



Matching rhetoric with reality

The challenge for Third Sector involvement in local governance

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Abstract

Purpose – The purpose of this paper is to examine the mismatch between the language and rhetoric used by UK Central Government departments to promote particular policy options and initiatives and the experiences of Third Sector organisations engaged in such programmes. The paper provides an overview of policy development involving the Third Sector in the UK and seeks to provide a practice and political context to facilitate the analysis.

Design/methodology/approach – The paper draws upon empirical research undertaken with Third Sector and public sector agencies in specific initiatives in England. The methodology adopted includes an analysis both of the policy documents and official guidance notes provided as well as qualitative data drawn from interviews with key participants in the process.

Findings – The paper observes that for both parties in the process the relationships/experience was uncomfortable. The diversity, size, ethos and shape of the Third Sector were not fully understood by public sector agencies and the implications of the governance and decision making processes were not fully grasped by either party.

Research limitations/implications – While the policy and practice implications are explicitly discussed in the paper it is rooted in the particular organisational structures/culture of the UK (and England in particular). While comparisons are possible they are to be found in the discussion on processes.

Practical implications – The paper adds to the analysis/understanding of the policy and practice relationship(s) between the Third Sector and central/local government and points to ways in which these relationships are likely to become more significant over time.

Originality/value – The paper adds to the literature on the Third Sector but is significant because of its focus on specific policy initiatives.

Keywords Central government, Local government, Rhetoric, Decision making, Voluntary organizations

Paper type Research paper

The Rhetoric

Box 1 – Definition of the Third Sector

'The Third Sector incorporates a huge diversity of non-governmental organisations. they are value driven and principally re-invest surpluses or raise funds to further social, environmental or cultural objectives. The sector includes community groups, voluntary organisations, faith and equalities groups, charities, social enterprises, co-operatives, mutuals and housing associations' (Communities and Local Government, 2007).

The role of the Third Sector in local governance activities and mechanisms has been enhanced and increasingly valued over the course of the last ten years by central government, local authorities and the Third Sector itself. It has come from a need to understand where power lies within localities and the extent to which different actors are engaged. One of the most cited means of viewing where power resides is the use of ladders of participation (Arnstein, 1969) and ladders of empowerment (Burns *et al.*, 1994). The role and level of Third Sector organisations in local governance has varied in both the scale of the size of Third Sector organisations involved and the types of involvement and a spectrum of involvement introduced in this paper seeks to detail the variety and potential roles for the Third Sector in local governance. Centre for Local



Economic Strategies (CLES) would suggest that there have been two waves of Third Sector policy rhetoric in local governance in the last ten years.

The first wave really started in the early to mid-1990s in major regeneration programmes such as City Challenge and the Single Regeneration Budget, which provided an arena for predominantly small neighbourhood based Third Sector organisations to have a “voice” in key local decision making.

The key notion espoused by the SRB and City Challenge is one of local partnership whereby local government, the private sector, the voluntary sector and, importantly, local communities are involved within the regeneration process (Atkinson and Cope, 1997).

The first wave also recognised the variety of the Third Sector operating at the local level:

there are multiple agencies, differing levels of authority, and numerous informal linkages and communications networks in play. As a consequence, there is more variety, flexibility and organisational diversity in the local policy environment but also more potential instability as organisations continually adapt to changing circumstances (Clarke, 1995, pp. 519-20).

This promotion of the Third Sector as having a “voice” on local governance and local regeneration issues was carried forward in the development of Local Compacts (first introduced in 1998) between local government and the Third Sector; the development of Local Strategic Partnerships (LSPs) in 2001 and the National Strategy for Neighbourhood Renewal supported Community Empowerment Networks, also introduced in 2001. These networks and their relationship with LSPs in particular, started to provide a far more effective link and “voice” between the Third Sector, local authorities, other public sector partners, the private sector and also elected members. At this stage, there remained a strong emphasis centrally and locally on the Third Sector receiving grants for project delivery.

Increasingly in these regeneration models central government recognised that the Third Sector was a core component of successful regeneration and that there was a need for a statutory involvement of the sector in bids for regeneration pots. “Communities need to be involved both in designing what is to be done and implementing it, and that the best policies work through genuine partnerships” (Social Exclusion Unit, 1998). Academic literature on this wave of involvement has focused on the level to which local “communities” are consulted and empowered and the degree to which they participate in these new sites of governance (Atkinson and Cope, 1997; Brownhill, 1998; Hastings, 1996; Skelcher *et al.*, 1996), which has shaped the formation of Community Empowerment Networks and LSPs.

The second wave of Third Sector involvement in local governance mechanisms and activity has really come to fruition in the last three to four years with an emphasis placed on the sector as a strategic engager, deliverer of public services and procurer of contracts. LSPs have gone beyond the remit of discussing issues relating to specific themes to being far more accountable to partners and producing strategic documents in the form of Sustainable Community Strategies and in association with the local authority and other partners delivery action plans in the form of Local Area Agreements (LAAs). Third Sector organisations have required far more time, capacity and support to engage with the development and delivery activities of LAAs, first introduced in 2004, but now in place in every top-tier authority. Third Sector organisations have also required more support in gearing themselves up for and accessing the shift that has occurred from a grant-based culture towards one focused on public service delivery contracts. In both cases support has often come in the

representative focus of Third Sector infrastructure bodies such as the Tameside Third Sector Coalition (T3SC).

The infrastructure support and public sector contract accessibility needs of Third Sector organisations have been supported by two core central government “capacity-building” programmes which aim to help Third Sector organisations improve their systems and management processes, enabling them to bid for public sector contracts. Futurebuilders, a £125 million investment fund set up in 2004 and ChangeUp, a £150 million initiative are the two key capacity building programmes.

2007 saw the increasing value of the Third Sector to local governance, local strategy, local regeneration and local service delivery acknowledged and enhanced in a series of policy reports from the recently formed Office of the Third Sector, which resides within the Cabinet Office but has strong links to the local government modernisation and local communities driven Department for Communities and Local Government. The “Taking the Third Sector Forward – A Future Role in Social and Economic Regeneration” (Cabinet Office, 2007a) report and the “Partnership in Public Services: An Action Plan for Third Sector Involvement” (Cabinet Office, 2007b) report fed into the 2007 Comprehensive Spending Review the key values of the Third Sector to communities, to service delivery and to governance. The Third Sector review of involvement in social and economic regeneration has in particular identified four areas of common interest that exist between central government and the Third Sector, which will shape partnership working and policy over the next ten years. They are as follows:

Enabling voice and campaigning

The review highlighted with Third Sector organisations having stronger roles in service delivery, increasingly they were being more effective in enabling community voices to be heard and in campaigning for better services. The review particularly recommends that while the Third Sector is often a crucial partner in enabling and equipping citizens to participate in campaigning, democratic processes and civic activity, there is a need for appropriate learning opportunities for individuals and organisations to engage effectively in civic participation.

Stronger and connected communities

The review highlighted how the range of organisations in the Third Sector contributes to promoting stronger and connected communities. In particular, it suggested that there would be benefit to maintaining grant funding for smaller community organisations, alongside increasing opportunities for Third Sector organisations to contract with local government to deliver public services. As recent CLES work in Sunderland has suggested this mix is necessary as many smaller Third Sector organisations are not in a position to compete for public service contracts and they do not see this as part of their core functions. It also indicated that more needed to be done to ensure that organisations representing marginalised groups such as black and minority ethnic groups and disability groups had access to mainstream grant funding.

Transforming public services

As has been discussed earlier, the Third Sector is playing an increasing role in public service delivery. The review states that the Government wants to ensure that the Third Sector is at the heart of reforms to improve public services as contractors delivering public services, as campaigners for change, as advisors influencing the design of services and as innovators from which the public sector can learn. However, despite

this ambition, the review survey of Third Sector organisations revealed that there was a gap between government thoughts and the actual experience and delivery of Third Sector organisations at the local level. The review therefore suggests that there is a desire to see some barriers removed especially in the commissioning and procurement process and in building the capacity of smaller organisations to deliver public service contracts.

Promoting enterprising solutions

Social enterprises have become a key part of the Third Sector and service delivery. With a turnover of around £27 billion, social enterprises clearly make a strong contribution to national and local economies. The review indicated that while social enterprises do have not only this economic value but also social and cultural benefits, it is not sufficiently understood by the public or private sectors. The review thus recommends that the value and benefit of social enterprise solutions needs to be marketed widely, and be based on a solid base of evidence on the social impacts the sector can have. Learning and best practice also needs to be shared within the sector. The Government and Office of the Third Sector are already acting on the issue of social enterprise with the publication of the Social Enterprise Action Plan, which has a number of innovative proposals including developing a programme to appoint 20 social enterprise ambassadors to raise awareness of social enterprise activities.

There have been further developments in local governance policy in the last 12 months and its relationship to the delivery and strategic activity of Third Sector organisations. The Local Government and Public Involvement in Health Act (2007) signalled the restructuring and potential simplification of the LAA process. The Act introduced new duties for local authorities to engage certain partners in the LAA process and for these partners to give due regard to targets. Interestingly the Third Sector are not named a key partner, but are viewed as respected deliverer of local services.

The Local Government Act and associated National Indicator Set also reduced central-local bureaucracy through a reduction in the number of indicators local authorities generally have to report upon and the opportunity for the inclusion of up to 35 in the LAA. The reduction in indicators provides Third Sector organisations with greater opportunity to be more focused than ever before upon the relationship between their projects and delivery activities and measures of local performance. Correlation between Third Sector projects and indicators could potentially be crucial to commissioning decisions through the LAA.

The 2007 Comprehensive Spending Review also introduced new rhetoric around the role of the Third Sector in public service delivery and local strategic governance with a new national level Public Service Agreement (PSA) target. While the previous Spending Review period was characterised by a PSA which was very delivery focused (increase by 5 per cent the proportion of the Third Sector public service delivery contracts), the new PSA suggests objectives for a far more rounded Third Sector. PSA 21 seeks to “build more cohesive, empowered and active communities”, which has a sub-indicator of “a thriving Third Sector” which will be measured through a range of issues relating to volunteering, capacity and service delivery.

The reality of engagement

Despite the policy rhetoric highlighted above, levels and scale of Third Sector involvement in local governance structures such as LSPs and processes such as LAAs

have however varied by authority and locality. A number of research reports notably by Communities and Local Government (2006), the Improvement and Development Agency (2005) and the National Audit Office (2007) have begun to quantify and qualify the involvement of Third Sector organisations in LAAs to date. While it is not possible to highlight all of the key findings of these reports in this paper, a number of key issues emerge which suggest that in the future there needs to be far stronger support for and engagement of Third Sector organisations in the LAA process, if they are to reap the full benefit:

- the type and level of Third Sector involvement is dependent upon the quality of Third Sector infrastructure;
- the scope and remit of the LAA process tends to determine the extent and type of Third Sector involvement. A narrow approach with strong local authority lead has often meant limited Third Sector involvement;
- effective Third Sector involvement in LAAs requires considerable commitment of time and resources;
- as LAAs move from strategy and plan-making into commissioning and delivery, there is an increasing need to identify and engage appropriate and relevant front line Third Sector organisations; and
- expectations that the Third Sector will receive additional resources through the LAA needs to be carefully managed by the LAA partners.

CLES have undertaken a range of research activities in last three years advising a diverse variety of Third Sector organisations as to how they can engage with local governance mechanisms and in particular LAAs. This has included significant work with environmental regeneration charity Groundwork at UK foundation, regional office and local levels and with other umbrella organisations such as Social Enterprise Sunderland and their members in the locality. The research has enabled a number of conclusions as to where there has been effective involvement of the sector.

Strong involvement across local authority boundaries

With a number of organisations examined operating across local boundaries at a sub-regional level in addition to in specific localities, it was perhaps to be expected that engagement in local governance would cut across the LSPs and LAAs of those areas. Indeed, many of the organisations had involvement to some extent whether it was through a thematic group, the strategic board or in delivery terms in LSPs and LAAs within their geographical boundaries. There was however a stronger affinity, stronger relationship or stronger level of involvement often with one local authority area. For example, Groundwork Thames Valley's strongest involvement in local governance was in the London Borough of Hillingdon, where they were responsible for delivering against a stretch target in the LAA. Groundwork Bury had far greater strategic and delivery linkages with the local authority of Bury than with Bolton. This indicates the importance of developing long-term relationships with local authorities and highlighting the value of groundwork through strong performance and good delivery of projects.

The importance of playing to your strengths

Involvement for Third Sector organisations in LSPs and LAAs have been largely in thematic areas where they are well recognised, for example, relating to the environment,

safer and stronger communities, and regeneration and social exclusion. It is important to recognise however that engagement has occurred in non-traditional areas relating to, for example, employment, crime and education. This engagement has however been backed by solid evidence of delivery and a strong communication to local authorities of delivery activities.

Involvement based upon knowledge and longstanding delivery activity

The “way in” to LSPs and LAAs for Third Sector organisations has often been a result of a strong lead from the Chief Executive and their contacts with local authorities. In some cases it has been a result of a track record of good local delivery activity and a strong reputation. Effective promotion of delivery activity to the local authority and their partners can lead to engagement in LSPs and LAAs and potentially result in commissioned projects and further funding. A good example of this is the delivery activity undertaken through the Blue Sky Developments and Regeneration arm of Groundwork Thames Valley in delivering against a stretch target relating to ex-offenders.

An important Third Sector coordinator

A further area of Third Sector involvement in LSP and LAA policy agenda was that of a “leader” or strategic driver of the local voluntary and community sector, particularly for non-infrastructure bodies. This was particularly evident in the case of Groundwork Bury, who has played a strong role in negotiating voluntary and community sector priorities around volunteering and the relationship between volunteering and other themes such as health, into the Bury LAA.

A range of involvement benefits

Each of the Third Sector organisations examined highlighted that there were key benefits to their organisation in operational, strategic and delivery terms as a result of involvement in LSPs and LAAs. These benefits included:

- a higher local profile for the organisation in governance terms and greater influence over local policy agendas;
- strategic involvement in local governance has led to sustained and new delivery opportunities;
- an opportunity to engage with a wider array of public, private and voluntary and community sector partners and subsequently, the opportunity to develop knowledge of local strategy and delivery experience;
- an opportunity to communicate exactly what the organisation is doing and more effectively tailor activities to local strategic priorities;
- an understanding of the activities driving the local authority policy agenda, across a range of thematic areas; and
- an opportunity for new resources through solid delivery against reward element stretch targets and also three-year contracts.

The barriers to involvement

CLES research activity with Third Sector organisations and September 2007 research from the New Local Government Network (2007) has revealed a range of cultural barriers to the Third Sector and local authorities working effectively in partnership

together with regard to LSPs and LAAs. These barriers also have implications for the role of the Third Sector in local governance and include:

- a lack of trust between local authorities and Third Sector organisations;
- inadequate channels of communication between senior local authority officers and the sector;
- poor relationships leading to a belief Third Sector organisations are “junior” partners;
- an organisational weakness when it comes to joint working;
- a lack of understanding and data as to what Third Sector organisations deliver within a locality;
- a lack of professional skills within the Third Sector, notably project and policy management; and
- an unwillingness on the part of the sector to compete for contracts but to continue to rely upon grants.

The research activity with groundwork revealed that barriers to engagement were often as a result of local political cultures and strong local authority led delivery activity. Additionally, it was felt that in some places partnerships were not “mature” enough to engage a wide variety of public, private and voluntary sector partners in both strategic and delivery terms. On a trust basis, the key barrier to engagement was time and capacity and the extent to which strategic involvement in LSPs and LAAs comes at the expense of positive local project and delivery activity.

The role of the Third Sector in local governance

The Third Sector should be a key and respected partner to local government, with a diverse range of roles, themes, responsibilities and areas of expertise. Local government and associated strategic and delivery mechanisms should also recognise the diverse size of the Third Sector and the need for involvement at different scales of governance. Levels of engagement by Third Sector organisations in LAAs and other local governance mechanisms and activities has to date also varied by size of organisation. While large infrastructure bodies and large Third Sector deliverers such as groundwork have had relatively steady involvement in strategy and have had success in procuring public service contracts, smaller organisations at the neighbourhood level have struggled to understand the policy complexity of LAAs and the move away from the grant based funding mechanism. Local government and the Third Sector itself need to recognise that the sector is varied and diverse and that engagement in local governance at all levels will not necessarily suit all Third Sector organisations. CLES, from research activity across the diversity of the sector have thus sought to develop a range of roles that Third Sector organisations can play in local governance arrangements and these can be displayed on a spectrum as highlighted in Table I.

Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
As a communicator of activities	As a local authority/ community broker	As an advocate of policy	Through a third sector infrastructure body	As a thematic partner	As a strategic partner/lead	As a service deliverer	As a strategic deliverer

Table I.
The spectrum of Third Sector involvement in local governance

Level 1 – as a communicator of activities

Third Sector organisations have a role in local governance in communicating their activities to local authorities, other public sector partners, the private sector and other Third Sector organisations. By producing newsletters, publicity material, articles in local newspapers and through other areas, Third Sector organisations can keep other local stakeholders abreast of activities being carried out in the locality. This has implications for local governance mechanisms in identifying gaps in provision and allocating budgets in the future. It also makes local authorities aware of the wide array of activities the Third Sector carry out, and potentially influences tender lists and preferred service deliverers.

Approach 1 – Hartlepool Community Network

The Hartlepool Community Network is an integral part of the Hartlepool Partnership and comprises all the community groups and organisations in the Borough and its three neighbourhood forum areas. The Community Network meets at least four times a year to promote the voluntary and community sector. Representatives are elected to the Board of the Hartlepool Partnership and the other thematic partnerships and play an important role in developing local services and ensuring the effective involvement of the voluntary and community sector in the Hartlepool Partnership. The Community Network is heavily shaped by the involvement of its community members, who relay to the Network and subsequently the local authority and Hartlepool Partnership of the wide array of project and contract activities carried out by local Third Sector organisations. The Community Network and associated thematic groups such as the Community Housing Network produce newsletters, which also promote the activities of the wider sector to the local authority and its strategic and delivery partners.

Level 2 – as a local authority/community broker

Third Sector organisations have a role in local governance as being a key broker between communities and local government, their partners and local governance mechanisms. With Third Sector organisations often rooted in small geographical communities or neighbourhoods, they often have the local knowledge to identify issues of local concern and feed these up to local governance mechanisms. Being rooted in the community is also important for trust, with communities often trusting Third Sector organisations to a greater extent than they do the public sector. There is thus an important role for Third Sector organisations in disseminating special initiative policy and project activities to communities for example. There is a particular clear brokerage role for Third Sector organisations to advocate in neighbourhood governance structures such as District Assemblies and Area Panels.

Approach 2 – Sunderland Voluntary Sector Youth Forum (SVSYF)

The SVSYF has three main aims:

- (1) To act as a representative body for the voluntary youth work sector in Sunderland in order to ensure that voluntary youth work provision is adequately represented in new developments and existing structures.
- (2) To promote and encourage effective operational practices within the Sunderland voluntary youth work sector.

- (3) To enable the Sunderland based voluntary youth work organisations to undertake collective initiatives on a city-wide basis.

Through a programme of events, training and advice, and through their activities on such boards as the Children's Trust Board, the Connexions Sunderland Local Management Committee and the Regional Youth Work Forum, the SVSYF has the opportunity to represent the viewpoints of its member organisations as well as helping to shape the future for voluntary sector engagement with regard to youth activities. SVSYF also plays a key role in raising awareness among its member organisations and local communities of new funding, partnership and delivery contract opportunities.

Level 3 – as an advocate of policy

Related to their role as a local authority/community broker, Third Sector organisations have a role in local governance in gaining information about, understanding and filtering to communities new national and local policy developments. As with happened with the development of LAAs, local Third Sector organisations should attend and be involved with workshops, events and road shows relating to issues of concern to their organisation and local communities. Attending workshops is also a good way for Third Sector organisations to become recognised by key local stakeholders. It could be the cornerstone for future strategic, delivery or contract activities.

Approach 3 – Greater Manchester Voluntary Sector Support (GMVSS)

GMVSS is a diverse partnership of support organisations that has come together to provide a range of coordinated services to frontline voluntary, community and faith sector (VCFS) organisations in Greater Manchester. GMVSS aims to ensure that high quality and relevant support to the VCFS in Greater Manchester is available and accessible to all, structured and organised for maximum efficiency and effectiveness, is sustainably funded and promotes and reflects diversity. GMVSS provide a website with a directory of local infrastructure support services, news and information about the sector in Greater Manchester, and is aimed to be a shared work space for infrastructure support staff, offering the opportunity to work collaboratively on development. GMVSS provide an important knowledge hub for Third Sector organisations wishing to understand more effectively local governance structures and new areas of public policy.

Level 4 – through a Third Sector infrastructure body

Third Sector organisations can have a role in local governance through being members of and providing viewpoints to Third Sector infrastructure bodies. Third Sector infrastructure bodies such as the T3SC are increasingly involved in both overall and thematic theme groups of LSPs and in overall Steering Groups and Block Groups of existing LAAs. While there are often issues about the level to which local authorities and other public sector partners are prepared to listen to Third Sector infrastructure bodies, membership of these groups do enable the Third Sector to put across key community, thematic and overarching issues and contribute towards future policy development and local priorities.

Approach 4 – Tameside Third Sector Coalition (T3SC)

T3SC was started in 2001 as a further development of the work of the Compact Group, who identified the gaps in support and development for voluntary and community groups in Tameside, including the need to strengthen the sector as a whole, which at

the time was poorly coordinated and weakly aligned to the activities of the local authority. They have two primary aims, which are to:

- (1) Improve the capacity and quality of Third Sector groups in Tameside.
- (2) Enable Third Sector groups to widen their access to information, practical support services and facilities.

They provide core capacity building, information and support, delivering advice in setting up a group, getting constituted and registering as a charity, funding information and putting together a funding application, and help in dealing with organisation management issues. They also help with putting together strategic or business plans and facilitating organisational reviews to enable groups to plan more effectively for the future.

T3SC are also heavily involved in the development of Tameside's LAA. The Chief Executive and Operations Director of T3SC represent the VCS on the Steering Group, and their Board is also the Executive Committee for Tameside Voice, who themselves have seats on each Thematic Partnership and three seats on the Board.

Level 5 – as a thematic partner

Third Sector organisations often specialise in one or a series of areas. Smaller organisations may focus upon youth and sporting activities, for example, others such as Groundwork may have a strategic focus such as environmental regeneration, but link that focus into a range of other issues and activities such as employment, worklessness, young people, business, crime and health. This issue based and thematic specialism lends Third Sector organisations to involvement in local governance through the thematic groups of LSPs. Strong communication of activities and a track record of successful delivery and project activities raise the profile of Third Sector organisations and their potential for invitation to thematic groups of LSPs. Third Sector organisations thus have the knowledge through delivery experience to contribute to future thematic strategy and policy.

Approach 5 – Age Concern

Age Concern has positioned itself highly on most of the LAA working groups in the North West. They aim to help negotiate the priorities for the older people and healthier communities block, as well as working to deliver the intended outcomes of these priorities. Age Concern's track record of partnership working across the region and its obvious abilities in the area of older people has made it a natural choice to lead in this block, but Age Concern have also found themselves working to deliver against the economic development block in some LAAs, with specific roles to alleviate the number of residents on incapacity benefit by providing innovative ways back to work for older people. Age Concern has been particularly effective in Oldham, where it played a strong role in the development and delivery of the LAA. Age Concern recognised the niche and specialism of the Third Sector in delivering social care related activities and promoted early in the LAA development process their ability to be not only involved thematically but also as a deliverer against stretch targets.

Level 6 – as a strategic partner/lead

While there is limited evidence of Third Sector organisations actually chairing LSP Boards, there is evidence of them forming part of the main board and partnership. While

this is often the larger local infrastructure bodies who have the time and capacity, there are a number of smaller yet national organisations with representation on the main partnership board, including Groundwork and Age Concern for example. A recent survey of Groundwork Trusts by CLES indeed highlighted that 27.8 per cent were members of the LSP Executive Board and 66.7 per cent were members of the full partnership. Membership of the full board presents the Third Sector with the opportunity to represent a host of community views and issues for consideration in documents such as the Sustainable Community Strategy. It also ensures input into LAA target setting and monitoring.

Approach 6 – Groundwork Coventry and Warwickshire

This Groundwork Trust has had a fairly unique role in LAAs to date in that it has chaired the Safer, Stronger Communities block. Coventry was one of the original first round pilot LAAs and one of the only examples of where a non-local authority body has chaired one of the blocks. The strong position of the Trust strategically was reflected and enhanced by its role as a sustained deliverer of projects and contracts with regard to safer, stronger communities activities. The Trust has been able to bring together LSP theme groups under the umbrella of the Safer, Stronger Communities block and involvement has enabled the Trust to also lead on two other local strategic studies. While the role of Groundwork Coventry in LAAs has been positive, they do portray a couple of concerns. First, they question whether Government Office can keep up with all the developments regionally around LAAs and ensure effective engagement of the Third Sector. Second, they question whether CLG value Groundwork's strategic role in LAAs as a Third Sector organisation.

Level 7 – as a public service deliverer

There has been increasing emphasis in recent years on procurement and particularly of the Third Sector bidding for, delivering and sustaining public sector contracts. This emphasis has been supported by a PSA target to increase Third Sector delivery of public services and capacity building support through the Futurebuilders and ChangeUp programmes. Delivering public service contracts is a key “shoe-in” for Third Sector organisations into local governance activities and can realistically take place at any scale within the Third Sector. The Third Sector simply offers a series of delivery and other benefits that are not wholly evident in other sectors, primarily in terms of their links to communities and neighbourhoods.

Approach 7 – Community Campus 87

Community Campus 87 delivers housing related services to young people aged 16-25 across Middlesbrough, Redcar and Cleveland, and Stockton. The organisation currently delivers a range of projects and services supported by an array of local and national funding. Projects include Housing and Support Services, which provides direct accommodation for seventy plus young people in forty plus properties in Stockton and Middlesbrough. The solid foundations laid by Community Campus 87's existing projects has enabled the organisation to be recognised by the local authority as a key contributor to local priorities, which has enabled the organisation in recent years to procure two public service delivery contracts. They deliver two Supporting People contracts in Stockton and Middlesbrough focusing particularly on young homeless people, and a resettlement contract in Middlesbrough supporting a wider age range. Community Campus 87 noted the need to professionalise the services that were

delivered beforehand and not lose the focus of what the organisation is trying to achieve. While Community Campus 87 continues to work with young people in an informal and positive way, they have changed some of their staffing structures and management techniques in line with the varied nature of the contracts.

Level 8 – as a strategic deliverer

Third Sector organisations can be involved in local governance as a strategic deliverer in two main ways. First they can map how their activities correlate to LAA outcomes and targets. This mapping can highlight to public authorities the wide scope, diversity and contribution of the Third Sector and the contribution they make to targets and stretch targets. Second, Third Sector organisations can actually be commissioned to deliver projects through the LAA process. For this they need a longstanding history of delivery together with an ability to monitor activities against targets stringently. There is a particular role in delivering against stretch targets, which may bring reward and further delivery activity. There is a key difference between being a strategic deliverer and in being a public service deliverer. Strategic delivery is related to delivering projects against specific targets, outputs or outcomes, while service delivery forms part of the much wider procurement process, with Third Sector organisations tendering to deliver particular contracts or services, therefore offering a much wider delivery scope.

Approach 8 – Groundwork Thames Valley

Groundwork Thames Valley has developed a trading social enterprise, “Blue Sky Development & Regeneration” who are a key delivery partner of the London Borough of Hillingdon’s LAA. The work of Blue Sky with regard to employment and re-offending has been recognised as contributing to the Safer and Stronger Communities block and importantly as a contributor to stretch target activity. Blue Sky Development and Regeneration offer innovative services that are well placed to contribute to “stretch targets” primarily as a result of having a focused but also cross-cutting objective. While Blue Sky Development and Regeneration have an overriding objective of matching offenders to employment, the scope of their activities mean that they contribute to wider agendas relating to the local environment and the local economy and notably social capital and integration. Involvement as a delivery partner also has potential for the distribution of associated “reward” payments within the organisation.

Local governance, policy and the Third Sector – a future role for the sector

Each of the levels of spectrum involvement in local governance activities for the Third Sector are likely to remain valid in forthcoming years and the renegotiation of LAAs, has presented Third Sector organisations with the opportunity to re-evaluate their levels of engagement in local governance. The continued centrally led focus through the Office of the Third Sector on the Third Sector delivering public sector contracts is also likely to rise in stock as new policy is implemented and public service reform evolves. Third Sector organisations need to be aware that involvement in LAAs and delivery of public service contracts is not the be all and end all of engagement in local governance activities. Instead there are a range of options, which must be suited and correlated to the size and scale of the Third Sector organisation in question. Third Sector organisations may fit themselves across the range of spectrum scales or only be

involved in one. Future involvement in local governance may also vary in different levels of the spectrum, based upon a possible framework or series of questions Third Sector organisations must answer themselves before becoming involved or engaged. These key questions include:

- Does the organisation have the capacity to be involved in local governance activities?
- Does the organisation have the strategic knowledge to be in local governance structures?
- Does involvement in local governance distract from project and community activity?
- Does involvement in local governance correlate with the ethos, aims and objectives of the organisation?
- Does involvement in local governance come based upon strong existing links or is the organisation in effect moving into new themes and arenas and geographical areas?
- How will involvement in local governance effect the organisations service users and members?

The future of Compact and Compact Plus will also have a key bearing on the future activities of the Third Sector and its relationship with local and central government. In the past Compact has been often viewed, perhaps unfairly in some places as something which the local authority negotiate upon with the Third Sector and then something upon which very little formal action is taken. In our view, with the drive towards commissioning and the procurement of the Third Sector to deliver public sector contracts, the Compact agreements of the future need to be far more focused on commissioning and in particular the Third Sector highlighting to local government their value as a social agency and deliverer rather than just another contractor. The Compact should formalise arrangements and commitments between the Third Sector and local government to effective and efficient Third Sector delivery of public services.

Future engagement with the Third Sector with regard to service delivery does however require a two-way relationship between sector organisations and local procurement departments. The onus should not just be upon the Third Sector taking the lead on tendering for contracts, but also on procurement departments actively seeking the sector to deliver. A recent policy paper from the Audit Commission, "Hearts and minds: commissioning from the voluntary sector" (Audit Commission, 2007) sets out a framework for more effectively addressing the balance between local public bodies and voluntary sector organisations when it comes to procurement and commissioning. In particular, the study indicates that public bodies should:

- engage local voluntary organisations in service planning, to benefit from their knowledge of clients;
- engage voluntary organisations in designing commissioning processes that encourage a diverse supply base; and
- assess the impact of their commissioning practice on the size and diversity of their local supplier base, and the consequent prospects of securing improved value for money.

Summary thoughts

The role of the Third Sector as a neighbourhood driven, community focused, grants recipient has changed over the course of the last five years to a sector with growing involvement and influence in local governance and local public service delivery. A series of government initiatives and infrastructure support packages have influenced this engagement, yet the strongest drivers of involvement have been the Third Sector themselves. Engagement and involvement have taken place at a range of scales and levels along a spectrum and have often also been determined by local leadership and local contexts. There are a number of examples where Third Sector involvement in local governance has strengthened local partnership and local service delivery. It is important to remember however that there are varied levels of involvement in local governance and this is reflective of the diverse scale and nature of the Third Sector.

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The Centre for Local Economic Strategies (CLES) is an independent national think-do organisation involved in regeneration, local economic development and local governance. CLES brings together a network of subscribing organisations, which includes regeneration partnerships, local authorities, regional bodies, community groups and voluntary organisations. CLES offer a range of services including: events and training; publications; enquiry and information service; sponsorship; policy advice; and a consultancy trading arm.

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