



Consultation Response Best Value: New Draft Statutory Guidance

About Children England

Children England is the leading membership organisation for the children, young people and families' voluntary sector and the Department for Education's overarching strategic partner. With member organisations working in all parts of the country ranging from small local groups to the largest household names in children's charities, Children England is in a unique position to use the collective voice of the voluntary sector to achieve positive change for children. Children England provides capacity building, support and information to its members and the wide range of voluntary sector organisations working with children, young people and families. It does this by building active networks, promoting good practice, stimulating policy debate and ensuring that the issues that matter most to its members are taken up with decision makers.

Children England is committed to working alongside its members in the creation of a society where children and young people are valued, protected and listened to, their rights are realised and their families supported.

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1. Is the guidance clear, specific and proportionate?

2. Is there anything else that we should cover in order to provide more clarity to councils, contractors and the voluntary and community sector?

Government ministers have regularly called on local authorities not pass on disproportionate cuts to the voluntary and community sector and we are pleased that this informal guidance has now been put on a statutory basis. Children England's recent survey of our members, *Counting the Cuts*¹, found that 35% of those that received funding from local authorities had experienced cuts of over 25% in the past year, despite the average local authority budget reducing by less than half this.

It is also positive that the guidance clearly references local Compacts (though it is ironic that the Government has disregarded best practice by only allowing a nine week consultation on these proposals). We are optimistic that this will strengthen joint working between local authorities and voluntary and community groups, particularly in areas where councils have found it difficult to meet the commitments they signed up to. This should also make it easier for voluntary and community groups to challenge in the courts unfair decisions made by local authorities.

We welcome the provision for local authorities to provide voluntary and community groups with at least three months notice when reducing or cutting funding that will materially threaten the viability of an organisation. This would be a significant improvement on the current situation whereby VCS groups are often given less than one month's notice of funding decisions. Indeed, Children England's recent members survey, *Counting the Cuts*², which was carried out during in mid-March 2011, found that two thirds of organisations receiving local authority funding did not know whether they would be funded beyond 1 April 2011.

However, it is unclear why the principle of providing three months notice should not be extended to all instances where funding is being reduced. Even where organisations are able to continue, the loss of local authority funding is likely to lead to redundancies. The notice period provided by local authorities should match the three month redundancy notice period that most voluntary and community groups are required to provide their staff. There is also the question of how a local authority will know that a particular funding reduction will materially threaten the viability of an organisation, rather than just lead to a staff reduction. Even a small cut could be fatal, particularly if an organisation has used the local authority funding to secure match funding from elsewhere. It would be simpler, fairer and more consistent if the three month notice period applied to all funding decisions.

However, it is important to recognise that local funding decision notice periods are also influenced by decisions made in Westminster. One of the principle reasons why our members heard about their funding for 2011/12 so late was that local authorities did not receive the provisional details of their funding settlement from central government until 13 December 2010. Even under normal financial circumstances it would have been unreasonable to expect councils to produce budgets in 12 working

¹ <http://www.childrenengland.org.uk/upload/CountingTheCutsFinalforPDF.pdf>

² <http://www.childrenengland.org.uk/upload/CountingTheCutsFinalforPDF.pdf>

days (and so give three months notice), but given the scale of cuts that had to be made, the task was practically impossible. Central government will have to finalise funding settlements much earlier if local authorities are to meet these guidelines.

We are pleased that the guidance requires local authorities to engage with voluntary and community groups on the impact that cuts will have and alternative service models. However, it is unclear at what stage of the budgeting process this is meant to happen. As currently drafted, the guidance suggests that this should only take place once the decision to reduce or end funding has already been made. However, in our experience, once a decision has been made, it is very unusual for it to be reversed or altered. Therefore, it would be better if councils were required to ascertain impact and explore alternatives before a funding decision is made.

3. Are there any other issues you wish to raise?

We agree with the Government that local authorities should be encouraged to collaborate more with voluntary and community groups, including greater involvement of these organisations in the delivery of public services. However, we do not follow the Government's logic that scrapping the Duty to Involve and the Duty to Produce a Community Strategy, duties that require local authority collaboration with civil society, will lead to closer collaboration. Indeed, removing them is likely to have the exact opposite result. As such, while we are pleased with the general approach set out in the draft guidance, we are concerned that the combined effect of the Government's policies is to replace a duty on local authorities to engage with civil society at all times with guidance to engage only when funding is being cut; a major dilution that will inevitably have a negative impact on local collaboration.