

The Implications of Liverpool City Region's Combined Authority for the Voluntary and Community Sector

Executive Summary

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Report by

VSNW

Voluntary Sector North West
Accountability | Knowledge | Equality

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Executive Summary

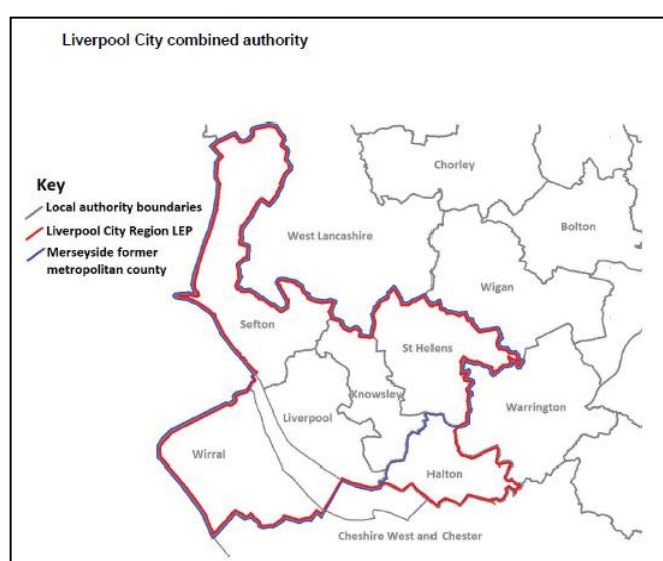
Since April 2014, there have been five Combined Authorities, all operating across the North of England, covering 72% of the population of the North, 71% of the North's GVA and 33 of the 50 top tier northern local authorities.

Their remit is focused on transport, housing and skills as well as driving the overarching strategic agenda for most city regions in the North of England. As the lead agency for local economic development, they will work hand in hand with their Local Enterprise Partnerships (LEPs). They are a significant new governance and decision-making structure, with significant resource, that combine accountability and local economic strategic leadership. They will provide a new framework for how many agencies within a City Region operate.

Given this, local voluntary and community sector (VCS) infrastructure agencies, in considering their strategic remit on behalf of the local VCS¹, are considering their priorities and making judgements about how they engage and influence Combined Authorities. The immediate priority, typically, is to ensure VCS engagement in the governance and delivery of the EU social inclusion funds. The critical point will be the extent to which VCS delivery, social inclusion and 'good growth' are realised through the City Region's vision and aspirations. The test of local VCS infrastructure is the extent to which the case for the sector's role in delivering this is understood and backed by the City Region.

This report, commissioned by Liverpool CVS, is therefore intended to inform local VCS infrastructure agencies' discussions. To better understand what Combined Authority status means for the sector in the Liverpool City Region (LCR), we have taken the following approaches:

- conducted an in-depth review of the new structures, constitution and protocols of LCR.
- drawn on the experience of what has happened in Greater Manchester, which was the only Combined Authority between April 2011 and April 2014.
- interviewed local VCS infrastructure leads in the other new Combined Authority areas.



¹ The NAVCA Core Standards for Quality Local VCS Infrastructure include 'collaboration' and 'influence'. The eleven core outcomes relating to these two standards are listed here: <http://www.navca.org.uk/downloads/generate/3655>

Findings

Combined Authorities will affect local relationships: how decisions are made, how relationships work, how funding travels into localities, what determines strategic priorities, how accountability works, how evidence is collected and how the voluntary and community sector is perceived. Local Authorities in the Liverpool City Region have effectively also become a sub-national economic development agency and this will have a long-term impact on local working.

Finding 1 - Combined Authority status is not a side-show.

It is a key element in a vision for being a successful council, especially in areas of the country where the alternative is 'managed decline'. Councils are developing formal City Region relationships for good reasons. Underpinning this, besides strategic vision, are the simple facts that:

- Combined Authority status gives local councils a stronger, collective voice that can call for pots of decentralised funding and then be the accountable vehicle to hold that cash on behalf of a City Region. It makes decentralisation, as a two-way process, easier. Combined Authorities therefore offer a vehicle, to the local voluntary and community sector, to influence national policy; through close partnership working, with dedicated VCS resource, it is possible for VCS infrastructure to add VCS-positive elements to City Region/national negotiations.
- Huge chunks of councils' core budgets are now linked to housing and business growth. Combined Authority status gives councils greater influence over the strategies that influence their funding allocations (and therefore gives them a shot at 'managed success' in the face of increasingly inadequate funding allocations). Combined Authority status puts councils firmly back at the local economic development helm.
- Decentralisation has favoured, and is likely to favour, LEAs, Greater Manchester Combined Authority and, ultimately, an economic development agenda that finds more permanent ways to solve the equation of welfare need and public spending. This is especially important for large urban areas outside London where income generated from housing and business rates might not be enough to make that equation work, and the pressure to address public service demands in new ways is more acute. Whatever the political make-up of central Government next year, this is the fiscal necessity: spending that reduces spending. And Combined Authorities are the natural vehicle for combining economic development and public service delivery.

Finding 2 - These realities will inevitably affect how, and why, councils work with VCS groups.

As Combined Authorities better combine their new responsibilities and funding streams (in the Liverpool City Region, this already amounts to £232.3m Local Growth Fund and c.£200m in European funding up to 2020), they will inevitably and increasingly connect economic development goals and local public service delivery needs and pressures (as stated in above).

The consequence is that this will increasingly alter the case for working with local VCS groups. How these agenda connect, and how partners think about and deliver social and economic inclusion, will go some way to determining the potential role (and shape) of VCS groups engaging with public sector partners. In turn, this will affect the kind of strategic support and representation that VCS groups will require from local VCS infrastructure agencies.

In Liverpool City Region, the strength of VCS engagement with public sector partners will increasingly depend on how it interacts with the Combined Authority's new "whole-system" approach to economic growth.

Finding 3 - In Combined Authorities, fundamental decisions, that will affect the sector locally, will increasingly be made at a City Region level.

Local authorities (given their new parallel role as a Combined Authority) will need to be consistent with their Combined Authority and the Combined Authority consistent with its local authorities. There will be two significant lines of development that will affect how the VCS influences and engages with their local authority and local authority partners:

- local authorities, and partners, will further develop centralised strategic plans and planning processes for the City Region. Consultation processes, effective engagement and challenges will increasingly operate at this geography.
- local authorities, and partners, will increasingly move towards sharing centralised delivery of other back-office public service delivery functions (in order to support frontline services). Central Government is encouraging this with small pots of investment designed to support rationalisation (e.g. phase 2 of the Troubled Families programme will support cross-authority delivery in London's Tri-boroughs and in Greater Manchester). These footprints offer the possibility of rationalisation.

It is likely that there will be more bureaucracy. It will therefore be increasingly difficult for local VCS infrastructure organisations to effectively dip in and out of a broadening

City Region economic and welfare agenda. Without effective VCS infrastructure support, it is unlikely that more than a few larger VCS providers will be able to engage.

Finding 4 - There are more reasons than the Combined Authority status for VCS infrastructure agencies to work together beyond their patch.

Combined Authority structures are not the only structures operating across local authority geographies in the Liverpool City Region. There are other policy agenda, and public sector agencies, for which strategic VCS collaboration would benefit the sector. Of particular relevance are the police and crime commissioner and the new health structures.

However, the City Region will increasingly become the natural sub-national footprint for other agencies and for programme delivery more widely.

There is, therefore, a growing need for regular, formalised and consistent VCS strategic activity on a larger footprint.

Recommendations

Given these findings, the way in which VCS infrastructure agencies work together across a City Region becomes increasingly important for the sector.

In order to do this, local lead VCS infrastructure agencies should consider how they establish clear communication channels (with each other, the sector, and City Region partners) and demonstrate collective working.

Recommendation 1 - Establish a partnership to develop the sector's capacity to engage with and influence the Combined Authority.

In the first instance, there will need to be a clear understanding between partners about the membership and model of the partnership. The following options should be considered:

- a. **Status Quo:** The Merseyside Change-Up partnership is now well established and has existed for several years. It provides an excellent forum for sharing but has limited resource and now relies on good will of a number of individuals to co-ordinate.

The partnership does provide an arena for colleagues holding City Region roles to feedback to the partnership but a lack of central support or resource to undertake activity agreed at meetings means opportunities are missed.

- b. **New organisation:** The ‘big bang’ approach would be to develop a new organisation that sits at the City Region level. The advantages of this are that public sector partners wishing to engage with the sector would have a clear line of sight on who to approach and the organisation could potentially access funds.

The disadvantages of this approach are many, initial resourcing in a climate of reduced funding for key VCS partners, the danger of mission creep and a ‘Top down’ approach to City region as opposed to ‘bottom up’.

- c. **‘Change-Up +’ approach:** A further option would be to develop a ‘hub’ for the City region work: potentially in line with how Capacity Builders was delivered within the City Region when funding was available.

Change-Up Partners could create a mechanism that can be promoted to wider VCS as a vehicle for working with the City Region and that can engage with public sector partners at that level. It should be capable of attracting funding in the medium to long term and be an influential policy hub for all aspects of City Region working.

This approach would still require pump-priming, and whilst a number of public sector partners may be convinced to support this approach, it is likely that it would require VCS partners to consider making an initial investment.

Clearly the disadvantages of this model are in the initial investment phase, the advantage over option two is that it can be developed in a lean and efficient manner that does not create an organisation that may suck funds from other areas of work.

Recommendation 2 - Engage with the Employment and Skills Board (ESB)

The sector can and does play an important role in employment and skills provision. As the Work Programme, Talent Match and other skills programmes develop, strategic engagement with the ESB will gain importance, certainly over the life of the next EU programme and as the Growth Deal further develops.

Priorities should include:

- seeking VCS representation on the Board and
- developing evidence of the sector’s ability to tackle worklessness (see *Strategy 5*);

Recommendation 3 – Start discussions with members of the Combined Authority, and lead officers, about a VCS offer around broader sector engagement.

This should begin an ambitious conversation about the role of the voluntary and community sector in economic growth and within a “whole-system” approach to economic growth (see *Strategy 3*, for further details).

This should also be linked to the EU SIF strategy in order to ensure broad understanding about the role of an accountable, sector representative (connected to the work of a formalised VCS infrastructure partnership) involved in the governance of social inclusion delivery and funding.

Recommendation 4 - Develop a coordinated programme of evidence-building to demonstrate the economic and social impact of the sector across the Liverpool City Region.

This should be linked to influencing the single evidence base (see *Strategy 4*), influencing the Employment and Skills Board (see Recommendation 2, above), and the delivery of social inclusion activities (see *Strategy 3* and *Strategy 6*).

As the Combined Authority develops, it is likely that a ‘common language’ around evidencing and demonstrating impact will emerge. It will be important to influence that model, so that it is sector-friendly, and identify resources to help develop VCS groups skills in effectively demonstrating impact.

Recommendation 5 - Develop strategic relationships with other local agencies operating at a City-Region level.

A broad partnership model with other private, social and public sector partners could be developed through a “Partners’ Council” and provide a cost-effective mechanism for VCS representation and networking (see *Strategy 1*).

Work should also include exploratory discussions with local health and social care leads about their potential plans for influencing Combined Authority structures and agenda.

Recommendation 6 – Develop a fuller plan of collective engagement with the Combined Authority structures and policy agenda, with a clear understanding about individual organisation’s responsibilities.

Partners should work through the draft table in Strategy 7 which identifies a comprehensive list of points of engagement within the Liverpool City Region Combined Authority.

This plan should also seek to understand which VCS agencies are already plugged into the new City Region structures and policy agenda, and establish clear connections and relationships.

The recommended aim is to develop an agreed engagement strategy, with a clear understanding about who is managing which relationships and how accountability mechanisms for the voluntary and community sector will work. In time, this should result in a transparent programme of activity that can be broadly shared.

In time, this could link to developing:

- a City-Region Compact (see *Strategy 2*) which incorporates the Combined Authorities’ principles², and
- an engagement strategy based on a worked-through version of *Strategy 7* which could then serve as a clear statement of accountability for the broader voluntary and community sector and for partners more widely.

² The Combined Authorities principles are outlined in section 11 of Part 1 of the [Combined Authority’s Constitution](#).

Strategy 1: Developing a broader partnership

Summary: In the past, the group of Regional Assembly Members known collectively as SEEPs (Social, Economic and Environmental Partners) were representatives from sectors other than the region's Local Authorities. They contributed to decision-making (particularly on issues relating to economy, planning, transport, and housing) by representing the interests and concerns of many sectors that contribute to the social, economic and environmental well-being of their region. These sectors can include business, industry, trade unions, transport, education, equalities, health, housing, culture, voluntary & community sector, faith groups and the environment, and include members of the UK Youth Parliament. The SEEP still meet, and work with local authority leaders, in the North West and nominate representatives from among themselves (representing the balanced interests of social, economic and environmental) to sit on the Regional Leaders Board.

Relevance: This provides a model of representation familiar to local authority leaders that is not merely VCS specific but provides a broader, and more influential, umbrella. It also offers the chance to draw current representatives within reach and may be an acceptable proposal for the "Partners' Council" or equivalent. There would need to be a clear VCS candidate with backing from significant voices within the sector.

Strategy 2: Developing a City-Region Compact

Summary: The Combined Authority is a legal public sector entity and in theory should operate to the National Compact Code. It may be that considering the code across the combined authorities could be included as part of the review of city region governance. For LEPs the compact is optional but Combined Authorities are formal, corporate, public sector bodies.

Potentially linked to a Combined Authority Compact are the following decision-making principles embedded within the [constitution of the Combined Authority \(Part 1, s.11\)](#) that could be better linked to the voluntary and community sector (as well as other partners). The principles outlined in the Liverpool City Region Constitution are

- a. Proportionality (meaning the action must be proportionate to the results to be achieved);
- b. Due consultation (including the taking of relevant professional advice);
- c. Respect for human rights;
- d. Presumption in favour of openness;
- e. Clarity of aims and desired outcomes; and
- f. Due consideration will be given to alternative options

Strategy 3: The role of the VCS in a ‘whole-systems’ approach to economic growth

Summary: There have been a number of pieces of work exploring the sector’s potential role in delivering economic growth. Similar work (to the three models below) exploring the future role of the sector in the detailed economic development work of the Liverpool City LEP and the Combined Authority, *linked to appropriate engagement*, could be explored.

- a) VSNW worked with the Centre for Local Economic Strategies (CLES) to **identify local VCS potential in the work of the Cheshire and Warrington LEP**. There were two reports. One looking at the broad scale of the local sector (linked to the evidence base, see *Strategy 5*) and one looking at four thematic areas of delivery and potential: social inclusion, employment and skills, social enterprise, and social innovation.

Relevance: The work laid out a basic business case for the sector, quantitatively and in four thematic areas that are of relevance to a Combined Authority: social inclusion, employment and skills, social enterprise, and social innovation. It also outlines a basic strategy by which economic development agencies can better work with the VCS.

Links:

- [Working with the LEP to develop greater social and economic inclusion](#) (2014)
- [The Future Role of the VCS in the C&W LEP](#) (2014)

- b) A ‘**Civil Economy**’ strategy was developed in Manchester by CLES and MACC, Manchester’s lead local infrastructure organisation, to develop the potential of the social sector to contribute to local economic development. The strategy builds on the evidence base work done by Hallam University into the economic potential of the sector and looks at the role of the sector across six themes:

- Encourage collective place leadership
- Ensure equal access and benefit economy
- Foster local social and private sector links
- Support pathways to work
- Promote enterprise
- Enhance the social sector as part of the solution for public services

Link: [Civil Economy](#) (2014)

- c) **Support a cross-cutting City-Region Social Inclusion Framework**. VSNW’s sister organisation, One East Midlands, developed a framework to identify priority groups and activities for the LEP’s social inclusion work. Identified priority groups (with rationale) are: older long term unemployed [over 40]; younger people; women ‘returners’; people with multiple and complex needs; financially excluded cross referenced to five thematic areas of delivery: health and wellbeing; rural inclusion/exclusion; ABCD; involving business; softer outcomes (arts, environmental, confidence-building). This report sets out a model, that fits in with EU SIF and Lottery match models, for developing a City-Region wide social inclusion framework for delivering social and economic inclusion.

Link: [D2N2 Social Inclusion Framework](#) (July 2014)

Strategy 4: Developing, communicating and integrating a VCS Evidence Base

Summary: In the development of the NW Regional Strategy (2010), formal and positive engagement was enhanced by offering support to develop the evidence base with a focus on the region's voluntary, community and social enterprise sector. The gathering of the evidence base, through consultation, helped align sector interests and profiled the sector's ability to coordinate and work collectively. The subsequent evidence base was circulated to key players in the region and profiled the sector's potential and offer more broadly. The offer helped to demonstrate commitment to the process, vision and partnership.

- [VSNW Submission](#)
- [NW Regional Evidence Base Summary](#) – key points on pages 154/55

In Greater Manchester, Hallam University was contracted to develop a state of the sector report by local infrastructure organisations. Hallam produced a report for each district and a Greater Manchester report based on these local reports (working to a consistent template). The focus of the report was to identify headline findings about the sector's economic and social impact.

- [Greater Manchester State of the Voluntary Sector](#)

How the evidence base is communicated to partners and integrated into City-Region intelligence will be critical.

Strategy 5: Building the case for VCS approaches to Tackling Worklessness

Part of the remit of the Employment & Skills Board (ESB) will be to identify and minimise barriers to employment and training. Part of Liverpool City Region's Growth Deal includes developing local connections to the Work Programme. These two areas will remain a concern, but with growing opportunities for action. Added to this is the opportunity to use the ESB for devolved models of skills and employment delivery; relationships with FE providers could be important.

However, the evidence base for a VCS approach needs redeveloping and re-communicating. Core evidence can be found in:

- NEF/CLES *National Wellbeing Evaluation* which sheds light on the right 'ecosystem' for wellbeing. This model, developed by NEF and CLES, highlights those critical points where public health, health, adult social care, and social sector activity can contribute to a deeper, more long-term approach to addressing low productivity. The wellbeing approach has implications for skills development, building confidence and productivity.
Link: [National Wellbeing Evaluation](#) (publications at bottom of page)
- National and regional community grants programme evaluations make the case for grant funding community groups to support wellbeing, training and employment. Sources and further evidence are available in the 'Employment and Skills' section of [The Future Role of the VCS in the C&W LEP](#).
- MMU's review of 'Tackling Worklessness in the North West' identifies exemplary delivery. Lessons about VCS delivery are also available. This makes the case for local authority delivery alongside local VCS groups.

Link: [Third Sector Tackling Worklessness in the North West](#) (2010)

Strategy 6: Strategic engagement with the Big Lottery's ESF Programme Development Funding

While the Programme does not provide large amounts of funding (up to £10,000 in Liverpool City Region), it offers local VCS infrastructure the opportunity to promote its role within the City Region framework:

"The role of the lead organisation is to ensure there is widespread awareness of the opportunities available through the ESF, to act as a main contact for queries and to bring the Voluntary Community and Social Enterprise (VCSE) sector together to discuss local need already identified by LEPs and how best to tackle these priorities."

A coordinated local infrastructure endorsement will be important to the Lottery and will send a positive message to local partners.

Link: [Building Better Opportunities](#)

**Strategy 7 – introduction: Engaging with
Combined Authority structures and activities**

The following table (Strategy 7, pages 44 and 45) has begun to map out key points of activity and influence within the current Liverpool City Region Combined Authority structures that VCS partners should consider. It is not intended to be final.

It highlights what needs to be done and recommends areas of action to prioritise (in line with the recommendations of this report). However, further discussion about an overarching approach and a commitment to collaborative working are needed in order to identify appropriate leads, engagement approaches and thereby complete the following table.



Strategy 7: Engaging with Combined Authority structures and activities

Structures and potential points of engagement	Substructures and leads	Recommended priority areas	Engagement approaches	Partnership Lead
Combined Authority	Rob Polhill	YES	Local relationship, collective connection	
	Ron Round	YES	Local relationship, collective connection	
	Joe Anderson	YES	Local relationship, collective connection	
	Barrie Grunewald	YES	Local relationship, collective connection	
	Peter Dowd	YES	Local relationship, collective connection	
	Phil Davies (Chair)	YES	Local relationship, collective connection	
	Robert Hough	YES		
Senior Officer in Combined Authority		YES		
LEP			Collective membership?	
LEP Substructures	Tony Okotie		Formal VCS rep?	
LEP's City region european board	Andy Churchill	YES	Formal VCS rep?	
Other lep substructures				
Lottery opt-in proposal		YES		
Employment and Skills Board		YES	Formally/collectively request a sector rep	
Employment and Skills strategy				
Strategic Housing & Planning Board			Any current VCS engagement?	
Local Investment Plan – review				
MerseyTravel			Formally connect with engaged contacts	
Transport Advisory Group				
Partners Council		Maybe		
Scrutiny Panel				
Growth Deal	Youth Employment Programme			
	19+ learners pilot	Maybe		
	Skills for Growth Bank			
	National & local back to work initiatives			
	Improved operational partnership work	Maybe		
	Environmental baseline information			
	Community energy / micro-generation			

Structures and potential points of engagement	Substructures and leads	Recommended priority areas	Engagement approaches	Partnership Lead
Investment pipeline				
City Region Capital Investment Fund				
Delivery of a <i>City Region Enterprise Strategy</i>	Entrepreneurialism in schools etc			
	Study into entrepreneurial aspiration			
	Create entrepreneurial environment			
	Entrepreneurial ecosystem project			
Delivery of an 'Inclusive Economy'	City Region Innovation Plan			
	tackling youth unemployment			
	helping adults (over 24) back into work/enterprise	YES		
	social growth and connectivity strand	YES		
	Micro credit			
	Development of local social capital linked to a Local Impact Fund	YES		
	Using the natural environment to improve health and employability			
	Small grants programme for community development	YES		
	Innovative approaches to meet community needs eg parental mentors	YES		
Single Investment Fund approach				
Single appraisal framework/process				
Single evidence base		YES		



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This report was commissioned by Liverpool CVS | United Way.

LCVS|United Way brings people and organisations together for positive change in communities through voluntary action and charitable giving.

Established in 1909, LCVS|United Way work with diverse communities to make a positive difference to people's lives and are United Way Worldwide's national partner for the UK.

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VSNW (Voluntary Sector North West) is the regional voluntary sector network for the North West. The purpose of VSNW is to ensure that the voluntary and community sector (VCS), in all its diversity, takes its full part in shaping the future of the North West.

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