

11 upcoming policy developments affecting the voluntary and community sector – Briefing Note

January 2013

As we usher in 2013, it promises to be a tough year for many people as the full scale of austerity comes into effect. It is within this context that government reforms continue to be announced and implemented at a pace that leaves it difficult to keep up. The purpose of this briefing, thanks to the Voluntary Sector North West, is to highlight some of the major areas that will impact on the voluntary and community sector, and the individuals that make up the service-users of such organisations. We came up wanted a top 10 – but came up with a top 11, but there will undoubtedly be key issues we have missed.

One East Midlands will continue to champion the sectors role with decision-makers and to keep the sector across the region up to date with the latest policy developments – providing insight and foresight to support you navigating the difficult waters ahead – for you and your beneficiaries.

1. Austerity

No doubt, the defining feature of 2013 will be the further impact of austerity. The local authority settlement has become clearly, with many East Midlands areas disproportionately affected. Many of the essential services that supported a wide range of communities will be stripped to the bone – and sometimes taken away completely. This will impact upon the VCS through reduced funding, a reduction in support services, and an increase in demand from service-users. One East Midlands does not however believe the sector should be arguing about 'proportionate cuts for the VCS' rather we should argue for an informed and intelligent process to make the cuts that engage the sector and helps protects the most vulnerable.

2. Health Reforms

Health reforms take effect on 1 April. This will see Public Health transfer to

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Local Authorities, Clinical Commissioning Groups take over from PCTs, and the abolition of Strategic Health Authorities; Health & Wellbeing Boards, local HealthWatch and HealthWatch England will also formally start. The Public Health 'settlement' has been revealed with increases for all areas.

3. Police and Criminal Justice

The Police and Crime Commissioners set their annual Police and Crime Plan in April. This represents an opportunity to influence activity and also provides the voluntary and community sector with a rare chance to make the case for alternative approaches to reducing crime in their local area. Also recently announced plans at rehabilitation reform lay out intentions to outsource probation services on a model of payment by results.

4. Equalities

On 15 May 2012, the Home Secretary announced a review of the Public Sector Equality Duty, as part of the outcome of the Red Tape Challenge spotlight on equalities. Further details of the review, including members of the independent steering group appointed to oversee the review, were published on 28 November 2012. The review is now expected to be completed by April 2013. Many equalities organisations fear a withdrawal from effective equalities' legislation as a result.

5. Welfare Reform

Welfare reform will affect many service users of the voluntary and community sector. The benefits uprating bill see real terms cuts in benefits, whilst the introduction of Universal Credit will add to a raft of reforms, which includes Personal Independence Payments, Social Fund and Council Tax Benefit, and cuts to welfare that will be difficult to navigate, especially as many advice services have seen huge reductions in funding.

6. Voluntary and Community Sector Infrastructure

The last hurrah of voluntary and community sector infrastructure in the share of Transforming Local Infrastructure comes to an end in October 2013, following which there will be no more national money from government, nor from the Lottery. This raises a fundamental question about who will provide these services in the new marketplace of voluntary sector support. One East Midlands will work with partners to ensure that Transforming Local Infrastructure has the maximum impact.

7. European Union

2013 is a pivotal year for the EU Structural Funds (the key ones being ERDF and ESF) as it marks the end of the current seven year funding period and the final preparations for the new seven year fund running from 2014-20. The year will see the final allocation of the funds in the UK as well as a consultation in the spring on the shape and content of the new post 2013 funds. The likeliest obvious difference will be the way the funds are administered, with the LEPs playing a key role in developing the priorities for the funds. The funds will be likely to continue to focus on employment and skills (ESF) with the ERDF programme being focussed on measures which will promote growth, especially business support, including an increased profile for social enterprises, and more use of financial instruments such as loan funds for entrepreneurs.

8. Commissioning and the Social Value Act

The Social Value Act comes into force this January. Within the current commissioning framework that appears to value efficiency over all other concerns, this could potentially be of real benefit to the sector, but there is currently not much clarity about what this entails and how the implementation of the Act will pan out for the sector.

9. Rise of Local Economic Partnerships (LEPs)

On the back of Lord Heseltine's Economic Growth Review (No Stone Unturned), last Autumn's Budget Statement promised a great deal for the future of Local Economic Partnerships (LEPs). This includes LEPs developing and overseeing 'Strategic Plans for Local Growth', core funding, shaping the use of a 'growth-related' single funding pot, and having a strategic role in skills policy. The role of LEPs continues to gain pace and 2013 will be a significant year for them.

10. Community Rights

This year will be a big test for the government's localism agenda and how it empowers local communities. This should be the year of local Community Rights: Rights to Bid, to Build, to Challenge and Neighbourhood Planning. We think local public sector Asset Transfer will be a critical part of the future and it will be important that this work is done with a full understanding of

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what's truly sustainable and that supports what's needed in local areas.

11. Spending Review 2013

On the back of austerity measures, the drive to find new local solutions to economic and public sector delivery challenges is forging new negotiated local arrangements. This may be through City Deals or through Whole-Place Community Budgets. Each one is different.

- **City Deals:** Each deal is bespoke and reflects the different needs of individual places but every deal aims to give cities the powers and tools they need to drive local economic growth; unlock projects or initiatives that will boost their economies; and deliver a step change in the governance arrangements.
- **Whole-place Community Budgets:** The four national whole-place Community Budgets are similarly working out their own delivery and governance systems. Partly driven by the pressure of local cuts, the growing challenge is to address the issue of funding streams in local areas. Some of this is being addressed with new local arrangements but ultimately difficulties often stem from the different national government funding streams.

Both initiatives, as well as the Heseltine Growth Review, lead to the implication that there should be a single 'growth-related' funding pot drawn from across different Whitehall Department. Details about what this will look like are expected in this year's Spending Review.

One East Midlands

One East Midlands is the regional voluntary and community sector infrastructure organisation for the East Midlands. We work to ensure that the voluntary and community sector is actively engaged with key regional bodies and other partners, from across the public, statutory, business and social enterprise sectors. We bring together organisations that support voluntary and community groups across the region to influence and shape policy, improve services and provide a point of contact at a regional level.

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