford where plans are being developed at a neighbourhood

¹ Declining from 44% of the population in 2001 to 37% at the end of 2009. (Citizenship Survey)

² *Citizens and local decision-making: What drives feelings of Influence?* (Newton, Pierce, Richardson and Williams, Urban Forum, 2010)

level, and brought together to form a sustainable communities plan for the whole of the local authority area.

3.8 Stronger neighbourhood governance needs to be clearly linked to strategic level decision-making at a local authority level – including Local Strategic Partnerships (LSPs), and Local Economic Partnerships (LEPs) so that strategic decisions are made based on community needs and aspirations. LEPs need to use the Regional Growth Fund to support transformative change, including development of new forms of community based enterprise, not just plug the gap in local authority budgets.

3.9 Some of the commitments in the Liberal Democrats' 2010 manifesto to reform the economy are key ingredients to devolving power to the local level – these include an overhaul of the tax system, allowing for a local income tax and Regional Stock Exchanges, and providing the infrastructure for local economic development. This has the potential to expand and support community ownership of facilities and services. They also make explicit commitment to improving the balance between large and small retailers, and the introduction of local retail development plans to protect the high street.

3.10 The significance and potential of local VCS activity in civil society and the local economy needs to be reflected in governance structures – both as the enablers of social action in economic activity and co-ordinators of it. An increase in self-help activity by citizens and community groups is critical to the building of a Big Society, and specific commitments backed up with resources will be necessary to make this a reality.

Equality of influence and resources?

3.11 In developing improved systems of local governance, we need to learn the lessons from what has occurred before. There is clear evidence that BME communities and women are seriously under-represented on Local Strategic Partnerships (LSPs)³. Lack of representation is particularly acute for minority groups in rural areas and suburbs. **If decision-making is to**

³ *Where are the Women in LSPs?* (Urban Forum, Oxfam, Women's Resource Centre, 2008); *BME representation in LSPs* (BTEG and Urban Forum 2006, for CRE, now EHRC)

be devolved to all communities, the mechanisms by which this happens must be more representative, and more importantly we need to develop and stimulate participation linked to these structures that involve all sections of the community.

3.12 Furthermore, there is some risk that funding communities to organise services themselves – through anticipated proposals for community right to buy and a community right to bid, and new ‘free schools’ - could exacerbate inequality. Those with money, expertise and resources are better equipped to use their assets to organise themselves more effectively than those that do not, and this could lead to a redirecting of public money to affluent areas and away from where they are needed most. On the other hand, initiatives that put power and resources into the hands of deprived or otherwise marginalised communities to organise themselves can be a powerful antidote to disaffection and alienation. **The VCS and the public sector both have key roles to play in providing the support, expertise and resources to bridge this asset gap, to ensure devolution of power is implemented in a socially just way. They can only do this if they are provided with the resources to do so.**

3.13 In terms of setting priorities for local spending and allocation of resources, it is right that there is improved consultation with residents, and referenda could play a role in this. It is essential at the same time to ensure that minority interests – for example people with disabilities, or lesbian and gay residents – are safeguarded. Too often policy-making and priority setting will favour those with the most resources to lobby in their own interests. **VCS organisations (including BME VCS organisations) have an essential role to play in reaching communities who are under-represented in decision-making due to inequality, poverty and social exclusion.** The VCS and the public sector needs to be supported to continue to play a key role in advocating on behalf of marginalised groups, and supporting communities to both have their say, and organise in their own interests.

Recommendations for Devolution of Power

1. Local government and civil society leaders need to work together to develop new forms of local governance at the neighbourhood level, with clear links into wider strategic decision-making bodies.
2. This should include an aspiration for Community Led Planning to become the norm at a neighbourhood level.
3. Thought needs to be given to how increased levels of participation in co-production and social action can address inequality rather than exacerbate it. Both local authorities and the VCS have clear roles to play in this, and consideration needs to be given to what the VCS needs are to enable them to play this role. Recognition of the role BME VCS organisations have to play in advocating for the interests of marginalised communities must be acknowledged and active effort to recruit BME VCS organisations on to policy tables should be taken.
4. Government should ensure appropriate funding options and resources are available for small organisations as part of the Big Society programme.

4. Decentralisation in service delivery

Performance measure

4.1 It is widely acknowledged that the focus on top down targets in recent years produced some unintended negative results. A shift in focus to outcomes from the point of view of the service user, and targeting of resources to meet local needs is extremely welcome. A new framework for performance management needs to be in place where service providers are answerable to local citizens and service users, rather than to national government; that safeguards against service failure and against discrimination; and where citizens have a clear understanding of what they can expect, and what to do when things go wrong. **Monitoring of standards to assure quality should be done through involvement of service users, residents and peer review. The VCS has a role to play in this to involve service users in evaluating services.**

4.2 This is not to say that there need not be accountability to central government. **Central government's role in this new framework should be to provide minimum standards in core areas, and ensure regulatory compliance, including equality and human rights requirements in law and robust use of Equality Impact Assessments to ensure decisions about resources and policy development are made with consideration of the needs of all sections of the community, including the most disadvantaged and marginalised.**

4.3 Placed Based Budgeting (and evidence from the Total Place pilots) provides an opportunity for public services to be shaped around an assessment of local need as well as inducing efficiency savings. In order for the Total Place agenda to work, it needs to take a bottom-up approach to achieve desired social outcomes.

4.4 The Commission on 2020 Public Services *From social security to social productivity* report⁴ suggests three significant shifts in how public services are delivered. Firstly, a shift in culture to one where public services engage communities, families and enterprises is necessary to achieve better outcomes. Second is a shift in power – so that public services are co-

⁴ [From Social Security to Social Productivity: a Vision for 2020 Public Services](#) (Commission on 2020 Public Services, 2009)

designed with communities, and citizens control more of the money spent on services as well as neighbourhoods being able to commission their own services. The third is a shift in finance, so that the financing of public services is more open, transparent and understandable. We support this approach and believe that all three shifts need to happen at the same time for there to be the necessary transformation.

Making Community Right to Bid support localism

4.5 Rather than thinking in terms of the limits of localism, the question we believe needs to be addressed is what parameters need to be put on public service reform in order to further a localism agenda? This seems in keeping with the introduction of the General Power of Competence for local authorities. **Whilst localism and devolution of power to communities can support public service reform, it is not a given that public service reform supports localism.** If proposals on opening up public services are not managed properly then it is not local business or charities that will take over services, but large corporations.

4.6 Thought needs to be given to two areas. First, how new legislation such as the Community Right to Bid is constructed and implemented, so that local community organisations really can be involved in the co-production of services, and that decisions are not made on the basis of cost alone, but also the social return on investment and added community benefits, including keeping resources and finance within the locality. Second, thought needs to be given to what support and resources are needed by local voluntary and community organisations to move into new areas of service delivery – for example start-up funding through economic reforms, training, access to shared IT resources and physical assets.

Meeting minority needs through decentralised services

4.7 **Particular attention should be given to how the needs of minority communities are met through the decentralisation of services and public service reform.** BME-specific services have been developed in response to the failure of mainstream services to meet the needs of BME communities. They provide services sensitive to cultural, religious and linguistic needs that mainstream services often overlook and reach communities that other providers label 'hard to reach'. V4CE's consultation participants particularly felt that those from disadvantaged ethnic minorities would go to their own communities for help and support. V4CE's case

study report⁵ on BME specialist services demonstrates their value in terms of: meeting local needs; empowering users; creating bridging social capital; and a wider contribution to social cohesion:

‘Cultural sensitivity, understanding and flexibility is not always available through other agencies. Because the organisation is needs-led, the client/customer always feels their needs come before the running of the service i.e. we fit in with them wherever possible!’

Participant at V4CE Cohesion Guidance for Funders consultation event, Manchester, March 08.

4.8 The ability of BME VCS organisations to tackle equalities and be more effective in meeting the needs of the VCS as a whole is endorsed by research conducted for the Joseph Rowntree Foundation.⁶

4.9 However, recent years have seen a general trend to ‘mainstream’ equality and move away from self-determination and empowerment of BME VCS organisations where marginalised communities come together and develop their own solutions to the discrimination they face. Instead preference has been given in commissioning and procurement to large generic service providers. BME VCS organisations specifically and smaller VCS organisations generally have been shown to face particular barriers to winning public contracts.⁷

4.10 BME-specific services such as those delivered by Southall Black Sisters and the Asian People’s Disability Alliance have developed in response to the failure of generic services to meet the needs of BME communities. V4CE’s case study report⁸ found that specialist services meet local needs,

⁵ [Discussion Paper 3: Evidencing the value of the BME Third Sector](#) (Voice4Change England, 2008)

⁶ *Black and Minority Ethnic Voluntary and Community Organisations: their role and future development in England and Wales* (McLeod M, Owen D & Khamis C., 2001, Policy Study Institute for Joseph Rowntree Foundation).

⁷ [Evaluation of the National Programme for Third Sector Commissioning: Consultation with BME Third Sector Organisations](#) (Shared Intelligence, 2008) which found that BME VCS organisations experienced many of the same barriers as small local VCS organisations generally, but also experienced limited understanding of communities needs, and lack of trust of Black VCOs amongst commissioners, institutional racism, lack of engagement with BME VCOs at the early stages of the commissioning process.

⁸ [Discussion Paper 3: Evidencing the value of the BME Third Sector](#) (Voice4Change England, 2008)

empower users, create bridging social capital, and contribute to social cohesion. **Monitoring arrangements to ensure adherence to legal requirements needs to include explicit understanding that equalities legislation sometimes requires the development of BME-specific services, and other services specific to minorities⁹.**

Recommendations for the decentralisation of services

- 5 A new framework for performance management needs to be devised giving service deliverers consistent, clearly set out standards, expectations, and mechanisms for dealing with poor services communicated to the public. Thought needs to be given to the role of service users in overseeing service delivery, as well as peer review. Thought also needs to be given to the continuing central role in enforcing common core standards, and adherence to legal requirements.
- 6 The Community Right to Bid and other measures to reform Public Services need to be devised so that local charities, community groups and social enterprises can scale up and have pathways into new areas of service delivery if they want to. This has implications both in how new legislation and guidance is formulated, and resourcing the support that needs to be given to local VCS organisations to move into new areas of work for local neighbourhoods.
- 7 Local government should work with all equality groups to identify gaps in services at a local level, and use Equality Impact Assessments to come to decisions.
- 8 Government should ensure equality and Compact duties are an integral part of commissioning and procurement processes.
- 9 Public sector contracts should include criteria for social return on investment, and wider community benefits as well as value for money and allow for flexibility in how contracts are delivered so that community needs can best be met.

⁹[*An Independent Legal Analysis of the Compact Code of Good Practice on Relations with 'BME' Voluntary and Community Organisations*](#) (Monaghan, K, 2008, for the Commission for the Compact)

- 10 Commissioners should consider opening up opportunities for smaller providers by putting in sub-clauses that prime contractors will work with small providers who may not have the track record required of the prime contractor.
- 11 Place based budgeting should be responsive to local needs around areas such as employment, housing and social care and health. Thus thorough area assessments of need must be carried out in local areas to prioritise services. Local government should work with the BME VCS to help facilitate this process.
- 12 Government should ensure it follows a set of principles, especially a compact way of working, in relation to all parts of the local VCS in implementation of cuts.
- 13 Government should ensure Equality Impact Assessments are conducted robustly and in accordance with the law on all proposed policy changes and funding cuts.
- 14 Government should explore ways of providing a strong national steer on equality and human rights objectives whilst allowing local authorities to be responsive to local needs.

5. Accountability within public service reform

5.1 Local public services need to be accountable to the public who use them and ultimately (as tax payers and council tax payers) pay for them. In the context of public service reform, introducing many more providers of services from VCS and private sector, this means new and better mechanisms to hold service deliverers to account.

5.2 Local councillors, local community organisers and service users all have a role to play in overseeing services, and need to have the power to hold public investigations and inquiries into any aspect of public service delivery. **To achieve this, local council scrutiny functions need to be transformed, looking beyond work carried out by councils to all public service provision in the local area, and made open to the public, with service users, civic leaders and VCS organisations playing a central leading role alongside elected councillors.**

5.3 **Local councillors also have an essential role as part of their democratic mandate to protect minority interests, and mediating between the different interests within communities.** They also have an essential role to play in maintaining a strategic overview. Planning is a good example of this. While greater public involvement in planning is greatly welcomed, in some instances local authorities should make unpopular but essential decisions about land use (e.g. for Gypsy and Traveller sites). Forthcoming proposals on the Community Right to Build also need to consider this in formulation, so that the local authorities have a duty and power to consider wider impact of development beyond the immediate locality.

Recommendations on accountability of public services

15 Scrutiny by local authorities needs to be transformed, so that it is a shared process of overseeing by councillors working with service users, civic leaders, and community groups, in a way that has power, is public, and is investigative.

16 Scrutiny and local government generally, has an explicit role to play in protecting minority interests, and making decisions on priority where there are competing interests within communities.

6 Comments on the response

We would be happy to discuss our submission further with the Communities and Local Government Select Committee

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