

LOCAL NEEDS, LOCAL VOICES: BUILDING DEVOLUTION FROM THE GROUND UP

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Foreword

This report and the devolution agenda come at a critical time for public services. Public sector budgets are being squeezed as austerity continues and an ageing population pushes increasingly stretched services to breaking point. There is a growing consensus that the way in which public services are organised and delivered urgently needs to be rethought.

Devolution provides a rare opportunity to do this. Existing service silos that restrict collaboration can be dismantled. In their place, new commissioning structures that allow public bodies to work together towards mutually beneficial goals, such as preventative action and joined-up care, can be built. This transformation not only has the potential to achieve significant cost savings for newly created combined authorities, it could also provide individuals with more timely and tailored support.

The voluntary sector has an important role to play in this process. The sector works daily with some of society's most marginalised and disadvantaged groups, many of whom struggle to be heard when local policies are being developed. It also has an acute understanding of local need and solutions to deeply entrenched social problems. Often run by members of the communities they serve and champion, voluntary organisations occupy a special place in society which makes them a key partner for local government in transforming devolved public services.

Whilst some are optimistic about devolution's potential to resuscitate struggling public services and strengthen local democracy, there remain significant concerns across the voluntary sector. Chief amongst these is a lack of involvement of communities in the development of devolution proposals and the delivery of the deals that follow. We are clear that far greater effort needs to be made by both local and central government to promote, support and facilitate meaningful engagement with the voluntary sector and the people they represent.

Charities too though need to up their game. Power is rarely given; it must be seized. If we are to be listened to then we must ensure that our message chimes with that of our beneficiaries, be evidenced-based, offer solutions and speak as one. It is no good waiting for change to happen.

It is our hope that this report stimulates further debate about the role of the sector in devolution and public service transformation more widely. Most importantly, however, we hope it serves as advice for decision makers looking to maximise the impact of devolution policies across England.



Sir Stuart Etherington

Chief Executive, National Council for Voluntary Organisations (NCVO)



Executive summary

The voluntary sector has an important role to play in devolution. Often developing in response to local need, with volunteers and staff drawn from the communities they serve, charities can act as a champion for those whose voices might otherwise go unheard. With vast experience of addressing complex needs and providing preventative support through a person-centred approach, the sector is well placed to support councils and communities to redesign and deliver devolved public services.

Yet, to date, voluntary sector involvement in the devolution agenda has been extremely limited. Of the 249 respondents, the vast majority (84%) said their organisation has not contributed in any way to the development or delivery of devolution plans in their area.

The most common reason cited by respondents for not engaging in the devolution process was a lack of awareness (45%). This was followed by a lack of engagement by local government (40%) and a lack of time and resources (27%).

The challenging funding environment, a focus on purely economic reforms (rather than redesigning public services, building stronger communities and increasing civic engagement) and commissioning and procurement practice, also represent barriers to maximising the voluntary sector's role in devolution. In particular, there is a risk that the unique contribution of smaller organisations is missed.

Equally, this won't be a true devolution process if it isn't driven by the public. Shifting power from Whitehall to town halls does not guarantee that people will have more control over decision making. The voluntary sector is perhaps the key route through which communities can have their say. Yet, only 14% of our respondents said they had sought feedback from the local community on devolution. While this figure rose to 44% for those respondents who stated that they had actually contributed to either the development of their area's plans or implementation of an agreed plan, this is still too low.

The news is not all bad. There are examples of excellent practice highlighted in the report. In some areas, charities are playing an active role on leadership boards and steering groups, shaping the implementation of agreed deals. Similarly, many are facilitating the input of local communities through consultation events. In a few cases, this has actually included helping to co-write aspects of the devolution proposals and other key documents, supporting the development of regional strategies, and being directly involved in negotiations with central government.

Ensuring that these examples become the norm rather than exceptions will require change. Certainly government should play its part. Both local and national government must take action so that the devolution process is far more structured, transparent and collaborative than it has been to date.

The voluntary sector though can't just sit back and wait for this to happen. If combined authorities are not listening now then we must strengthen our case. By proactively reaching out to

communities, building a solid evidence base, creating new partnerships with others in the sector and developing practical solutions we can force our way into discussions.

Recommendations

Central government

The Treasury and Department for Communities and Local Government should, in partnership with local government, the voluntary sector and other key stakeholders, develop clear guidance on the criteria that will be used to assess devolution proposals. This should reflect Locality and the National Association for Voluntary and Community Action's (Navca) Five Key Principles for Devolution¹ and the cross-sector Principles for Devolution². Crucially the guidance should include minimum standards that devolution proposals must meet on issues such as:

- engagement to date with the public, voluntary sector and other key stakeholders in the development of the proposal
- plans and resourcing for future engagement with the public, voluntary sector and other key stakeholders in implementation of any agreed deal.

Decisions about whether to approve devolution proposals should be made against these criteria and published in full. We recommend that Cabinet Office facilitate discussions between the Treasury, Department for Communities and Local Government (DCLG) and the UK Open Government Civil Society Network to develop a commitment to this effect that can be added to the UK Open Government National Action Plan 2016-18³.

The Treasury and DCLG should set realistic timeframes to give local authorities enough time to develop strong relationships with each other and engage with key stakeholders. The Treasury should consider how to financially support this engagement process.

Local government

To ensure devolution plans reflect the needs and aspirations of local communities, local government should ensure deals are developed in accordance with Locality and Navca's Five Key Principles for Devolution⁴ and the cross-sector Principles for Devolution⁵. In particular:

- there should be representation of the voluntary and community sector on newly developed boards and working groups related to devolution, as well as existing leadership structures such as Local Enterprise Partnerships (LEP) and Health and Wellbeing Boards

¹ www.navca.org.uk/assets/000/000/121/Devolution_key_principles_FINAL_original.pdf

² [www.cfg.org.uk/news/press-](http://www.cfg.org.uk/news/press-releases/2016/september/~media/Files/News/Devolution%20and%20Voluntary%20Sector%20Summit%20Principles.pdf)

[releases/2016/september/~media/Files/News/Devolution%20and%20Voluntary%20Sector%20Summit%20Principles.pdf](http://www.cfg.org.uk/news/press-releases/2016/september/~media/Files/News/Devolution%20and%20Voluntary%20Sector%20Summit%20Principles.pdf)

³ www.gov.uk/government/publications/uk-open-government-national-action-plan-2016-18/uk-open-government-national-action-plan-2016-18

⁴ www.navca.org.uk/assets/000/000/121/Devolution_key_principles_FINAL_original.pdf

⁵ [www.cfg.org.uk/news/press-](http://www.cfg.org.uk/news/press-releases/2016/september/~media/Files/News/Devolution%20and%20Voluntary%20Sector%20Summit%20Principles.pdf)

[releases/2016/september/~media/Files/News/Devolution%20and%20Voluntary%20Sector%20Summit%20Principles.pdf](http://www.cfg.org.uk/news/press-releases/2016/september/~media/Files/News/Devolution%20and%20Voluntary%20Sector%20Summit%20Principles.pdf)

- devolution should be based on the principle that power should be exercised at the most local level possible. Local services should be co-designed, shaped and reviewed by the people that use them by default
- support should be provided – both financial and logistical – to help voluntary organisations engage in devolution discussions and collect feedback from local communities on their preferences for their area’s plan.

Voluntary organisations

The voluntary sector should actively assess the potential opportunities and challenges for their beneficiaries of local devolution plans. Charities should engage with local communities on their preferences for devolution plans and relay this intelligence to local government. The sector must endeavour to be willing, solution-based partners for local government.

Both national and local infrastructure charities (including NCVO) should consider how they can ensure that the voluntary sector is better informed about devolution and local opportunities. This might include information about the status of devolution implementation in local areas, the powers that have been devolved and opportunities to feed into the process through consultations and other means.

The voluntary sector must organise itself more effectively if it is to have a significant influence on the devolution process. National infrastructure bodies should continue to collaborate to present a clear, single message to central government. Local infrastructure charities, where they are not already doing so, should consider how they can facilitate closer working relationships in the local sector, including more formal approaches such as consortia and mergers. Frontline groups should be more willing to collaborate with others in the sector in order to advance the interests of their beneficiaries.

Charitable funders should consider how they can financially support the involvement of local charities in the devolution process. This might include funding local infrastructure bodies so that they have the capacity to coordinate engagement or providing seed funding for organisations seeking to develop consortia.

Introduction

Devolution aims to let councils and the communities they serve decide what is best for their local area. By placing decision making powers closer to where people live, devolution has the potential to radically alter how public money is spent, and subsequently, how public services are designed and delivered.

Devolution in England is a relatively new and evolving policy area for all involved. While eight regions have agreed deals⁶, negotiations for additional areas remain ongoing, with 38 proposals submitted to government in September 2015.

It is taking place in the context of broader public service reform and socio-economic pressures which are affecting demand for services. Austerity measures implemented since 2010 have forced public sector bodies to either cut services or find new, cheaper ways to deliver them. Central government has implemented a number of reform initiatives aiming to promote service integration, preventative action and self-care. Devolution provides an opportunity for newly created combined authorities to use these mechanisms to redesign services to ensure that, even with reduced budgets, individuals with multiple and complex needs continue to receive necessary support.

Doing so may require combined authorities to cede their recently acquired authority. Double devolution would see power and funding passed from Whitehall to town halls and onwards to communities. At its best, devolution could empower these communities, enabling them to break down funding and sector silos, and make use of existing local assets to shape services fit for the 21st century.

The voluntary sector has an important role to play in supporting this process. Often developing in response to local need, with volunteers and staff drawn from the communities they serve, charities can act as a champion for those whose voices might otherwise go unheard. With vast experience of addressing complex needs and providing preventative support through a person-centred approach, the sector is well placed to support councils and communities to redesign and deliver devolved public services.

By drawing on feedback from across England, this report explores the extent to which this is happening, alongside sector perceptions of the agenda more generally. In publishing this report, we hope to stimulate further debate around the voluntary sector's role in the devolution agenda and how it can be increased going forward.

⁶ 12 deals had been agreed but four have subsequently been withdrawn. The Local Government Association provide a full list of agreed deals <http://www.local.gov.uk/devolution-deals>

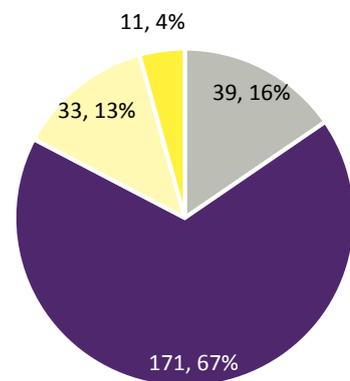
Evidence used to inform this report

The principle source for this report is a survey of voluntary sector organisations conducted between August and September 2016. This was kindly supported by Charity Finance Group, and Navca Locality and Regional Voices.

In total, we received responses from 254 organisations though the response rate varied by question. Two-thirds of respondents described themselves as being from charities, with the rest from infrastructure organisations, community groups and social enterprises (see Figure 1). Clearly there is overlap between these terms – for example, most infrastructure organisations will also be charities – but they are helpful for understanding the relationship different types of organisation have had with the devolution agenda.

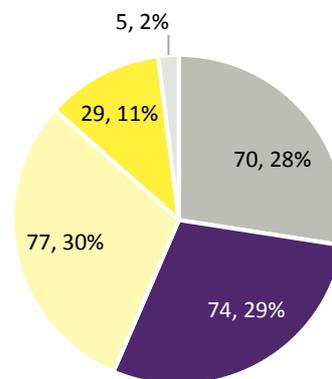
The income of respondents ranged from under £10,000 up to £100m. Almost 90% had a turnover below £1m, with these roughly split between three bands: under £10,000, £10,000-£100,000 and £100,000-£1m. Compared to the voluntary sector as a whole, in which 97% of organisations have a turnover below £1m, our respondents were more likely to come from larger organisations. This is, however, likely to be a fair approximation for the size of charities with the will and capacity to engage in the devolution agenda.

Figure 1 - Type of organisation



- Infrastructure organisation
- Charity
- Community group
- Social enterprise

Figure 2 - annual income



- Less than £10,000
- £10,000 to £100,000
- £100,000 to £1 million
- £1 million to £10 million
- £10m to £100 million

In addition to the survey, this report has drawn on the findings of a roundtable and questionnaire conducted in March 2016 with 10 chief executives from infrastructure organisations. This included representatives from seven of the areas with devolution deals: Cornwall; Greater Manchester;

Local needs, local voices: building devolution from the ground up

Leeds City Region; Liverpool City Region; Tees Valley; the North East Combined Authority; and the West Midlands.

Voluntary sector perceptions of devolution

Key Findings:

- Often developing in response to local need, with volunteers and staff drawn from the communities they serve, and with significant experience of addressing complex needs and providing preventative support through a person-centred approach, the voluntary sector is well placed to support councils and communities to redesign and deliver devolved public services.
- The voluntary sector would like to make the most of the opportunity provided by devolution to redesign public services but is uncertain about whether this is likely to happen given the process so far. There are particular concerns that smaller charities may struggle to engage in devolution discussions.
- Devolution to date has focussed on economic development (rather than reforming public services, building stronger communities and increasing civic engagement), takes place in the context of a continued funding squeeze for local government and can be constrained by commissioning and procurement practice which does not effectively facilitate transformation of public services.
- Strengthening relationships, developing a shared sense of ambition and building cross-sector partnerships around local needs and aspirations can help to overcome these challenges.
- Both government and the voluntary sector must ensure that communities have their voices heard and are involved in decision making.

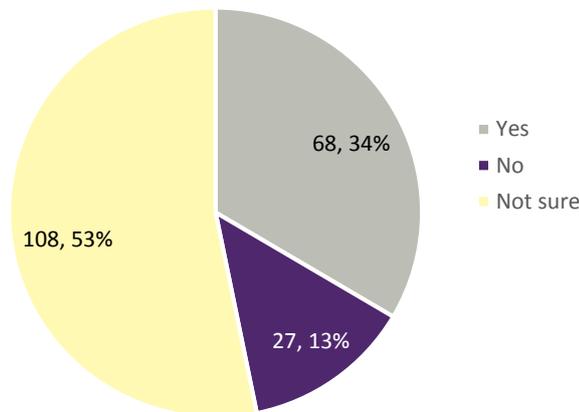
Devolution presents a significant opening for the sector but it is also daunting. There is a golden opportunity to break down spending silos and redesign public services around individuals, involving communities and providers in local decision making processes. Yet the perilous nature of government finances, patchy commissioning practices and an undue focus on economic objectives provide reasons for caution.

It is of course possible to hold these views simultaneously. After all, the devolution agenda is still at a relatively early stage. Deals may have been struck but changing funding, accountability and delivery mechanisms, never mind developing a new culture, will be a complex and sometimes messy process that may take decades before the full impact is felt. It is perfectly natural that the voluntary sector should be wary about such a major undertaking. Indeed, the majority of the sector is uncertain about whether devolution is an opportunity for their area (see Figure 3).

Equally, devolution is not starting from scratch. Rather, it builds upon (and possibly rips up) existing structures: physical, systemic and relational. Respondents' views of devolution are therefore likely to have been strongly influenced by their experience and satisfaction with what came before.

What follows below, therefore, should be seen as a snapshot in time of how the voluntary sector feels as much of the country embarks on this process, bearing in mind that different areas are starting from different places and that the routes plotted, whilst sharing similarities, are by no means identical.

Figure 3 - Broadly speaking, do you think the devolution agenda represents an opportunity for the voluntary sector in your area?



An opportunity to redesign and integrate public services

Voluntary organisations are well suited to supporting service transformation. By being close to communities, they often have a unique perspective on user need and how to design and improve services, including identifying where early action can avoid future crisis. This close connection also allows voluntary organisations to bring local expertise to public service delivery and support some of society's hardest to reach groups⁷. With additional pressure being put on local government budgets, the voluntary sector is increasingly seen as an important partner for helping councils transform local services and save money, provided they are involved in discussions around service design and delivery plans.

"It is an opportunity to work in partnership to develop and drive a meaningful response to local issues."

The belief that devolution provides an opportunity to redesign public services using the expertise of the voluntary sector was shared by many of the organisations we heard from. Respondents told us that in many cases services are designed centrally, be that in Whitehall or the town hall, and that as a result are not well tailored to local communities. For example, being more

appropriate for urban areas than rural ones. The transfer of responsibility from national to sub-regional and below provides additional opportunities for voluntary organisations to influence policy makers and tailor services on behalf of the communities they support. For example, one respondent from a Yorkshire-based charity suggested that through devolution 'public services will be able to match specific community needs or regional needs'.

⁷ One example of this is the 'transformation' of health and social care services through community-based models of care that focus on preventing expensive hospital treatment. Research from Sheffield Hallam University recently found that activities for those with complex long-term health conditions in Rotherham - run by the voluntary sector - have helped reduce hospital stays and improved social and emotional wellbeing

www4.shu.ac.uk/mediacentre/social-prescribing-reaping-benefits-patients-new-report.

We heard that the local voluntary sector is, or would be, involved in redesigning the services and wider systems detailed in some regions, but that the extent of this involvement would vary by policy area, with health and social care – where the sector typically undertakes a lot of work – singled out as a particular opportunity for involvement.

One of the key drivers behind the devolution agenda is the need to find efficiency savings, largely in response to the austerity measures implemented since 2010. One way devolved regions are looking to achieve this is through the integration of public services, whereby different public bodies coordinate their work across service silos, such as health and social care (as seen with the Better Care Fund), or across organisational and geographic boundaries, as with transport and planning. The potential of devolution to provide more opportunities for joined-up services was noted by several respondents to our survey.

Doing so, however, will require true integration in planning and delivery between different public services. Without this – for example, joining up health and social care with skills and work – the ‘evidence from other countries is that it will have little if any impact’. It was also felt that the success of devolution and any associated service transformation initiatives will be highly dependent on what powers and funding end up being devolved by central government. For several respondents, this was as much about devolving fiscal responsibilities as it was about decision making around public service design.

While agreeing that devolution provides an opportunity for more integrated public services, especially for organisations with good local links and who work well with local authorities, it was stressed that more needs to be done to support collaboration across local authority boundaries and the pooling of service budgets. For example, we heard how health and social care devolution could produce more person-centred services if it led to joined-up working with housing planners due to the health problems associated with damp housing and the loneliness of people living in remote rural locations. It was suggested central leadership could be crucial for promoting this kind of behaviour, for example, better collaboration between government departments when agreeing devolution deals could lead to more effective local service integration when these are being implemented.

We also heard how local leaders wanting to implement service reform could face resistance within their own bureaucracies. Some respondents described a ‘permafrost’ at middle management level, where local authority staff whose jobs and teams might be at risk from change seek to stifle innovation. They highlighted this as one barrier to a greater focus on preventative services.

Recognition of challenging funding environment

The challenging public funding environment was never far from the minds of respondents, many of which expressed concern about whether a positive transformation of public services could be delivered in such circumstances. Whilst recognising that local authorities will try their best, few had confidence that increased power could offset the effect of budget reductions. As one respondent from North Worcestershire put it, ‘if the financial cuts continue, with or without devolution, it will impact on services’.

It was felt that central government expectations about the savings that could be unlocked through devolution were unrealistic. Indeed, some questioned the motivations of central government altogether, suggesting that political and ideological objectives around managing austerity are driving the devolution agenda, rather than a desire to deliver more effective public services. One respondent from Sheffield was particularly critical, suggesting ‘the assumption is that we will continue to support beneficiaries who are no longer being supported by the state as the state “rolls back”’.

“There is an opportunity to design services more flexibly and locally but we cannot get away from the massive cuts to local authority budgets.”

While some respondents agreed that efficiencies could be realised through greater collaboration between sectors, they noted that such long-term considerations are hard to prioritise for authorities needing to make big cuts immediately. We heard that smaller organisations in particular could be left out by such short-term financial considerations. Funding for infrastructure support and outreach can be crucial for enabling such groups to engage in

commissioning processes. The voluntary sector is often seen by commissioners as a cheap alternative but unless they invest in the sustainability of a diverse supplier market then some of the most expert local charities may be driven out of business.

Several respondents identified the prospect of local authorities seeking to procure at a combined authority level in order to achieve economies of scale. However, this was seen as a measure that simply ‘deflects resources from localities’ and likely to further exclude small and medium-sized charities from public service contracts by others.

Reservations aside, several respondents noted how their input was valued by their public sector partners as they recognise that the voluntary sector can offer cost effective solutions to the problems they face (and improved outcomes for communities). This includes finding new ways of supporting communities when services are cut and using the voluntary sector’s experience in delivering preventative services and encouraging social action to promote system change.

Too much focus on economic issues

There are growing concerns among some voluntary sector observers that the development of devolution in England is focusing too much on economic issues while largely neglecting the importance of reforming public services, building stronger communities and increasing civic engagement⁸. As a result, many of the policy areas that have been included in deals to date are growth focused: transport; business support; skills; and employment support⁹.

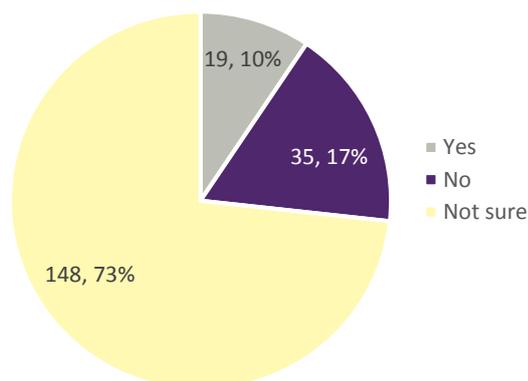
“There are limitations with the devolution deal in our area given the focus on economic growth...As a result it's been difficult to clearly articulate how the VCS can play a significant role in devolution discussions.”

⁸ www.navca.org.uk/about-us/blog/83-realising-the-revolution

⁹ For some, the excessive focus on economic objectives is partly driven by the growing influence of Local Enterprise Partnerships (LEPs) in devolution negotiations. Indeed, the government has stated that no devolution deals will be given the go-ahead without the backing of these business-led bodies www.publicfinance.co.uk/news/2015/06/leps-central-devolution-deals-says-clark despite a recent review of Local Enterprise

While individual agreements include the devolution of certain public services¹⁰, we heard that in some regions devolution deals are too limited to enable meaningful change at the local level. For example, powers over health and social care have only been devolved in a handful of areas, despite being integral to local economies¹¹. Perhaps reflecting this scepticism, only 10% of respondents to our survey said they believe their area’s devolution deal will lead to more effective public services (Figure 4)¹².

Figure 4 - Do you think your area’s devolution deal will lead to more effective public services?



We heard how the single-minded focus on economic growth – promoted nationally by then Chancellor George Osborne and often influenced and led locally by LEPs – has made it difficult for the voluntary sector to engage with combined authorities and clearly articulate how it can support devolution. This has presented challenges for the co-production of services based around local need and ensuring community feedback is incorporated into devolution deals when they are developed. Where co-production has occurred, we heard that this often focusses on a narrow economic understanding of how the voluntary sector can bring expertise, such as supporting those furthest from the labour market into employment, at the expense of other equally important areas of activity integral to community and regional development such as arts and cultural services.

Partnerships by PwC finding LEPs lack sufficient democratic oversight and transparency. www.pwc.co.uk/industries/government-public-sector/local-government/delivering-local-growth.html.

¹⁰ For example, Greater Manchester and Cornwall include health and social care; the West Midlands looks at support for “troubled individuals”; Greater Manchester includes children’s services and criminal justice; and the West Midlands looks at mental health and youth justice.

¹¹ The areas that include devolved powers over health and social care are Greater Manchester and London, with further discussions on this happening in Cornwall and Liverpool (while East Anglia, and the West of England have joint responsibility with the government to co-design the new Work and Health Programme).

¹² While some of these respondents will be from areas without a devolution deal or proposal in the pipeline, the vast majority of the country is now involved in one of these two processes, so it is unlikely to be significant factor affecting this finding. Indeed, the Local Government Association (LGA) has said that around 25 million people in England are covered by agreed deals alone

www.local.gov.uk/documents/10180/7632544/3.5+What+next+for+devolution+-+final+WEB.pdf/77125fcd-4035-443c-b98c-2da62c644548.

Importance of skilled commissioners and procurement officials

Effective commissioning and procurement is difficult. Delivering public service transformation in the context of ongoing austerity, even with additional powers, is even more so.

We heard, perhaps unfairly, that in contrast to the private sector, where organisational change and upskilling is more common because of the need to demonstrate stakeholder value, local authorities are not always incentivised to make similar behavioural changes. This can be exacerbated by an understandable but counterproductive focus on short term, rather than long term, savings.

Similarly, in some areas, procurement practice is seen to be hampering combined authority efforts to transform and integrate public services. Though not a devolution specific issue, procurement teams are often described as risk-averse and inflexible, resulting in the services that are purchased being significantly different from what has been envisaged at the strategic level. Furthermore, certain procurement practices were identified as particularly challenging for voluntary organisations wanting to participate in tender processes, such as having to provide the same information multiple times for lotted contracts and the use of short procurement timescales that organisations with limited capacity struggle to work to. To this end, many respondents stressed the need for local government support for helping smaller voluntary organisations apply for locally commissioned contracts.

"[devolution is the] best chance we've had to address issues which haven't changed in 30 years despite all sectors' efforts."

"The risk is that without support local community groups will not know how to access the opportunity afforded by the commissioning of local services and may need support tendering for them."

The voluntary sector's expertise can support local authorities to detect need and reorganise services across organisational and geographical boundaries – particularly in areas such as building community cohesion and helping those on the margins of society. Indeed, we heard of some good examples where devolution has led to better joint commissioning and more effective cross-sector partnership working. This included being part of

discussions around clinical pathways and efforts to bring voluntary organisations closer to acute and GP services, thereby increasing opportunities for localised commissioning and a greater focus on preventative services. The integration of health and social care in particular was highlighted as an opportunity for organisations prepared to collaborate and form consortia. That said, we also heard that a challenge to commissioning health services was that Clinical Commissioning Groups (CCGs) are not always strategically aligned with local or combined authorities and that this could cause complications if health and social care was devolved in certain areas in the future.

Ensuring devolution works for organisations of all sizes

In recent years, the procurement of public services has been characterised by a shift towards the use of a smaller number of large contracts. For the most part, this has favoured larger providers, the majority of which are in the private sector. Indeed, while the value of outsourced public services nearly doubled over the last parliament, the amount won by the voluntary sector fell¹³. Devolution is therefore already occurring in an environment where many smaller and local voluntary organisations feel increasingly sidelined in public procurement.

“The current thinking is big is better and easier to commission, but this misses the very reason that lots of small organisations started because there are groups that are hard to reach/engage or that just can't access services that small organisations get set up to serve.”

This feeling of exclusion was highlighted by several respondents to our survey who felt the size and type of their organisation was a factor behind not contributing to the development or delivery of their area's devolution plan. We heard how in some areas local government has relied exclusively on larger charities and infrastructure organisations when consulting on devolution plans (though it should be recognised that working through infrastructure organisations will usually be the most practical way of feeding in the views of hundreds, sometimes thousands, of local charities). These comments are supported by the findings outlined in Figure 6 (below) which shows that respondents from the three income bands up to £1m were approximately 20 percentage points less likely to have contributed to the development or delivery of their area's devolution plans than respondents from the £1m-£100m categories.

Opportunities for being involved in the delivery of devolved services are similarly affected by organisational size. We heard that contracting at a combined authority level could increase the risk that larger organisations – including charities – could move into some areas and take work away from locally-based organisations, when services are integrated and re-tendered as large contracts. As a result, the amount of money that remains in a local economy could actually be reduced, potentially exacerbating pre-existing levels of poverty and inequality. We also heard how smaller organisations are often expected to pick up the pieces – often without compensation – when interventions provided by larger organisations fail to achieve expected outcomes.

“Opportunities are quickly snapped up by professional “not for profit” companies who have the time and resources to research and make applications.”

¹³ Whilst voluntary organisations with total income over £100m per year saw their government funding grow by 18% between 2009/10 and 2013/14, all other income bands saw falls. Those organisations with a turnover between £100,000 and £1m lost 13% of their government income during this period www.ncvo.org.uk/images/documents/policy_and_research/funding/financial-trends-for-small-and-medium-sized-charities-ncvo-lloyds-bank-foundation-2016.pdf.

Importance of relationships

Between the voluntary and public sectors

Recent years have seen increasing pressure placed on the public sector, and consequently, voluntary sector budgets¹⁴. As a result, in some areas relationships have become strained at a time when there is a greater need for cross-sector collaboration to deliver services and develop wider, preventative support systems. Indeed, Compact Voice's 2015 annual survey of local Compacts found that 30% of respondents who had experienced cuts over the past year felt their relationships with the other sector had suffered as a result¹⁵.

For some of those we spoke to, devolution provides an opportunity to renegotiate these relationships, develop a shared sense of ambition and build cross-sector partnerships around local needs and aspirations. For example, we heard about cross-sector partnerships being established between CCGs and the local voluntary sector to help develop systems that reduce pressure on strained health and social care services. It was noted, however, that forging relationships with NHS Trusts can be more difficult, which could be problematic given this is where funding for future services, including preventative services, was most likely to come from. In many areas local infrastructure is helping to bridge this gap.

"Devolution is enabling discussions involving the VCSE world on a range of issues with decision-makers who are geographically close, rather than being in London."

Nationally the NHS is to shift services from acute to preventative and is seeking to actively involve the voluntary sector in the health system through the Five Year Forward View plan. Some felt though that more guidance about engaging with the local voluntary sector was needed, for example, to encourage vanguards to work more closely with organisations in their area. Conversely, others suggested that the voluntary sector itself should be proactive in demonstrating the value of its work rather than waiting to be approached by the relevant authority. This should include offering innovative solutions to the issues authorities face, thereby highlighting the importance of the voluntary sector as a strategic partner. We heard that these conversations should include recognising the limited funding available to councils and a move away from campaigning against cuts or having narrow discussions about funding.

The importance of relationships *within* the voluntary sector was also stressed, as groups built around common interests can find it easier to engage with time-poor local leaders and combined authorities with a regional focus. For example, in Greater Manchester, voluntary sector leaders worked together with the wider sector to develop and articulate a sector offer to the Greater Manchester Combined Authority. Similar methods have been used in other areas where infrastructure organisations, which have traditionally worked within local authority

"Charities will be stronger together. We should not jealously guard our services. Handing over our authority to join with others is a good thing."

¹⁴ There has been a 25% real-terms reduction in local authorities' income between 2010-11 and 2015-16, taking account of both central government funding and council tax, as estimated in November 2014 www.nao.org.uk/wp-content/uploads/2016/04/English-devolution-deals.pdf

¹⁵ http://www.compactvoice.org.uk/sites/default/files/compact_voice_annual_survey_2015_final.pdf

boundaries, are forming new partnerships with others in their region in an effort to better engage with their combined authority.

Inevitably, we heard that effective partnership working can be patchy and inconsistent in some areas. The cultural challenges that often characterise commissioning practice (above) were again cited as a particular barrier. However, the importance of a parallel shift in the behaviour of other sectors was also stressed, as it was felt by some that for multi-sector collaborative place-based approaches to work, both the voluntary and private sector will need to change almost as much as their public sector counterparts.

Between public sector bodies and officials

Relationships *within* the public sector itself are vitally important to the success of devolution. We heard, however, that in some areas the leaders of local authorities have not sufficiently developed their relationships with each other or with the relevant combined authority, leading one respondent to remark ‘they are all arguing with each other more than ever - united only in their hatred of a “metro mayor”’.

Despite authorities needing to develop a clear, shared understanding about what decisions should be taken at the city-region, local or neighbourhood level (including what powers local authorities might need to pass upwards to the combined authority), thinking in this area was often poorly developed. Consequently, decisions taken at a regional level are not always adopted by local authorities. For example, we heard that a combined authority might establish strong commissioning policies around using social value in procurement, without local authorities adopting these as a common standard.

A prerequisite for discussions about where functions should lie and how they can be rationalized, is deciding which authorities are participating in a given deal. Some local authorities, such as in Greater Manchester where authorities have worked together on a number of government initiatives such as Multi-Area Agreements, Whole Place Community Budgets and Total Place, had a strong history of joint working. Respondents said that others find coming together more challenging due to cultural and policy differences, for example, with some representing largely rural areas and others representing cities.

It was also highlighted how not all authorities identify easily with a single sub-region. For example, in West Yorkshire multiple deal proposals covering slightly different geographies were sent to the Treasury for approval. Problems can also occur at a neighbourhood level, when it is not always clear where boundaries should be drawn and whether those created by local leaders reflect local identities. In some cases, county councils have used the devolution process to submit proposals for a unitary council, creating strained relations with borough and town councils wanting to be part of a newly created combined authority. This makes it difficult for the voluntary sector to know where it fits into any of the various scenarios under consideration.

Reaching out to communities

To be truly effective, citizens’ needs must be at the centre of decisions about devolution and the redesign of public services. Indeed, the importance of civic engagement to the success of

devolution was acknowledged by the government in its 2015 spending review when it committed to ‘devolving unprecedented power across the country to give people control over decisions that affect their local communities’¹⁶. It was therefore encouraging to hear positive remarks about the opportunity devolution provides for voluntary organisations and communities to have their voices heard and become more involved in decision making processes.

“Any opportunity to try to ensure the voluntary sector has a voice within any new government initiative that aims to transfer power and decision-making to a more local level...is gold for local communities and the voluntary sector.”

However, others were more cautious in their assessment of devolution’s potential to provide a voice for local communities. It was stressed that the precise details of deals and what powers combined authorities actually end up with will influence how close to decision makers voluntary organisations can get and what conversations will be open to their input. Indeed, one respondent commenting from Manchester, the area with the most developed devolution agenda, said ‘devolution brings some decisions further up the M1 than they have been previously’, but stressed ‘they’re still not local enough’.

¹⁶ HM Treasury (2015) Spending Review and Autumn Statement 2015. London: HM Treasury (p4) www.gov.uk/government/uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf (accessed March 2016).

Overview of voluntary sector involvement in the devolution agenda to date

Key findings:

- Overall, voluntary sector involvement in the devolution agenda to date has been extremely limited. Of the 249 respondents, the vast majority (84%) said their organisation has not contributed in any way to the development or delivery of devolution plans in their area.
- The most common reason cited by respondents for not engaging in the devolution process was a lack of awareness (45%). This was followed by a lack of engagement by local government (40%) and a lack of time and resources (27%).
- In some areas, charities are playing an active role on leadership boards and steering groups, shaping the implementation of agreed deals. Similarly, many are facilitating the input of local communities through consultation events. In a few cases, this has included co-writing aspects of the devolution proposals and other key documents, supporting the development of regional strategies, and being directly involved in negotiations with central government.
- Only 14% of our respondents said they had sought feedback from the local community on devolution. This figure rose to 44% for those respondents who stated that they had actually contributed to either the development of their area's plans or implementation of an agreed plan.

In a speech to the Local Government Association, Sajid Javid, Secretary of State for Communities and Local Government, said "our approach to devolution and reorganisation is that it's locally led to meet local needs. It's about bottom-up consensus, not top-down reorganisation"¹⁷. However, a few months earlier an Ipsos MORI and PwC survey found that 76% of people surveyed knew little or nothing about the government's devolution plans. Awareness of devolution proposals was no greater among those residing in the 38 areas that were negotiating a deal with only 21% claiming to know a 'great deal' or a 'fair amount' about proposals that could fundamentally change the way their local public services are delivered¹⁸.

According to one MP from the region with the most advanced devolution programme – Greater Manchester – the three-week consultation on the impact of the changes produced only 12 responses, 10 of which were from the local authority leaders who had brokered the deal in the first place¹⁹. The Communities and Local Government Committee was equally critical in its report, *Devolution: the next five years and beyond*, noting how there has been 'a significant lack of public consultation and engagement at all stages in the devolution process'²⁰.

Against this backdrop and emerging evidence from NCVO members, we were keen to gauge the extent to which local government has engaged with the voluntary sector in the development and

¹⁷ <https://www.gov.uk/government/speeches/supporting-local-government>

¹⁸ www.ipsos-mori.com/researchpublications/researcharchive/3645/Public-knows-little-about-the-devolution-revolution-but-supports-local-decisionmaking.aspx

¹⁹ www.newstatesman.com/politics/2015/02/real-devolution-has-come-public-consent-not-whitehall-diktat

²⁰ <https://www.publications.parliament.uk/pa/cm201516/cmselect/cmcomloc/369/369.pdf>

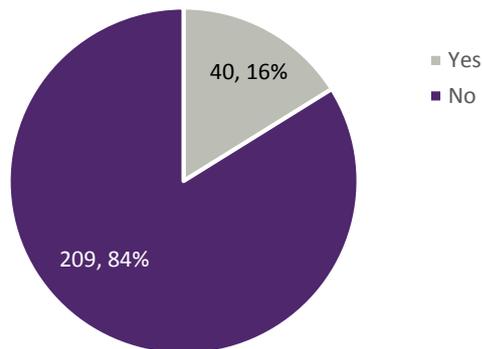
delivery of their area’s devolution plan. Voluntary organisations often provide voice for local communities, therefore testing the extent to which they have been engaged by local government helps provide a more detailed picture of the extent to which regional plans are incorporating views outside the public sector.

Limited engagement

To date, voluntary sector involvement in their devolution plans has been extremely limited. Of the 249 respondents, the vast majority (84%) said their organisation has not contributed in any way to the development or delivery of devolution plans in their area²¹ (see Figure 5).

Organisational size appears to be one factor influencing levels of voluntary sector engagement in the development or delivery of an area’s devolution agreement. Organisations with a turnover above £1m were around 20 percentage points more likely to have contributed to the development or delivery of their area’s devolution plans than those with a turnover below this level (see Figure 6). This difference is probably due to the greater capacity of larger organisations to engage in policy development processes and other activities which could be considered outside the core mission of many smaller organisations.

Figure 5 - Has your organisation contributed in any way to the development or delivery of devolution plans in your area?



²¹ While it should be borne in mind that some of these respondents could be from areas without an agreed devolution deal, or proposal in the pipeline, the vast majority of the country is now involved in either of these two processes, so it is unlikely to be a significant factor affecting this finding. Indeed, the Local Government Association (LGA) says that around 25 million people are covered by agreed deals alone

www.local.gov.uk/documents/10180/7632544/3.5+What+next+for+devolution+-+final+WEB.pdf/77125fcd-4035-443c-b98c-2da62c644548.

Figure 6 - Has your organisation contributed in any way to the development or delivery of devolution plans in your area? (by size)

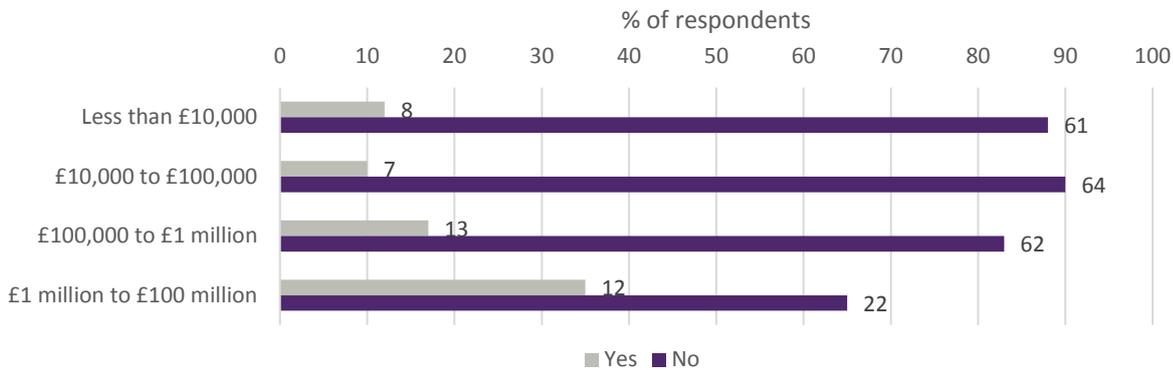
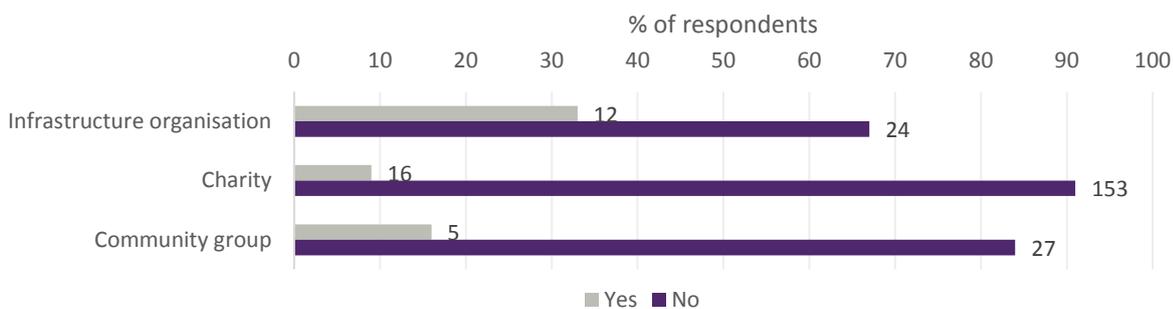


Figure 7 - Has your organisation contributed in any way to the development or delivery of devolution plans in your area? (by type)



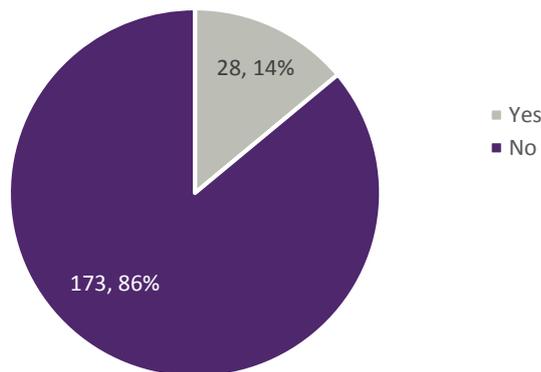
Similarly, the type of organisation on behalf of which a respondent was answering also appears to have influenced whether they contributed to their area’s devolution plan. Figure 7 shows that a third of infrastructure organisations surveyed had contributed to the development or delivery of devolution plans in their area, compared to only 10% of charities and 15% of community groups. Given that infrastructure organisations are often a key contact for local government, facilitating crucial two-way communication and understanding between councils and the local sector, it is unsurprising that they are more engaged in the devolution agenda. Yet, for organisations that specialise in providing a link between policy makers and the frontline, the overall level is still worryingly low.

“I think devolution is a really exciting opportunity for the voluntary sector to be integrated into service provision, if it is done well. However, we haven't had any say in the creation of the local proposals and I'm worried we will be left out in the cold.”

Just as local government should endeavour to engage with the voluntary sector, voluntary organisations should be seeking the views of those they serve on their devolution preferences. Only 14% of respondents said they had sought feedback from the local community (Figure 8). However, this figure rose to 44% for those respondents who stated that they had actually contributed to

either the development of their area’s plans or implementation of an agreed plan. This suggests that where the sector has itself been involved, it has often made an effort to ensure citizen views are not ignored. We heard though that this requires resources and time that many organisations do not have. It was suggested by respondents that local government might need to consider supporting voluntary organisations in carrying out this vital part of the engagement process.

Figure 8 - Has your organisation sought feedback from, or otherwise engaged, the local community on their preferences for devolution in your area?



Contribution to the development and implementation of devolution plans

Despite the disappointing overall levels of voluntary sector involvement, we did receive some positive examples of effective cross-sector working. Replicating these oases of good practice must be a priority for both local authorities and the voluntary sector.

Voluntary sector representation on public sector boards and specialist groups

The primary mechanism through which the voluntary sector is contributing to the devolution agenda is by participating in various boards and working groups. In some cases, these have a broad remit. We were told, for example, about a public services steering group, an LEP advisory board, and a public sector leadership board that helps inform discussions on devolution proposals.

Often the activities of these groups centred on health and social care. Examples include an evidence panel for a health and care commission, a health and social care transformation board, health and social care devolution pilot work streams, and supporting health and well being boards.

“The devolution agenda could be a unique opportunity to define a shared vision between the public sector and the voluntary sector.”

In virtually all of these cases, participation was by infrastructure organisations. Respondents told us that there have not been similar efforts to involve frontline organisations (though it should be

recognised that infrastructure participation is usually the most practical way to engage with large numbers of local charities).

Where infrastructure organisations have been engaged, we heard that it has often been an uphill struggle to gain access to discussions of local importance. Furthermore, it was felt that the scope of these groups and boards is often quite limited, being focussed on the economic objectives of local authorities and LEPs.

Budgetary pressures are also a challenge. As one respondent put it, representation is becoming more challenging as they no longer have a ‘full set of functional, well-connected and respected local intelligence officers’. This highlights once more the impact of funding cuts on the capacity of local infrastructure organisations to provide a collective voice for the voluntary sector and communities in their area. There is potentially a role here for charitable funders and others who might consider whether they can provide financial support to enable such strategic engagement.

Public consultations and promoting devolution plans

Another way the voluntary sector has contributed to devolution plans is by supporting public consultations. In a few cases, this has actually included helping to co-write aspects of the devolution proposals and other key documents, supporting the development of regional strategies, and being directly involved in negotiations with central government.

More commonly, infrastructure organisations are facilitating engagement events to help inform the voluntary sector and collating views which are fed into consultations and policy makers. For example, one respondent spoke about organising seminars which included the chair of their combined authority (who they now feel is very supportive of the voluntary sector in their region), while another described working with the leaders of three local authorities and the chief officer of the LEP on a briefing session and myth-busting debate.

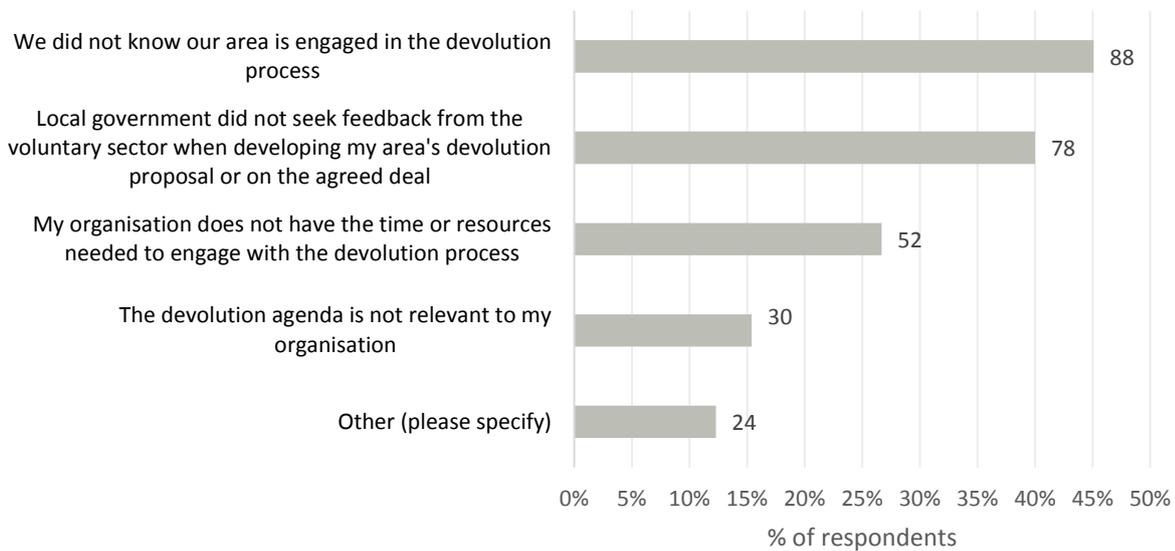
“Focus on neighbourhood development and community engagement plays to our strengths.”

One organisation told us about targeted group discussions with CCG representatives and working with a local Healthwatch to host public engagement events at which the voluntary sector could provide feedback on the initial devolution pilot’s approach and objectives. Others spoke about working on a resource to help the voluntary sector prepare for the transformation of health and social care services; collecting feedback through their networks and email; promoting and encouraging participation in local government consultations; and disseminating communications on behalf of local government.

Barriers to voluntary sector engagement in the devolution process

With so few voluntary organisations contributing to devolution proposals and the implementation of plans, it is worth investigating in more detail the most common issues cited by respondents as barriers to greater engagement (Figure 9).

Figure 9 - What do you think prevented your organisation from contributing to the development or delivery of your area's devolution agenda? (check all that apply)



A lack of awareness of the devolution agenda

The most common barrier cited was a lack of awareness that the local area was engaged in the devolution process, with almost half of respondents indicating this as a reason for why they hadn't been involved.

We found that respondents from £0-£100k income band were slightly more likely to identify this particular barrier than those with a higher turnover, perhaps reflecting the reduced capacity of smaller groups to spend time keeping abreast of policy developments. Similarly, respondents from community groups and charities were almost twice as likely to cite this barrier to involvement than their infrastructure counterparts. This is to be expected given the greater awareness of cross-authority policy developments that many infrastructure groups have²².

Many respondents to our survey who expressed uncertainty about whether the devolution agenda represents an opportunity for the voluntary sector, put this down to an absence of information about devolution plans in their areas. One respondent noted how our survey was the first they had heard about devolution and how they were unsure whether 'Somerset is on a devolution agenda', unaware of the Heart of the South West proposal currently being developed. Others spoke more

"Unfortunately there is very little understanding what devolution actually means. There needs to be a lot more awareness of this."

²² Half of the social enterprise respondents who chose from Figure 9 also cited this barrier, although given only four chose from the available options, it is difficult to draw any solid conclusions from this.

generally about a lack of understanding about what devolution involves for their area or organisation and the need for greater awareness raising on the subject.

Notwithstanding variations across organisation type and income, taken together these findings suggest that local government across the country has largely failed to adequately promote or publicise their devolution plans, despite the importance of local participation and democratic accountability to the devolution agenda. Equally, charity infrastructure bodies, both local and national, may need to shoulder some of the blame for the sector's lack of awareness.

A lack of engagement by local government

As noted at the beginning of this chapter, there are widespread concerns about the lack of public consultation and engagement in most areas that have developed devolution deals. The Communities and Local Government Committee stated in its report on devolution 'that local leaders could have communicated more effectively and extensively with their residents about the deal process, the contents of the deal and how it would affect them'²³. Only Durham County Council, with its proposal to poll nearly 82,000 residents for their feedback on regional devolution proposals²⁴ and a comprehensive public consultation for the West of England Combined Authority appear to be bucking this trend²⁵.

Lack of engagement by local authorities was selected by 40% as a barrier to their involvement in their area's plans, making it the second most popular option. It should be noted though that 29 of these respondents also cited a lack of awareness of the devolution agenda as the reason for not being involved in the devolution process. It could be the case that engagement took place but that they were not aware of it. Either way, this shows that more needs to be done to connect local authorities and the sector.

In contrast to the previous option, infrastructure organisation respondents were almost twice as likely to claim there had been a lack of engagement from local government, as their charity and community group respondent's counterparts. This suggests that in many cases infrastructure organisations were aware of discussions about devolution between and within local authorities but were unable to engage in the process (it may also reflect the higher expectations they have about involvement).

Organisational income appears to have had less of an impact when it comes to levels of local government engagement, with a similar proportion of respondents from the four income bands up to £10m citing this barrier to involvement in their area's devolution agenda.

We heard numerous complaints that the voluntary sector's role has been limited by the reluctance of local authorities to allow public discussion of their area's devolution deal during both the development and implementation stages. Furthermore, we heard that because discussions have been largely limited to council leaders and officials, many councillors have also had limited involvement, further restricting the prospect of public engagement. One respondent remarked that

²³ www.publications.parliament.uk/pa/cm201516/cmselect/cmcomloc/369/36907.htm

²⁴ www.durham.gov.uk/article/7330/Thousands-take-part-in-County-Durham-devolution-poll

²⁵ This included 128 responses from the voluntary and community sector www.westofenglanddevolution.co.uk

‘other than introducing a mayor there is no democratic engagement whatsoever’ while another said that despite trying to develop an awareness of their area’s plans, no one in local government had replied to their emails. Subsequently, there is widespread feeling that devolution plans are a foregone conclusion and that communities ‘will have what they are given’.

Some suggested that local government should treat the voluntary sector in the same way it does business – welcoming engagement. For example, one respondent noted how their combined authority has demanded that voluntary sector infrastructure organisations in the region speak with one voice, while they accept multiple representations from the private sector. Frustrating as this may be, it is undoubtedly true that the sector can be more persuasive when it works together. Rather than waiting for local authorities to change, charities will need to adapt their own influencing approaches if they want to be heard.

Developments to date were not considered a *fait accompli* by everyone we spoke to. Many devolution proposals are still being negotiated and even agreed deals are open to revision. As such, there are ongoing opportunities for the voluntary sector to shape further devolution and influence how the deals are implemented in many areas. For example, one respondent described how their area’s original devolution draft proposal was not consulted on but at the next stage the combined authority undertook a community and stakeholder consultation. They followed this with a consultation on whether the deal should go ahead in some local authority areas.

A lack of time and resources to engage

Like their public sector counterparts, many voluntary organisations are struggling to operate within a challenging funding environment. It was therefore somewhat unsurprising that approximately one quarter of respondents who said their organisation has not contributed in any way to the development or delivery of devolution plans in their area attributed this to a lack of time and resources.

Predictably, respondents from the 0-£10k income band were more likely to report a lack of time and resources as a barrier to involvement than those from the other income categories, while a similar proportion of respondents from the infrastructure, charity and community groups categories cited this as an issue.

The tight deadlines set by central government for regions to submit their bids has been a significant factor behind the lack of civic involvement in the development and delivery of devolution plans²⁶. Indeed, echoing the views of several respondents, the Communities and Local Government Committee found that some areas, particularly non-metropolitan areas, have found it very challenging to meet deadlines and could be rushing into bids which have not been properly planned. They also suggested central government appears to be setting deadlines in accordance with events in the parliamentary and political calendar²⁷. As such, several respondents questioned

²⁶ Indeed, the NAO has reported that a lack of a defined timetable has caused frustration and uncertainty within local areas that worked quickly to meet the initial September 2015 deadline for bid submissions www.nao.org.uk/wp-content/uploads/2016/04/English-devolution-deals.pdf

²⁷ www.publications.parliament.uk/pa/cm201516/cmselect/cmcomloc/369/36907.htm

whether a lack of consultation was a decision taken by local leaders or a result of central government imposing limited timeframes on local leaders.

Even when consulted directly by local government, the voluntary sector was often given a very short timeframe within which to respond, making it especially difficult for infrastructure bodies to consult with, and collate the views of, their members. Short consultation timescales also limit the potential for frontline organisations wanting to collect feedback from local communities about their views on devolution, despite many seeing the devolution agenda as important to their organisation.

Many respondents to our survey, while speaking quite optimistically about the potential for the devolution agenda to deliver positive change for their area, stressed the need for support from decision makers and local government to help achieve this. Even a small upfront investment could yield significant savings further down the line when better

“The voluntary sector does hold the skills to deliver services but it must be properly supported to ensure it is sustainable.”

designed services reflecting local need help avoid the escalating costs associated with inappropriate interventions. It was therefore encouraging to hear one respondent talk about how their local CCG will be providing a financial resource to help the voluntary sector engage with communities in their area. Other funders, particularly charitable trusts and foundations, may want to consider whether they too can offer support.

A perceived lack of relevance of the devolution agenda

Only 30 respondents said the lack of relevance of the devolution agenda to their organisation was a reason behind their organisation not contributing to the development or delivery of their area’s devolution agenda. Interestingly, respondents from organisations with an annual income of less than £100,000 formed the vast majority of these. Indeed, approximately one quarter of respondents from this income range who said their organisation has not contributed to the devolvement or delivery of their area’s devolution plans reported this as a determinant. Similarly, only respondents from charities and community groups felt the devolution agenda was not relevant to their organisation. Given the local knowledge and expertise that smaller, community based organisations often possess, this perceived lack of relevance is regrettable, as it means regional policy formation could be losing out on much needed intelligence, to the detriment of devolution plans, the redesigning of public services and, most importantly, local people.

These findings were echoed by several respondents who felt that local ‘frontline’ voluntary organisations were underrepresented in the devolution process. One in particular stated that they were unsure whether the wider sector understands what the devolution agenda means to them, with many frontline groups seemingly disinterested at present. Some felt this could be due to these organisations not identifying with combined authority areas. For example, it can be difficult for a small, rural charity to identify with a combined authority when it seems coordinated around – and named after – a city that it may feel no connection to. Also, small volunteer-led frontline

organisations rarely gain contracts or grants from the public sector²⁸ and as such, changes relating to public services might seem less relevant to them. Devolution reforms may well touch on the lives of their beneficiaries though and all organisations will need to consider potential opportunities and threats.

²⁸ An observation supported by NCVO's Civil Society Almanac which found that only 16% of funding for small and micro organisations is from government, compared to 33% for the sector as a whole <https://data.ncvo.org.uk/a/almanac15/government/> (accessed March 2016) *Data relates to 2012/13, the most recent year it is available for.*

Conclusion

The voluntary sector plays a unique role in society. Motivated by mission rather than profit, it provides high quality, responsive services that fill the gaps in the patchwork of support on offer from local and national government. Importantly, by being rooted in local communities and providing voice for some of society's most marginalised groups, it is often best placed to understand people's needs, assets and aspirations. It is this expertise that makes voluntary organisations indispensable partners for local government when devolution plans are being developed and public services reorganised.

However, this expertise is not being used nearly enough. Our research strongly suggests that the vast majority of the voluntary sector is being side-lined in discussions around devolution in their area. This is despite a widespread appetite for involvement in both the development of proposals and the implementation of agreed deals. In many cases this has been due to a lack of awareness of the devolution agenda and engagement by local government with communities at all stages of the devolution process. This has coincided with a tough funding environment which has further hampered engagement by charities, even in the minority of cases where input has been sought by local government. Where the voluntary sector has been involved, this has been confined largely to infrastructure organisations rather than frontline groups which, in many cases, will be able to provide crucial additional insight.

The findings of this report show more can, and should, be done by government – local and national – to reach out to communities and the voluntary organisations that support them. However, it is important to note that if local government wants engagement then it will have to resource it. As the National Audit Office stated, '... planning and organising services across institutional and geographical boundaries ... depends on the ongoing sustainability of local organisations that play a role in this integration'²⁹. A small amount of investment now could help avoid significant costs further down the line when services fail to achieve their intended outcomes.

Perhaps partly shaped by a lack of engagement, we also found that voluntary sector views of the devolution agenda are mixed. While many recognise that opportunities exist for involving communities and providers in local decision making processes and the redesigning of public services around individuals, others hold serious concerns that devolution unduly focuses on economic issues at the expense of service transformation and civic engagement. Reflecting trends in public services more widely, many of those we heard from expressed uncertainty around whether commissioning behaviour and public sector culture is capable of capitalising on the opportunity devolution affords for reorganising and integrating public services around the individual. Similarly, there were fears that devolution could further favour larger providers from both the voluntary and private sectors. While these views may not always match the reality on the ground, they do at the very least reflect the *perceptions* of those questioned, showing confidence in devolution is potentially being undermined. As such, they should be of concern for both central and local government policymakers.

²⁹ www.nao.org.uk/wp-content/uploads/2016/04/English-devolution-deals.pdf

While the findings of this report make for somewhat sober reading, it is worth remembering that the devolution agenda is a relatively young and evolving policy area. As such, there remains plenty of scope for further improvement and development. Indeed, most areas are still negotiating the finer details of their proposals with central government. It is, therefore, still possible to incorporate the views of local communities and the organisations that advocate on their behalf into finalised deals.

However, the ability of local government to do this will in part be determined by the amount of time central government provides areas to develop and negotiate devolution proposals. By constraining combined authorities, there is a risk that relationships with neighboring areas will not have sufficient time to develop and bids will not be properly planned.

Lastly, while this report largely concentrates on public sector behaviour, a recurring theme in the feedback we received was the need for voluntary organisations to also play their part in the success of the devolution agenda. The voluntary sector must be proactive. It is no good sitting back and waiting for local authorities to come to them. Charities in areas with more developed plans should, if resources allow, share what they have learned with charities in localities just starting off on their devolution journey. In all cases, collaboration will be key. Just as government is contemplating fundamental reform, so too might the voluntary sector need to consider whether, given community needs and resources, existing organisational structures are fit for the future.

Recommendations

Central government

The Treasury and Department for Communities and Local Government should, in partnership with local government, the voluntary sector and other key stakeholders, develop clear guidance on the criteria that will be used to assess devolution proposals. This should reflect Locality and Navca's Five Key Principles for Devolution³⁰ and the cross-sector Principles for Devolution³¹. Crucially the guidance should include minimum standards that devolution proposals must meet on issues such as:

- engagement to date with the public, voluntary sector and other key stakeholders in the development of the proposal
- plans and resourcing for future engagement with the public, voluntary sector and other key stakeholders in implementation of any agreed deal.

Decisions about whether to approve devolution proposals should be made against these criteria and published in full. We recommend that Cabinet Office facilitate discussions between the Treasury, DCLG and the UK Open Government Civil Society Network to develop a commitment to this effect that can be added to the UK Open Government National Action Plan 2016-18³².

³⁰ www.navca.org.uk/assets/000/000/121/Devolution_key_principles_FINAL_original.pdf

³¹ www.cfg.org.uk/news/press-releases/2016/september/~/_media/Files/News/Devolution%20and%20Voluntary%20Sector%20Summit%20Principles.pdf

³² www.gov.uk/government/publications/uk-open-government-national-action-plan-2016-18/uk-open-government-national-action-plan-2016-18

The Treasury and DCLG should set realistic timeframes to give local authorities enough time to develop strong relationships with each other and engage with key stakeholders. The Treasury should consider how to financially support this engagement process.

Local government

To ensure devolution plans reflect the needs and aspirations of local communities, local government should ensure deals are developed in accordance with Locality and Navca's Five Key Principles for Devolution³³ and the cross-sector Principles for Devolution³⁴. In particular:

- there should be representation of the voluntary and community sector on newly developed boards and working groups related to devolution, as well as existing leadership structures such as LEP and Health and Wellbeing Boards
- devolution should be based on the principle that power should be exercised at the most local level possible. Local services should be co-designed, shaped and reviewed by the people that use them by default
- support should be provided – both financial and logistical – to help voluntary organisations engage in devolution discussions and collect feedback from local communities on their preferences for their area's plan.

Voluntary organisations

The voluntary sector should actively assess the potential opportunities and challenges for their beneficiaries of local devolution plans. Charities should engage with local communities on their preferences for devolution plans and relay this intelligence to local government. The sector must endeavour to be willing, solution-based partners for local government.

Both national and local infrastructure charities (including NCVO) should consider how they can ensure that the voluntary sector is better informed about devolution. This might include information about the status of devolution implementation in local areas, the powers that have been devolved and opportunities to feed into the process through consultations and other means.

The voluntary sector must organise itself more effectively if it is to have a significant influence on the devolution process. National infrastructure bodies should continue to collaborate to present a clear, single message to central government. Local infrastructure charities, where they are not already doing so, should consider how they can facilitate closer working relationships in the local sector, including more formal approaches such as consortia and mergers. Frontline groups should be more willing to collaborate with others in the sector in order to advance the interests of their beneficiaries.

Charitable funders should consider how they can financially support the involvement of local charities in the devolution process. This might include funding local infrastructure bodies so that

³³ www.navca.org.uk/assets/000/000/121/Devolution_key_principles_FINAL_original.pdf

³⁴ www.cfg.org.uk/news/press-releases/2016/september/~//media/Files/News/Devolution%20and%20Voluntary%20Sector%20Summit%20Principles.pdf

Local needs, local voices: building devolution from the ground up

they have the capacity to coordinate engagement or providing seed funding for organisations seeking to develop consortia.