

Local Authorities and the Voluntary and  
Community Sector:  
Investigating funding and engagement

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# Executive Summary

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In July 2012, Compact Voice submitted three requests under the Freedom of Information Act to 352 local authorities, seeking information on the following topics:

- The extent of spending from local authorities to the voluntary and community sector through grants and contracts, including changes to levels of funding
- The amount of consultation taking place with the voluntary and community sector, particularly around changes to funding
- The length of notice given to funding changes with the voluntary and community sector
- Whether changes to funding had been made disproportionately to the levels of overall budget reduction experienced by local authorities, through changes to income

The findings highlighted some concerns in the way information was both recorded and reported, and how effectively principles contained in the Department for Communities and Local Government's (CLG) Best Value Guidance were being supported.

## **The findings led to the following conclusions:**

- Around half of local authorities are continuing to see the voluntary sector as a soft target for spending cuts, with disproportionate cuts common, a worrying lack of impact assessment and engagement, and reductions on spending having an impact on communities who are not being given the opportunity to respond to proposed changes. While there is some indication that disproportionate cuts are happening less, their extent is still worrying.
- There is currently no way for CLG to comprehensively monitor and evaluate the effectiveness of its Best Value Guidance, potentially rendering the principles it contains either in need of more strict enforcement (which would potentially challenge the notion of localism) or reducing the authority of the Secretary of State in establishing guidance.
- While we recognise the value of policies which are designed to be permissive and that are determined based on local need, their implementation still needs to be monitored. We believe that CLG should compel local authorities to gather and share information with both local and national partners to provide genuine scrutiny about the implementation of this guidance.
- Awareness of the Compact should be promoted more effectively in local areas. Gaps in understanding about whether a Compact exists - or even what it is - should be rare. The number of authorities reporting a lack of understanding about the Compact is troubling.
- The current FOI system is confusing and inconsistent, and public bodies that persistently refuse to respond to requests should be investigated. Consistency in FOI email addresses across local authorities would be a minor but significant change. Failure to acknowledge FOI requests should be considered unacceptable.

## **Key findings based on the information provided in response to our FOI requests:**

### **Grants**

- 56% of local authorities reported reducing the amount of grant funding between 2011-12 and 2012-13
- 8.6% of local authorities reported no changes to the levels of grant funding between 2011-12 and 2012-13
- 35.5% of local authorities reported increasing available grant funding to the VCS in 2012-13

### **Contracts**

- 71% of local authorities reported having contracts with the VCS in 2011-12, with reported spend totalling £786,309,998
- 69% of local authorities reported having contracts with the VCS in 2012-13, with reported spend totalling £509,257,354
- 68% of local authorities provided information enabling comparisons about changes in contract expenditure between 2011-12 and 2012-13, which totalled a reported reduction of £60,711,392

### **Proportionality**

- 50% of local authorities reported making disproportionate cuts to grant funding for the voluntary and community sector

### **Engagement**

- 59% of local authorities reported holding consultations on changes to policies and funding, with 32% reporting less than 12 weeks in duration
- 42% of local authorities reported holding consultations specifically on potential funding changes to VCS organisations, with 37% reporting less than 12 weeks
- 10% of local authorities reported funding changes with less than 3 months' notice
- 48% of local authorities reported funding changed with more than 3 months' notice
- 59% of local authorities reported undertaking impact assessments when changing or ending funding, or amending or introducing policies locally

The Compact is a strong example of localism in action – it takes mutually agreed principles and interprets them to reflect local need. But the success of local Compacts relies on partners respecting its principles and upholding them, breaching them only in rare instances and hopefully understanding that there are consequences if they do. In an ideal world, that would be the case, and we have many examples of these agreements thriving. But in many places, such agreements are not being taken seriously, and this is in part because of the example set by central government.

We have learnt that it is not enough to set out expectations without backing them up with demonstrable examples about their benefit or validity, establishing on-going monitoring and evaluation, and enforcing redress if these are not upheld. Unfortunately, in the case of the Best Value Guidance, rather than strengthening local Compacts, that CLG has not done more to ensure local authorities work to these simple principles has had a negative impact and potentially weakened them.

This has arisen through a combination of inconsistent application, no redress or accountability, and disengagement with sharing both the benefits and negatives which led to the best Value Guidance being established in the first place.

# Summary of Recommendations

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- 1) All local authorities to provide a single consistent email address to enable clarity and transparency about how to submit an FOI request. We recommend FOI@[NAMEOFAUTHORITY]. CLG should work with Local Government Group (LGG) and others to improve compliance with FOI response rates.**
- 2) Local authorities should make data more accessible using agreed and shared terminology, and regular reporting of information relevant to partnership working.**

This should be achieved through:

- Using local Compact agreements and groups, local partners should agree a definition of what constitutes the voluntary and community sector, and ensure that this definition is well understood across local statutory partners
  - On a regular basis, local authorities should publish or provide information about expenditure and opportunity, clearly differentiating between grants and contract, as well as recipients of funding using agreed definitions of the voluntary and community sector, and developing agreed definitions of grants and contracts
  - Utilising Local Compact or similar partnership groups, this information should be shared, collated and totalled on a regular basis as indicator of levels of engagement with the VCS. This should be published at least every six months, and reported in local authorities annual budgets at the end of the year, with clear totals enabling clarity about impact of budget reductions and changes from grants to contracts.
  - This information should be provided in an agreed consistent format, which can be edited as necessary, avoiding scans and lengthy summaries.
  - As a minimum, the information provided should include single-figure answers to those questions identified in Compact Voice's FOI campaigns, to enable clarity and scrutiny about compliance with principles around engagement and proportionality in funding reduction.
  - CLG should support and encourage these activities through additional guidance, working with local authorities and their partners as necessary.
- 3) When using grant funding as a specific example of support for the voluntary and community sector, it is clear that the Best Value Guidance is not being upheld. Compact Voice urges CLG and the Secretary of State to do more to ensure that this guidance is being enforced.**
  - 4) Local authorities to make explicit reference to potential sub-contracting during commissioning and procurement processes, ensuring that the role of the voluntary sector is recognised.**
  - 5) CLG needs to do more to enforce the principles contained in the Best Value Guidance, establishing additional compulsion in how it enforces these principles being upheld.**

# Introduction

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In July 2012, Compact Voice submitted three requests under the Freedom of Information Act to 352 local authorities, seeking information on the following topics:

- The extent of spending from local authorities to the voluntary and community sector through grants and contracts.
- The changes in funding through grants and contracts to the voluntary sector
- The amount of consultation taking place with the voluntary and community sector, particularly around changes to funding
- The length of notice given to funding changes with the voluntary and community sector
- Whether changes to funding had been made disproportionately to the levels of overall budget reduction experienced by local authorities, through changes to income

The full questions submitted are available in Annex 1: FOI Requests Submitted to Local Authorities.

The requests were sent to local authorities on 10<sup>th</sup> July 2012. Under the Freedom of Information Act, responses to valid requests must be made within 20 working days, meaning that responses should have been received by 8<sup>th</sup> August. The requests submitted to us are referenced throughout this report, with further data available at in a .csv file.

On the 16<sup>th</sup> July, variants of the Freedom of Information questions submitted to local authorities were submitted to 14 key government departments, seeking similar information about spend and engagement with the voluntary and community sector. Responses were anticipated to be received by the 10<sup>th</sup> August. Analysis of this data will be the subject of a separate report.

This report provides a summary of the responses received from both local and central government, as well as analyses the level of responses provided. It compares the information provided with guidance or policies from central government, and makes recommendations on a range of issues.

A .csv file containing all of the responses received is available to download at [www.compactvoice.org.uk/FOI2012](http://www.compactvoice.org.uk/FOI2012). We encourage local authorities to use this data to help better understand and strengthen the relationship between the voluntary and statutory sectors.

# The Policy Context

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Some of the key policy agendas the coalition government has focussed on are localism and decentralisation. With the introduction and passage of the Localism Act, the disestablishment of the regional government offices, the Health and Social Care Act, and the overarching 'Big Society' philosophy, power has been handed to local areas to make decisions, deliver services, and meaningfully engage with communities in unprecedented ways.

The coalition government has repeatedly stated that the voluntary and community sector has a vital role to play in this new policy environment, and one of its first actions was to announce a renewal of the national Compact, strengthening commitment to the principles of partnership working with the voluntary and community sector.

Since the renewed Compact was published in December 2010, Compact Voice has worked with a range of different partners and departments within government to increase and improve its use. This has led to a range of new publications, guidance, and policy documents, including:

- The National Audit Office's review of the implementation of the Compact across central government departments
- The Department for Communities and Local Government's 'Best Value Guidance' and subsequent briefing note jointly developed with Compact Voice
- Guidance from both government and Compact Voice on the importance of meaningful engagement

The findings from this report enable scrutiny about the progress and implementation of these policy documents, as well as considering some other policy and legislative issues, including:

- The Freedom of Information Act 2000
- DCLG's 'Code of Recommended Practice for Local Authorities on Data Transparency'.

This report will consider the data made available through the Freedom of Information requests to both local and central government in the context of this policy landscape.

## IMPORTANT NOTE

**All data below contains an analysis of those responses received by midday on 16 November 2012.**

# Response Rates

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- Requests submitted: 352
- Responses received: 293 (83%)
- Authorities that did not respond<sup>1</sup>: 60 (17%)
- Authorities that provided some or all information: 254 (72%)

Despite the legal requirement to do so, nearly a fifth of local authorities did not provide responses to the Freedom of Information requests. These are listed in Annex 3. In some instances, after the initial request was submitted, we received a message notifying us that the email had not been delivered. In those cases, we identified a second email address which we subsequently submitted a request to. We are confident that all authorities we approached received the request, though did not follow up with those who had failed to respond.<sup>2</sup>

This response rate is an improvement on the previous year's FOI campaign, which submitted two FOI requests, and only had responses to both of these from 130 authorities.

A list of the authorities who failed to respond to our requests in both years is contained in Annex 2.

We also identified a huge degree of inconsistency in how requests could be submitted, with some information requests sent to a named individual, some using an online form, and others a dedicated FOI email address. This meant that identifying the best way to submit these requests was very difficult.

Where possible, we tried always to utilise a dedicated FOI email address. However, the form of these email addresses differed significantly between authorities, and included variants such as informationcompliance@, enquiries@, customer.services@, foi@, information\_governance@, amongst many others.

## **Actions:**

Compact Voice will forward this report and the list contained in Annex 3 to the Information Commissioner's Office, CLG, and 'What Do They Know' (an independent campaigning organisation who monitor Freedom of Information requests) for their consideration, though does not intend to take any further actions with the individual authorities listed in Annex 3.

## **Recommendations:**

- All local authorities should provide a single consistent email address to enable clarity and transparency about how to submit an FOI request. We recommend FOI@[NAMEOFAUTHORITY].
- CLG should work with Local Government Group (LGG) and others to improve compliance with FOI response rates.

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<sup>1</sup> This figure includes authorities that acknowledged the request but did not submit a response specifically to the questions.

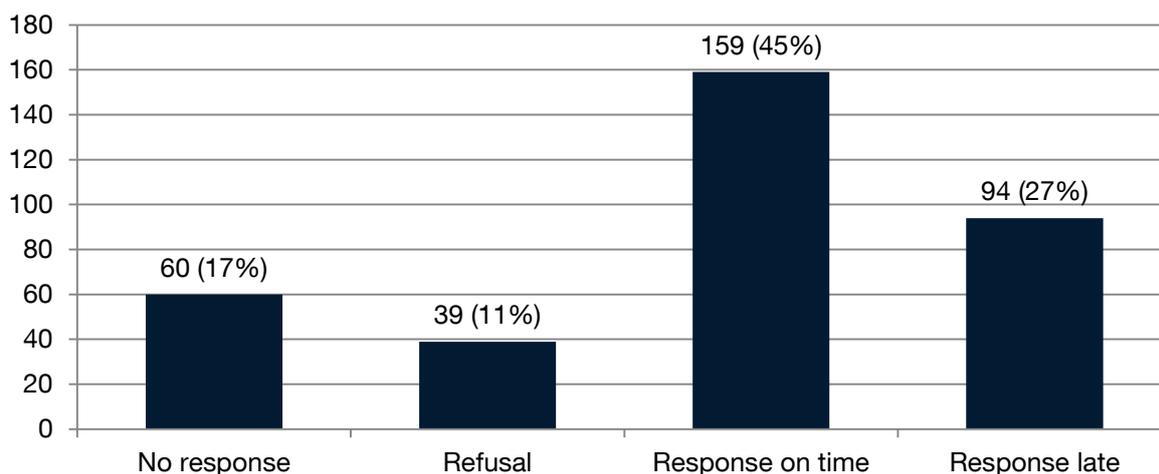
<sup>2</sup> As noted in the disclaimer earlier, a number of responses were received after the analysis for this report had been completed. For the purposes of these findings, their responses have not been considered.

# Information Provision

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Of the authorities that did respond, many refused to supply the information on the basis of cost. Others provided the information later than the statutory requirement, though many did request an extension to enable them to be able to respond.

A summary of these responses is available below:



The specific response dates and other relevant information is contained in the full .csv data.

45% of local authorities were able to respond within the allocated time (although the information supplied differed in interpretation and quality, as we shall see later). This suggests that many authorities did hold information in a format that made it easy to retrieve, making it more difficult to support those authorities who refused on the basis of cost.

## Refusals

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A number of authorities refused to respond to requests on the basis of cost, and while this only comprised 11% of the total local authorities, this is still a troubling amount, as it suggests that important information which could be used to clarify funding and engagement with the voluntary sector is not routinely collected.

An example response is provided below:

The Council's normal position in respect of requests where the time involved in compliance exceeds the 18 hours threshold is to invite the requestor to either pay for the additional work at a subsidised rate of £25.00 per hour, or ask the requestor to scale down the scope of the request.

However, where the resources required to comply with the request will have a detrimental impact on the ability of the council to provide its core services, it will

refuse the request. Due to the scale of the work involved in dealing with the requests, the Council considers that it is entitled to refuse the request.

In some instances, we asked for further clarification about the estimated time it would take to gather the relevant information, and received a breakdown of estimated hours. An example is provided below:

“Q: c. The number of changes to funding arrangements with the voluntary and community sector (through grants and contracts) from the financial years 2011-12 to 2012-13 issued with less than three months’ notice given directly to the affected organisation about the specific changes affecting them.

d. The number of changes to funding arrangements from the financial years 2011-12 to 2012-13 issued with three months or more notice given directly to the affected organisation about the specific changes affecting them

e. The total number of changes to funding arrangements with the voluntary and community sector (through grants and contracts) from the financial years 2011-12 to 2012-13

A: In response to questions c), d) and e) above, please note that this information is not held centrally and would take in excess of 18 hours to collate.”

Other authorities responded by challenging the way the requests had been supplied:

This response constitutes a refusal notice in accordance with section 17(5) of the FOIA. The authority is permitted to consider these three requests collectively as one, in accordance with section 12(4) of the FOIA and regulation 5 of the Freedom of Information and Data Protection (Appropriate Limit and Fees) Regulations 2004.

Public authorities are permitted to amalgamate, for the purpose of calculating the 'appropriate limit', requests received within 60 consecutive working days which relate "to any extent to the same or similar information" sent by one person or by different people who "appear to the public authority to be acting in concert or in pursuance of a campaign".

It is clear to the authority that these three requests were received on the same day, submitted by the same applicant, and therefore fall within this definition.

The authority estimates that the work required to locate and extract the information requested in the three requests collectively would take more than provided for in the Freedom of Information and Data Protection (Appropriate Limit and Fees) Regulations 2004, exceeding the cost ceiling, called the 'appropriate limit', of £450, representing 18 hours’ work by one person equivalent at the statutory chargeable rate of £25 an hour.

The authority estimates the length of time that it would take would be 31.5 hours by one person equivalent which, in accordance with the rate allowed to be charged, would be the equivalent to a cost of £787.50.

A full list of those authorities that refused to respond on the basis of cost is contained in Annex 4.

# Response Types

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Many authorities were able to provide information both on time and in the requested format. This suggests that those which stated their estimated expenditure on retrieving the information would exceed the limits defined in the FOI Act should consider amending how they record and access this type of information.

However, not every authority that did respond to the requests provided useful or meaningful information, and many authorities refused to respond to individual questions within the request, again citing cost as the basis for their refusal. Other authorities provided links to online resources which may have been about the voluntary or community sector, or links to budget spreadsheets which did not separate the information into a useable format. These responses have been marked in the .csv file using the following format:

**Refused:** Explicit refusal based on cost but suggesting that information is held in a format which is possible to retrieve

**Not held:** A response suggesting that information wasn't kept to enable data to be provided

**Not provided in collated form:** A response providing a link to information (either an online resource or attachment) where it has been possible to collate the information and answer the question. In some instances, collation was possible, and where this has been the case, answers have been calculated on the basis of the information provided.

However, in some it was impossible. In one instance, for example, the response stated: "please see the attached 6 documents for full details of our response". The documents were a combination of spreadsheets and PDFs, without clear titles, explanations of how they related to each other, or how they directly responded to the questions asked.

**Link not working:** A response which provided a link to an online resource which wasn't available or was broken.

**Not disclosed:** A response which failed to provide an answer to the question, or provided an answer which did not provide sufficient clarity for analysis. A common response to questions was to refer to 'all' – for example:

Q: The number of changes to funding arrangements from the financial years 2011-12 to 2012-13 issued with three months or more notice given directly to the affected organisation about the specific changes affecting them:

A: All changes are notified directly to the organisations affected.

In one example, a consultation period was described as 'lengthy'.

Where it has been possible to determine a clear answer to the questions, these have been used, including those instances where the information has seemed inaccurate or contradictory, such as:

Q: The total number of changes to funding arrangements with the voluntary and community sector (through grants and contracts) from the financial years 2011-12 to 2012-13

A: One change (affecting 19 organisations – some of which have retained funding under new arrangements)

In the above example, we interpreted the response to mean 19 changes, but the ambiguity made it difficult to understand.

Every effort was made to interpret data in as meaningful a way as possible - but it was not always possible - and clarification was sought in some instances (for example, when a hyphen had been used before a financial amount, we clarified that this did not mean the amount stated was a minus figure). However, time did not permit us to clarify all of the ambiguous answers received, and in some instances, we have reported unclear or contradictory information as it was provided to us.

A number of authorities responded by seeking clarification about the terminology used. We provided a number of definitions of grants, contracts and what was meant by the term 'voluntary and community sector'. An example of one such exchange is provided below:

Q: I have been asked if you could please define Voluntary sector and Community sector and also VCS.

A: For the purposes of our requests, we are seeking information about non-profit organisations (such as charities, social enterprises, community groups, etc.)

Q: ... your reply includes "etc". I have been informed in order to answer your request they would need you to specify your request more clearly.

It was surprising how frequently a council responded seeking such clarification, and in some instances we were informed that the 20 day response limit would be stopped until they had received a response. It may be possible to speculate that in some instances, these delays were tactical. However, it may well be that there also isn't a clearly understood or shared definition of the voluntary sector. An example which illustrates this is below:

"The Council does not have any particular way of knowing how much it spends in supporting the voluntary sector each year as it does not record payments to these types of organisations differently from payments it makes to charities or profit orientated organisations. It is not a question that is asked when dealing with third parties and it is not something that is instantly clear."

Given all of this, it was difficult for us to ascertain a consistent set of answers to the questions we had hoped this exercise would clarify. For example, we were only able to determine whether disproportionate cuts had been made to the voluntary sector in 141 cases – 40% of authorities asked.

Given that 98 local authorities (28%) either refused or failed to respond, and the remaining third failed to provide information in a way which directly enabled comparison, it is fair to say that Compact Voice remains extremely concerned that local authorities are not able to fully understand and share how they are working in partnership with the sector.

# Guidance on Information Provision

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Further analysis of the data provided is considered later in this document, but the nature and range of responses we received enables us to draw conclusions about the level of implementation of some of the policy initiatives listed earlier in this report.

Based on these findings, we were able to consider some of the recent guidance issued by the government, and reach conclusions about how effectively they were being implemented.

Greater transparency of public bodies is at the heart of enabling the public to hold politicians and public bodies to account. Where public money is involved there is a fundamental public interest in being able to see how it is being spent, to demonstrate how value for money has been achieved or to highlight inefficiency. Publication of data should also be used to open new markets for local business, the voluntary and community sectors and social enterprises to run services or manage public assets ... Copies of contracts and tenders to businesses and to the voluntary community and social enterprise sector [and] grants to the voluntary community and social enterprise sector should be clearly itemised and listed.

CLG's Code of Recommended Practice for Local Authorities on Data Transparency

Some authorities provided links to detailed spreadsheets which itemised expenditure on a month by month basis, and indeed are fulfilling the recommendations established in CLG's Code of Practice. However, many authorities are not, stating that this information would be too costly to retrieve, or is not routinely recorded. Some even challenged the need to do so:

"The Council has no operational need to keep this information centrally and does not do so."

We also received many responses which provided information in formats that made it impossible to analyse the information provided, with unclear headings, scans of paper documents, 150 page budget reports, or inactive links. This goes against the recommendation in the same code of practice which states that information should be "in open and machine-readable formats".

Compact Voice believes that this is a significant failure by CLG to ensure that their transparency agenda is meaningfully delivered, obfuscates the relationship that local groups and organisations within the voluntary sector can have with statutory organisations, and makes it impossible for local communities to realistically hold public bodies to account on those policy areas which government has stated are a priority.

A recent Department of Health publication<sup>3</sup> offered the following definition of the VCS, and such a definition may provide a good starting point for an agreed local version:

"The voluntary and community sector, also referred to as 'the third sector' is made up of groups that are independent of government and constitutionally self-governing, usually with an unpaid voluntary management committee. They exist for the good of the community, to

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<sup>3</sup> Voluntary Community Sector (VCS) 13SNAs and joint health and wellbeing strategies – draft guidance

promote social, environmental or cultural objectives in order to benefit society as a whole, or particular groups within it.”

We believe that the following steps should be followed and enforced to ensure that these issues are tackled:

### **Recommendation:**

#### **Local authorities should make data more accessible using agreed and shared terminology, and regular reporting of information relevant to partnership working.**

This could be achieved in the following ways:

- Using local Compact agreements and groups, local authorities should agree a definition of what constitutes the voluntary and community sector, and ensure that this definition is well understood across local statutory partners
- On a regular basis, local authorities should publish or provide information about expenditure and opportunity, clearly differentiating between grants and contracts, as well as recipients of funding using agreed definitions of the voluntary and community sector, and developing agreed definitions of grants and contracts
- Utilising local Compact or similar partnership groups, this information should be shared, collated and totalled on a regular basis as indicator of levels of engagement with the VCS. This should be published at least every six months, and reported in local authorities annual budgets at the end of the year, with clear totals enabling clarity about impact of budget reductions and changes from grants to contracts.
- This information should be provided in an agreed consistent format, which can be edited as necessary, avoiding scans and lengthy summaries.
- As a minimum, the information provided should include single-figure answers to those questions identified in Compact Voice’s FOI campaigns, to enable clarity and scrutiny about compliance with principles around engagement and proportionality in funding reduction.
- CLG should support and encourage these activities through additional guidance, working with local authorities and their partners as necessary.

Note that variations of these recommendations may appear at later stages of this report, as the principles of openness and transparency apply to different sections of the document.

## Grant expenditure with the voluntary and community sector between 2011 and 2012

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As established in the previous section, it has not been possible to gather a comprehensive picture of the levels of financial engagement with the voluntary and community sector across England. However, the information we did gather enables us to extrapolate what this might look like across the rest of the country. Where possible, the number of responses we have been able to analyse has been included in the sections below, and the analysis excludes those authorities who did not respond at all, or refused to answer any of the FOI

requests. It does, however, consider those authorities who provided some information, but failed to provide answers which enabled us to include them in the analysis.

The amount of changes and figures can vary significantly, meaning that in many instances, averages don't reflect the huge variations across the country. In many instances, highest amounts and lowest amounts have been included to highlight the range in question.

### **Grants in 2011 in £**

- 216 local authorities provided information about extent of funding to the voluntary sector through grants.
- The average grant spend was £1,369,348, with amounts ranging from the highest of £74,290,172 with the lowest being £2,000.
- The total reported spend on grants was £295,779,247

While it seems high that one area accounts for nearly a quarter of spending in 2011-12, these were the figures provided by Sheffield City Council.

Only one authority stated that they provided no funding to the VCS through grants. However, their response also stated that they issued 11 grants to the VCS during the financial year 2011-12. This discrepancy is not understood, but has been reported as it was provided to us. This was included when calculating the average grant expenditure.

40 authorities didn't provide information in a format we could use, with 3 saying that information wasn't held, and 5 refusing on the basis of cost. The rest omitted information in their replies, making it impossible to determine their expenditure on grants in 2011.

### **Grants in 2011 in %**

Of the 202 authorities that provided us with information about the total amount of their grant budget, 98 authorities used 100% or more of their grant budget (including those who reported higher than 99% of their grant budget) to provide grants to the voluntary and community sector.

27 authorities gave more than 100%, which was explained by one council in the following way:

"The reason why actual expenditure exceeded the budget was because some grants were made from service budgets which are not specifically for grant payments. "

103 authorities gave less than 99% of their allocated grant budget – with the lowest percentage reported being 5.37% of the total reported grant budget. The average spend of total grant budget on the VCS was 89% (excluding two outliers which suggested spend was 2600% and 3000% higher than grant budget).

It is difficult to get meaningful results from these figures. The differences in grant budget and spend could be related to the grant budget not being entirely spent, or grants being provided to non-VCS organisations. It may also be that a lack of consistent definition of the

voluntary sector has led to differences in interpreting the question. Without additional information it is difficult to draw any firm conclusions.

### **Grants in 2012 in £**

- 203 local authorities provided information about extent of funding to the voluntary sector through grants.
- The average grant spend was £718,123. Amounts ranged from the highest of £9,646,232, to the lowest being £2,250.
- The total anticipated spend on grants was £145,778,978.

Two authorities stated that they provided no funding to the VCS through grants. One of these reported that they were only issuing contracts, and no grants. They were included when calculating the average grant expenditure.

53 authorities didn't provide information in a format we could use, with 11 saying that information wasn't held, and six refusing on the basis of cost. The rest omitted information in their replies which made it impossible to determine their expenditure on grants in 2011. One area reported that they were 'moving from grants to contracts' and another supplied a link to resources, however the link did not work.

### **Grants in 2012 in %**

Using the same caveats as when considering the information on grant expenditure in 2011, the responses suggested the following:

Of the 184 local authorities that provided information, the average percent of grant budgets spent on the VCS was 91.71%, with 49 authorities stating that they gave less than 99% of their grant budget to the VCS, with the lowest being 8.33% of the reported budget.

134 authorities stated that they anticipated spending 100% or more (plus/minus 1%) of their grant budget on the VCS, with the same caveats as explained above to account for this.

### **Changes to grants between 2011/12 and 2012/13**

Using the information provided, we were able to compare grant expenditure in 197 local authorities, or approximately 56% of all authorities. This provided us with the following information:

- 197 authorities gave data for grants to the VCS in both 2011 and 2012. These authorities showed a net reduction of £11.86 million, or 8.4%, between 2011 and 2012.
- 110 authorities reported a reduction in grant expenditure over the period totalling 23,694,374 - an average of £215,403 across those authorities making reductions. The highest reduction in grants to the VCS was £3,234,882, with the lowest reduction being £100.

- 17 authorities reported that they had not changed the amount of expenditure through grants to the VCS (with one local authority not providing grant funding to the VCS in either year).
- 70 authorities reported that they had increased the amount of intended spend through grants to the voluntary sector, totalling £11,826,217. The average increase was £168,946 with the highest being £2,521,611, and the lowest being £5.
- 59 authorities didn't provide us with enough information to compare grant expenditure over the course of the years.

Overall, this indicated a reduction in grant spending of £11,868,157 from 2011 to 2012. This figure was deducted using data received from authorities that was comparable across the two years. This accounted for 55% of local authorities.

If the funding trends identified in the level of grant reductions is consistent across the authorities who did not provide us with sufficient information to make a comparison, the overall potential reduction in available grant funding to the VCS would be £21.5 million.

This would result in a grant total of £283.7 million in 2011, with a reported reduction in grant funding in those same areas leading to a total of £262.1 million in 2012. However, please note that the total reported grant spend in 2011 was higher than this figure.

A summary of this information is contained below (percentages have been rounded up):

	Total responses enabling comparison	Authorities not providing information to enable comparison between 2011 and 2012
Responses (from 256 total)	197	59
% of all received responses	77%	23%

	Authorities reporting reduction	Authorities reporting no change	Authorities reporting increase
Responses	110	17	70
% of (of 197 responses)	55.83	8.62%	35.53 %

	Reported grant total 2011-12	Reported grant total 2012-13	Difference
Grants £ Total	£ 295,779,247	£145,778,978	-
Directly comparable grant total (on basis of 198 responses)	£156,055,607	£144,187,450	£11,868,157

## **Number of available grants between 2011 and 2012**

176 authorities provided us with information about changes to the number of grants available or provided to the voluntary sector between 2011-12 and anticipated in 2012-13.

44 authorities stated that they had increased the number of grants made to the VCS, totalling 1,357 grants across all these authorities, and averaging 44. The highest increase was 275.

42 authorities indicated that the number of grants issued were expected to be the same between 2011-12 and 2012-13.

90 authorities stated that the number of grants available had been reduced, totalling 3880 fewer grants, or an average of 43 per authorities who reported reduction. The highest reduction in grants reported was 616.

80 authorities did not provide us with sufficient information to compare.

## **Proportionality in reduction in grants to the VCS**

We requested information about the overall budget available to a local authority both in 2011-12 and 2012-13. From this, we were able to determine the amount of reduction experienced in available budget by local authorities, and compare this to the amount reduced through grant funding to the VCS.

We were able to determine proportionality in grant funding changes between 2011-12 and 2012-13 141 authorities, which provided the following:

- 71 authorities had made cuts to grant budgets that were disproportionate to the amount their own funding had been reduced – that equates to around 50% of authorities who provided us with information – a slight decrease in last year’s findings of 51%. The remaining 70 authorities reported either an increase in grant funding or the same amount made available. 115 local authorities did not provide sufficient information to enable us to determine whether any reductions they were making were disproportionate or not. We were able to make comparisons with the findings from last year’s report to determine trends in proportionality in 73 areas.
- 15 authorities who had reported disproportionate cuts to the voluntary sector in last year’s campaign had made proportionate cuts this year, suggesting an improvement in their practices. These authorities are listed in Annex 5.

However, 15 authorities that had made proportionate cuts last year made disproportionate cuts this year. These authorities are listed in Annex 6.

- 17 authorities of those who provided comparable information made disproportionate cuts in both years. These authorities are listed in Annex 7.

On the basis of the information provided, it appears that these authorities are not following the principles established in CLG’s Best Value Guidance, particularly when it comes to grant funding.

- 26 authorities did not cut funding disproportionately in both years, and should be commended for following the principles of the Best Value Guidance. They are listed in Annex 8.
- 25 authorities who reported disproportionate cuts in grants in the 2011 FOI campaign did not provide us with information to determine whether their cuts had been proportionate in 2012. Similarly, 39 of the authorities making disproportionate cuts in 2012 did not provide information in 2011 to enable us to compare.

A summary of this information is included below:

	Total responses enabling comparison (out of 256)	Authorities not providing information to enable comparison
Responses	141	115
% of all received responses	55%	45%

	Authorities making disproportionate cuts	Authorities not making disproportionate cuts
Responses	71	70
% of comparable responses (of 141)	50%	50%

### Scale of disproportionality in cuts

When comparing reductions in grants between 2011-12 and 2012-13, the extent of cuts made ranged from a difference of 0.1% reduction in Chesterfield to a staggering 91.35% reduction in grant funding in Tendring.

This latter instance will be discussed in more detail later on in this section of the report. This meant that for local authorities that were cutting disproportionately, the average reduction was a change of 21.21% of funding.

### Conclusions on grant reductions

It is important to remember that only the data provided to us was used to make this comparison. There are a number of factors which mean it should be considered carefully when drawing conclusions. In particular:

- Disproportionality in last year's funding to the VCS was calculated on the basis of overall spend through both grants and contracts to the VCS. However, in this year, it was felt a more accurate reflection to focus on reduction in grant spend as a measure of proportionality. This is because contracts may shift from provider without being indicative of a cut in support for the VCS, rather a desire by a local authority to work with the best provider of a particular service. Grant funding may be a better reflection on whether the sector is seen as a 'soft target' when reducing spend.
- Some authorities reported that the information they had provided was only up until that point in the financial year (April to November) and that further grants would be given throughout the year. This may mean that in some authorities, the figure used

to calculate disproportionality does not reflect later spend throughout the rest of the year, and may in fact not be disproportionate funding at all. However, many were able to predict an overall spend in funding to the VCS through the year, and in those instances, the data will be more accurate.

While we recognise that the information provided in response to this year's FOI campaign do not comprehensively cover every local authority in England, the findings we have seen are discouraging. Last year, we were able to determine that over half of the authorities that responded had made disproportionate cuts in the amount they were spending on the voluntary sector. The reduction to half is a movement in a positive direction, but so minor as to be insignificant. It strongly suggests that local authorities aren't following CLG's Best Value guidance, despite promotion by both CLG and Compact Voice.

This guidance clearly states:

“Authorities should seek to avoid passing on disproportionate reductions - by not passing on larger reductions to the voluntary and community sector and small businesses as a whole, than they take on themselves.”<sup>4</sup>

While we cannot draw firm conclusions about those authorities that did not provide sufficient information to determine whether the cuts they had made to grants with the voluntary sector were disproportionate, the overall reduction in available funding and number of grants does suggest that in some authorities, the sector is being seen as a soft target in saving money.

Eric Pickles, Secretary of State for Communities and Local Government, introduced the Best Value Guidance during a speech at the NCVO conference. He stated “I've made it very clear [councils] must resist any temptation to pull up the drawbridge and pass on disproportionate cuts.”<sup>5</sup>

He identified five local authorities that were working to the spirit of the reasonable expectations he had introduced earlier in his speech, including Thurrock, Wolverhampton, Wiltshire, Reading and Tendring, stating that:

“These councils know what they are doing. They didn't wait to be told. They didn't ask for instructions. They just got on with the job. And if all these councils - North and South, urban and rural, district, metropolitan and unitary - can do it - there's no reason why others cannot.”<sup>6</sup>

Compact Voice agrees with this sentiment, and again welcomes the commitment to partnership working shown by those local authorities who record, collate, and share information in a useable format which enables proper scrutiny, as well as avoiding passing on disproportionate cuts.

In the examples Mr. Pickles raised in 2010, our latest findings suggest that Thurrock, Wolverhampton and Reading continue to support the principles of both the Best Value

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<sup>4</sup> Department for Communities and Local Government. Best Value Guidance.

<https://www.gov.uk/government/publications/best-value-statutory-guidance--4>

<sup>5</sup> <http://www.ncvo-vol.org.uk/networking-discussions/blogs/20591/11/03/01/eric-pickles-mp-secretary-state-communities-local-govern>

<sup>6</sup> <http://www.ncvo-vol.org.uk/networking-discussions/blogs/20591/11/03/01/eric-pickles-mp-secretary-state-communities-local-govern>

Guidance when it comes to proportionality in cutting grants funding, but Wiltshire did not respond to the request for information. It is also worth noting that specific mention was made by the Secretary of State to Tendring:

“Tendring - tiny Tendring, out on the Essex coast - is completely transforming the way they work with the voluntary sector. Instead of £50,000 shared between a handful of groups, they are offering half a million which any group with ideas and initiative can bid for. A tenfold increase.”<sup>7</sup>

Tendring reported the highest percentage in grant reduction – from grants totalling £234,725.07 in 2011 (out of a budget of £526,530, suggesting that over £280,000 remained unused) to grants totalling £20,305 so far from a budget of £26,530. This reduction suggests that the particular focus the Secretary of State gave to Tendring as an example might not have been a sustainable model to promote, and further work will be done to identify what happened in Tendring, noting that their own overall budget for the year was reduced from £20,095,200 in 2011-12 to £18,878,910 in 2012-13.

When using grant funding as a specific example of support for the voluntary and community sector, it is clear that the Best Value Guidance is not being upheld. Compact Voice urges CLG and the Secretary of State to do more to ensure that this guidance is being enforced.

## Contracts with the VCS

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Information was requested which considered expenditure through contracts to the voluntary and community sector, asking for examples of both direct expenditure (where VCS organisations were awarded a contract) and indirect expenditure (where contractors explicitly stated that they would be working directly or sub-contracting to the voluntary sector, a model seen in examples such as Government’s Work Programme).

As with most sections of the data, conclusions were not always easy to reach, as interpretations of the data differed considerably. However, we were able to conclude the following:

### **Direct contracts in 2011-12**

Questions about spend in 2011 through direct contracts with the VCS provided the following:

- 55 authorities reported £0 in expenditure through direct contracts with the VCS.
- 135 responded that they had direct contracts with the VCS. The average spend was £5,824,518 with the lowest spend being £443 and the highest spend being £66,842,432.
- The total reported expenditure was £786,309,998 through direct contracts in 2011.

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<sup>7</sup> <http://www.ncvo-vol.org.uk/networking-discussions/blogs/20591/11/03/01/eric-pickles-mp-secretary-state-communities-local-govern>

- 66 authorities did not provide information in a format that enabled analysis, with 9 saying that the information is not held, and 12 refusing on the basis of cost.

### **Direct Contracts in 2012-13**

- In 2012, 55 authorities reported £0 expenditure through contracts with the VCS.
- 124 responded that they had direct contracts with the VCS. The average spend was £4,106,914 with highest being £53,838,700 and the lowest being £3,050.
- The total expenditure was £509,257,354 in direct contracts in 2012.
- 77 authorities didn't provide sufficient information about contract spend with the VCS, with 20 stating that the information wasn't held, and 11 refusing on the basis of cost. This may be because of contracts still to be issued throughout the remainder of the financial year.

### **Comparison between 2011-12 and 2012-13**

Conclusions on spend through direct contracts between the two years has been complicated by not every authority providing sufficient information to enable comparison. Certainly, comparing the overall spend in both years stated above produces a figure that does not accurately reflect how contract spend has changed.

Only 173 authorities provided us with information to enable direct comparison between their contract spend in 2011-12 and their anticipated spend in 2012-13. When looking specifically at these authorities:

- 61 areas reported a reduction in contract expenditure with the VCS between the years, totalling £78,951,685.
- 68 areas reported no changes to contract expenditure, but this included many who stated that they did not have any direct contracts with the VCS in either years.
- 44 areas reported increase in direct contract expenditure with the VCS between 2011-12 and 2012-13, totalling £18,240,293.

When considered together, this results in an overall reduction in expenditure with the VCS of £60,711,392 of the 173 authorities (49%) who provided information to enable comparison. This results in an average reduction of £350,933 per local authority, but given the different range of spending involved, does not provide us with a meaningful figure.

However, if these trends are indicative of the rest of those local authorities who did not respond, it suggests a reduction of £123,900,800 through direct contract spend with the VCS.

Interestingly, four authorities that had not issued any contracts with the VCS in 2011-12 did so in 2012-13. Those authorities are listed in Annex 9.

Three authorities reduced expenditure to the VCS through contracts to 0 in 2012-13. These authorities are listed in Annex 10.

The reduction in contract spend with the VCS between 2011-12 and 2012-13 should also be considered with the same caveats as the information about grants, in that not every authority reported their full year's contract spend, and others refusing to answer or stating that the information wasn't held. This information is summarised below:

	Authorities providing information 2011-12	Authorities not providing information 2011-12	
Responses	190	66	
% Responses (of 256)	74%	26%	
	Number of authorities reporting contracts with VCS in 2011-12	Total spend on contracts with VCS 2011-12	Authorities reporting no contracts with VCS
Responses	135	£786,309,998	55
% Responses (of 190)	71%	-	29%

	Authorities providing information 2012-13	Authorities not providing information 2012-13	
Responses	179	77	
% Responses (of 256)	70%	30%	
	Number of authorities reporting contracts with VCS in 2012-13	Total spend on contracts with VCS 2012-13	Authorities reporting no contracts with VCS
Responses	124	£509,257,354	55
% Responses (of 179)	69%	-	31%

	Authorities providing information enabling comparison between the years	Authorities not providing information to enable comparison between the years (either by only providing information for one or neither year)	
Responses	173	83	
% Responses (of 256)	68%	32%	
	Comparable spend on contracts with VCS 2011-12	Comparable spend on contracts with VCS 2012-13	Reported Total Change (including increases and decreases in contract expenditure)
Total in £	£565,179,290	506,414,378	£60,711,392

## Indirect Contracts

Only 9 authorities stated that they could account for money spent through indirect contracting with the VCS. The vast majority stated that they did not fund the VCS in this way, and others still stated that this information wasn't held or collated. The same local authorities provided information for both 2011-12 and 2012-13, with 3 stating that they had changed from having indirect contracts to no indirect contracts.

Many local authorities questioned the requests for indirect spending, stating that they would not be able to identify whether there would be funding provided to the VCS in this way. However, Compact Voice recognises the important potential role of the sector through larger contracts, and believes that local authorities should be doing more to recognise this, not least of all because it is a model being adopted by government, but also because it enables compliance with the supply-chain principles of the Compact.

### **Recommendation:**

**Local authorities to make explicit reference to potential sub-contracting during commissioning and procurement processes, ensuring that the role of the voluntary sector is recognised.**

## Consultations

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### **Number of consultations**

We asked a range of questions about consultations and engagement, both with the VCS and wider. The responses again varied in interpretation, with 73 authorities stating that they hadn't conducted any consultations in 2011-12. Many stated that they hadn't made any changes to policies which merited a consultation, but given the dramatic changes to the policy landscape in which local authorities are operating, it is difficult to believe that is the case in all of those who stated it.

In some instances, information was provided which referred to online resources, and in many situations, Compact Voice counted up the number of and duration of all those consultations listed on websites. While such transparency is to be commended, it is useful to understand the extent of consultations, and annual summaries would not be difficult to collate and disseminate.

103 authorities stated that they had held consultations, averaging 12 consultations per authority, and totalling 1,277 across these 103 authorities. When considered in the context of those who stated that they hadn't run any consultations at all, that reduces the average to only 7 consultations per authority.

In some instances, the references made to consultation referred to specific events or activities rather than formal consultation processes. In those instances, these individual events have been counted towards this total, explaining some of the very high consultation amounts in the responses.

A further 80 authorities did not provide information which enabled analysis, either stating that it wasn't held, providing links where the data was not in a format which could be easily

understood or interpreted, or refusing on the basis of cost. This suggests that engagement isn't routinely recorded or monitored in around a third of authorities – a worryingly high amount.

### Length of consultation

We asked how long these wider consultations were held for, and the numbers differed considerably. In those instances where a range was provided, an average was used. Where local authorities stated that no consultations had been held, N/A was entered.

The findings are considered below:

90 authorities provided information about the length of their consultations on policy issues, with an average of 10.74 weeks. However, this includes some instances where the information provided suggested on-going consultations, or advance notice of potential changes that might not be considered meaningful. Excluding two consultations which were reported to have been conducted for a year or over, the average consultation period was 9.64 weeks – below the recommended 12 weeks, but still a high amount.

However, further analysis identified a worrying result. 59 authorities reported that the average length of their consultation was less than twelve weeks, meaning that only a third of those authorities that reported holding consultations did so for the recommended twelve week period. It is difficult on this basis to see how the principles of meaningful engagement are being taken forward locally. It is as difficult to feel reassured that local engagement is enabling sufficiently informed and empowered communities to enable the sorts of local action that this government has stated is important.

This information is summarised below:

	Authorities who reported that they had held consultations	Authorities who reports that they hadn't held consultations	Authorities who didn't disclose
Total	103	73	80
% (of 256 responses)	40%	29%	31%
	Authorities providing information about consultation length	Authorities reporting 12 weeks or more	Authorities reporting less than 12 weeks
Total	90	29	61
% (of 90 responses)	-	32%	68%

Average consultation length:	9.69 weeks
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# Consultations with the VCS specifically about changes to funding

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Both the Compact and Best Value Guidance make clear recommendations about the importance of considering the impact of funding changes with the sector, and giving three months' notice before changes were made or implemented. Questions were asked about both of these issues.

## **Funding consultations**

Only 76 authorities stated that they had held consultations with the voluntary sector about changes to funding, with 103 stating that they had held no consultations regarding changes to funding. Given the dramatic changes in the amount of funding provided, this is a cause for concern, particularly as a further 77 authorities did not provide us with information that enabled us to analyse their levels of engagement, again citing cost or data not being held.

Of the 103 authorities that stated that no consultations had taken place about funding with the VCS, many authorities stated that such consultations were not necessary because no changes had been made, despite information provided about levels of grant expenditure between the years suggesting otherwise. It may be that there are instances where funding was due to come to an end, but good practice suggests that the impact of changes to funding should still be considered.

Given that 29 authorities stated that they did not hold any consultations about changes to funding had also made disproportionate cuts suggests a lack of compliance again both with Compact principles and the principles of the Best Value Guidance. A list of these authorities is contained in Annex 11.

Of those 76 authorities who did state that they had undertaken consultations with the voluntary sector, they reported 4.89 per authority (including one authority which reported 121 consultations – removing this figure provides a perhaps more accurate figure of 3.35 consultations per authority).

The average length of these consultations was 14.9 weeks, but again this figure includes instances where a whole year had been stated as a consultation period. Like last year, some local authorities gave prior notice to funding changes but did not engage in formal consultation about specific changes. Without the three instances of consultations on funding changes taking more than a year, the average works out to be 12.6 weeks, which is higher than the recommendations in the Compact and the Best Value Guidance, and welcome for that.

However, this is on the basis of 53 responses, as many authorities did not provide information about duration of consultation, and includes 21 instances of less than twelve weeks. If this is indicative of the overall engagement with the sector around changes to funding, it takes place for less than the recommended twelve weeks in nearly 60% of cases.

This information is summarised below:

	Authorities that stated that they held consultations regarding changes to funding	Authorities that stated that they didn't hold consultations regarding changes to funding	Authorities that didn't disclose
Total	76	103	77
% (of 179 responses)	42%	58%	-

	Authorities providing information about consultation length	Authorities reporting 12 weeks or more	Authorities reporting less than 12 weeks
Total	57	36	21
% (of 57 responses)	-	63%	37%

Average consultation length:	12.6 weeks
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### Notice for Funding Changes

The majority of authorities who provided information (155) reported that there were 0 instances of funding changes to the VCS with less than three months' notice. 19 authorities reported instances of changes to funding with less than three months' notice, with one authority stating it a necessity because of illegality on the part of the organisation receiving funding.

74 authorities stated that they had provided three months or more notice for funding changes.

Again, many authorities reported no notice provided to funding changes, despite also reporting changes to the amount of funding provided, an anomaly which may need to be considered on an authority by authority basis. Some responses provided data that contradicted that provided elsewhere (for example, reporting 3 changes to funding, but 0 under three months, and 0 over three months).

In total, 69 places said that there had been no changes to funding with the VCS, with 16 of those reporting disproportionate changes to funding elsewhere. It may be that the information was not held, but it does suggest a worrying contradiction.

	Authorities reporting no changes with less than 3 months' notice	Authorities reporting changes with less than 3 months' notice	Authorities which did not disclose
Total	166	19	70
% (of 185 total)	90%	10%	-

	Authorities reporting no changes with more than 3 months' notice	Authorities reporting changes with more than 3 months' notice	Authorities which did not disclose
Total	88	80	88
% (of 168 total)	52%	48%%	-

	Authorities reporting no funding changes	Authorities reporting funding changes	Authorities which did not disclose
Total	73	101	82
% (of 174)	42%	58%	-

### Impact Assessments

70 local authorities stated that they hadn't undertaken Impact Assessments. In this instance, we had not specified what sort of impact assessment we were requesting information about, but surprised that so many had reported none at all. In some instances, we were told that as no policy or funding changes had taken place, no impact assessments were needed.

Many authorities stated that 'all policy and funding changes were subject to an impact assessment' – a broad interpretation of the request for a numerical figure.

Of the 101 authorities that did conduct impact assessments, they averaged 9.6 per authority, with the highest number being 130. As stated before, the amount of changes to policies and funding affecting local communities, as well as best practice, would suggest that more assessment should have been undertaken about the impact that changes would have.

This data is summarised below:

	Authorities reporting undertaking impact assessments	Authorities stating no impact assessments had been made	Authorities which did not disclose
Total	101	70	85
% (of 171 total)	59%	41%	-

### Signatories to Local Compacts

Much to the surprise of the Compact Voice team (and in some cases those staff working in local areas), a number of respondents failed to disclose which local Compact they had signed up to, or stated that the authority wasn't a signatory of a local Compact when in fact they were.

In some instances, Compact Voice was aware of an inactive Compact, or had been working in areas to introduce a Compact agreement where none had existed. But the amount of authorities which reported that they weren't signed up to a Compact exceeded the amount that we were aware of.

Compact Voice's engagement team contacted authorities where we knew a local Compact existed, and were reassured to discover that this was a failing in the FOI process to identify or clarify the requested information. However, that this happened as often as it did is worrying, and highlights the need for an improvement in the way that information is shared between partners, and the Compact is promoted. It also identifies that some local authorities need to improve how they conduct and respond to FOI requests.

**Further analysis between the findings of Compact Voice's survey of local Compact groups and the information provided in response to these FOI findings will be published in 2013.**

## Conclusions and Next Steps

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This is the second year that Compact Voice has undertaken a Freedom of Information request in an attempt to better understand the relationship between local statutory and voluntary sector partners. We have learnt much from the exercise, and we hope that the both the analysis of the responses we received and the recommendations we make are of interest.

However, for the second year running, the data has been very difficult to meaningfully and consistently interpret. Despite changes to the requests issued which sought to avoid ambiguity and ensure the widest range of responses possible, the data received varied enormously in how the questions had been interpreted. In some instances, the data had to be manually interpreted, including inputting and calculating figures from a huge array of sources.

Inevitably, there may be disagreements on the way that the provided data has been interpreted. There may also be instances where the information has been incorrectly provided but added as it was sent to us.

In both these instances, Compact Voice is happy to consider requests to change the information to ensure accuracy and usefulness. If nothing else, this highlights the difficulties faced in interpreting different data sources. With so much of this government's ethos reliant on open data and local scrutiny, it is difficult to see how such a dizzying array of recording and reporting will enable scrutiny of local activities outside of those with capacity and specialist understanding.

I am grateful for all of those local authorities who responded to these FOI requests, particularly those authorities who submitted data promptly, accurately, and in direct response to the questions asked. I am also aware that after the initial data analysis had been conducted, a few further responses to our requests were submitted, and we have included as many of those as possible.

Often, reports such as this will shift focus onto negative findings, and as such, good responses don't get rewarded sufficiently. I hope that my gratitude to those authorities who did this well – and they will know who they are – will be sufficient thanks, as it may not be possible to single them out. However, their contribution made going through hundreds of emails and links a much easier and more manageable task.

I would like to also extend my thanks to David Kane and Ruth Breidenbach-Roe at NCVO, Amanda Ariss at the Equality and Diversity Forum, and the team at Compact Voice for their support in compiling and commenting on this report.

Compact Voice believes that the information referred to throughout this report is the most comprehensive and up-to-date overview of the current relationship between local authorities and the voluntary sector, and gives vital insight into both the level of engagement and funding between them.

However, it is less comprehensive than we would like, suffers from lack of consistency resulting from failure to respond and difficulties in interpreting the vast array of responses received. While much of this can be attributed to a variety of factors considered throughout this report, responsibility should also be levelled at CLG, who in their reluctance to impose guidelines and bureaucracy to local authorities have done so at the expense of being able to understand where vital relationships are flourishing, and where they are failing.

As a national organisation with a local presence, we understand the importance of local determination. But we also understand the need to have a consistent set of principles that local authorities can use and interpret, as well as mechanisms for redress if things go wrong.

Compact Voice's recent survey of local Compact groups identified a worrying gap in perceptions about how local authorities and the voluntary sector are working together. Issues such as independence and compliance with the principles of the Compact were reported in noticeably different ways in our survey.

Local statutory respondents stated a more positive approach to partnership working than the voluntary sector. While there are a number of potential explanations for this, it highlights the importance of consistently shared and easily understood information. If positive work is being undertaken by local authorities, efforts need to be made to ensure that all partners are aware of this, perhaps helping to overcome negative perceptions held by a beleaguered voluntary sector in difficult times. If negative perceptions are correct, clarity and transparency will help encourage an open approach to finding solutions.

We believe that the role of local Compact agreements and groups can do much to help address the concerning findings that this report has highlighted, but recognise that it will not happen without additional support from central government. We believe that the following should be addressed:

- There is no way currently for CLG to monitor and evaluate the effectiveness of its Best Value Guidance, potentially rendering the principles it contains both a challenge to the notion of localism or to the authority of the Secretary of State in establishing guidance. While we recognise the value of policies which are designed to be permissive and determined based on local need, their implementation still needs to be monitored. We believe that CLG should compel local authorities to gather and share information with both local and national partners to provide genuine scrutiny about the implementation of this guidance.
- The current FOI system is confusing and inconsistent, and authorities that persistently refuse to respond to requests should be investigated. Consistency in FOI email addresses across local authorities would be a minor but significant change. Failure to even acknowledge should not be considered acceptable.
- Local Compact agreements should be amended to include specific reference to gathering information that relies on a shared understanding of key terminology and definitions of concepts such as grants, voluntary and community sector, and others.
- Awareness of the Compact should be spread more effectively in local areas. Gaps in understanding about whether a Compact exists, or even what it is should be few and far between. The number of authorities reporting lack of understanding about the Compact is troubling.
- Local authorities are continuing to see the voluntary sector as a soft target for spending cuts, with disproportionate cuts common, a worrying lack of impact

assessment and engagement, and reductions on spending having an impact on communities, and who are not being given the opportunity to respond to proposed changes.

**We recommend that CLG does more to enforce the principles contained in the Best Value Guidance, establishing additional compulsion in how it enforces these principles being upheld.**

# Annex 1:

## Freedom of Information requests to Local Authorities

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### **Freedom of Information Request 1 – grants and contract spend in 2011-12**

- a. Grants issued to the voluntary and community sector in 2011-12
  - i. The total amount in £ of expenditure issued to voluntary and community sector organisations through all local authority grants programmes for the year 2011-12
  - ii. The total number of grants issued to voluntary and community sector organisations during the year 2011-12
  - iii. Your total grant budget for the year 2011-12, including all local authority grant fund programmes
  
- b. Contracts issued to the voluntary and community sector in 2011-12
  - i. The total amount in £ of expenditure through direct contracts (defined as an agreement made directly with a voluntary sector organisation or group of organisations to deliver services on behalf of the council) to voluntary and community sector organisations for the year 2011-12
  - ii. The total amount in £ of expenditure through indirect contracts (defined as an agreement with a provider which is not a voluntary sector organisation, group or consortia but makes explicit reference to sub-contracting with the voluntary and community sector) involving voluntary and community sector organisations during 2011-12
  - iii. The total number of direct contracts issued to voluntary and community sector organisations during the year 2011-12
  - iv. The total number of indirect contracts issued involving the voluntary and community sector organisations during 2011-12
  - v. Your total contract budget for the year 2011-12, including all local authority contract programmes
  
- c. Budget allocation
  - i. Your total budget allocation in £ for the year 2011-12, including local revenue, business rates and grant allocation provided by central government

### **Freedom of Information Request 2 – Expected grants and contract spend in 2012-13**

- a. Grants issued to the voluntary and community sector in 2012-13
  - i. The total amount in £ of your budget allocation anticipated to be issued to voluntary and community sector organisations through all local authority grants programmes for the year 2012-13
  - ii. The total anticipated number of grants issued to voluntary and community sector organisations during the year 2012-13
  - iii. Your total grant budget for the year 2012-13, including all local authority grant fund programmes
  
- b. Contracts issued to the voluntary and community sector in 2012-13

- i. The total amount in £ of your budget currently allocated to direct contracts (defined as an agreement made directly with a voluntary sector organisation or group of organisations to deliver services on behalf of the council) to voluntary and community sector organisations for the year 2012-13
  - ii. The total amount in £ of your budget currently allocated to indirect contracts (defined as an agreement with a provider which is not a voluntary sector organisation, group or consortia which makes explicit reference to sub-contracting with the voluntary and community sector) involving voluntary and community sector organisations during 2012-13
  - iii. The total anticipated number of direct contracts issued to voluntary and community sector organisations during the year 2012-13
  - iv. The total anticipated number of indirect contracts issued involving the voluntary and community sector organisations during 2012-13
  - v. Your total contract budget for the year 2012-13, including all local authority contract programmes
- c. Budget allocation
- i. Your total anticipated budget allocation in £ for the year 2012-13, including local revenue, business rates and grant allocation provided by central government

### **Freedom of Information Request 3 - Engagement with the VCS**

- a. The number of consultations (including average length of consultation period) issued concerning changes to local policies in 2011-12
- b. The number of consultations (including average length of consultation period) issued about changes to funding arrangements with the voluntary and community sector (through grants and contracts) from the financial year 2011-12 to 2012-13
- c. The number of changes to funding arrangements with the voluntary and community sector (through grants and contracts) from the financial years 2011-12 to 2012-13 issued with less than three months' notice given directly to the affected organisation about the specific changes affecting them
- d. The number of changes to funding arrangements from the financial years 2011-12 to 2012-13 issued with three months or more notice given directly to the affected organisation about the specific changes affecting them
- e. The total number of changes to funding arrangements with the voluntary and community sector (through grants and contracts) from the financial years 2011-12 to 2012-13
- f. The number of impact assessments issued prior to policy or funding decisions being made and/or implemented
- g. Whether the local authority is currently signatory to a local Compact, and if so, which one

## Annex 2:

Local authorities that failed to respond to our FOI requests both last year and this year

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Bristol City Council  
Chiltern District Council  
Copeland Borough Council  
East Lindsey District Council  
Harborough District Council  
Kingston upon Thames Royal Borough  
Malvern Hills District Council  
Norwich City Council  
Salford City Council  
South Gloucestershire Council  
Southend on Sea Borough Council  
Tewkesbury Borough Council  
West Devon Borough Council

## Annex 3:

Local authorities that did not respond to the 2012 Freedom of Information Requests

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Adur District Council  
Blackburn with Darwen Borough Council  
Brighton & Hove City Council  
Bristol City Council  
Cambridge City Council  
Cheltenham Borough Council  
Chiltern District Council  
Copeland Borough Council  
Dover District Council  
East Lindsey District Council  
Eastbourne Borough Council  
Epping Forest District Council  
Hackney London Borough Council  
Hambleton District Council  
Hampshire County Council  
Harborough District Council  
Kingston upon Thames Royal Borough  
Lambeth London Borough Council  
Lancashire County Council  
Luton Borough Council  
Malvern Hills District Council

Manchester City Council  
Mendip District Council  
Northampton Borough Council  
Norwich City Council  
Nottinghamshire County Council  
Nuneaton and Bedworth Borough Council  
Oadby and Wigston Borough Council  
Oxford City Council  
Pendle Borough Council  
Rugby Borough Council  
Runnymede Borough Council  
Rushcliffe Borough Council  
Salford City Council  
Shropshire Council  
South Bucks District Council  
South Gloucestershire Council  
South Hams District Council  
South Oxfordshire District Council  
South Somerset District Council  
South Tyneside Metropolitan Borough Council  
Southend on Sea Borough Council  
Stoke on Trent City Council  
Tameside Metropolitan Borough Council  
Tewkesbury Borough Council  
Thanet District Council  
Wakefield Metropolitan District Council  
Walsall Metropolitan Borough Council  
Warwickshire County Council  
West Berkshire Council  
West Devon Borough Council  
West Lancashire District Council  
Wigan Metropolitan Borough Council  
Wiltshire Council  
Woking Borough Council  
York City Council  
Melton Borough Council  
Rutland County Council  
Test Valley Borough Council

## Annex 4:

# Local Authorities who refused to respond to FOI requests on the basis of cost

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Birmingham City Council  
Bournemouth Borough Council  
Bracknell Forest Borough Council  
Brent London Borough Council  
Buckinghamshire County Council

Bury Metropolitan Borough Council  
Camden London Borough Council  
Cannock Chase District Council  
City of London  
Dartford Borough Council  
Derbyshire Dales District Council  
Devon County Council  
Doncaster Metropolitan Borough Council  
East Riding of Yorkshire Council  
Greater London Authority  
Hammersmith and Fulham London Borough Council  
Hartlepool Borough Council  
Havering London Borough Council  
Herefordshire County Council  
Huntingdonshire District Council  
Lewisham London Borough Council  
Medway Council  
Newark and Sherwood District Council  
Redcar and Cleveland Borough Council  
Rotherham Metropolitan Borough Council  
Sandwell Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
Southwark London Borough Council  
Staffordshire County Council  
Stroud District Council  
Tower Hamlets London Borough Council  
Wandsworth Borough Council  
West Sussex County Council  
Windsor and Maidenhead Royal Borough Council  
Worcester City Council  
Worcestershire County Council

## Annex 5: Authorities who changed funding disproportionately in 2011 but proportionately in 2012

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Bedford Borough Council  
Bolsover District Council  
Broxtowe Borough Council  
Cambridgeshire County Council  
Chorley Borough Council  
Gloucester City Council  
Harrogate Borough Council  
Merton London Borough Council  
Mid Suffolk District Council

Rother District Council  
Sedgemoor District Council  
Stafford Borough Council  
St Helens Metropolitan Borough Council  
Thurrock Council  
Waltham Forest London Borough

## Annex 6:

Authorities that reported changes to grant funding proportionately in 2011 but disproportionately in 2012

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Basingstoke and Deane Borough Council  
Brentwood Borough Council  
Chesterfield Borough Council  
Colchester Borough Council  
Daventry District Council  
East Hertfordshire District Council  
Fenland District Council  
Gravesham Borough Council  
Guildford Borough Council  
North Kesteven District Council  
South Norfolk Council  
Tendring District Council  
Three Rivers District Council  
Wellingborough Borough Council  
West Oxfordshire District Council

## Annex 7:

Authorities that reported disproportionate changes to grant funding in both 2011 and 2012

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Barrow-in-Furness Borough Council  
Blackpool Borough Council  
Burnley Borough Council  
Carlisle City Council  
Dudley Metropolitan Borough Council  
Durham County Council  
East Cambridgeshire District Council  
Horsham District Council

Maldon District Council  
Middlesbrough Council  
St Edmundsbury Borough Council  
Stockport Metropolitan Borough Council  
Surrey County Council  
Tandridge District Council  
Waverley Borough Council  
Weymouth and Portland Borough Council  
Wychavon District Council

## Annex 8:

### Authorities that reported changes to grant funding proportionately in both years

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Amber Valley Borough Council  
Ashfield District Council  
Aylesbury Vale District Council  
Blaby District Council  
Broadland District Council  
Bromsgrove District Council  
Canterbury City Council  
Castle Point Borough Council  
Crawley Borough Council  
East Staffordshire Borough Council  
Erewash Borough Council  
Fylde Borough Council  
Havant Borough Council  
Hertsmere Borough Council  
King's Lynn and West Norfolk Borough Council  
Mansfield District Council  
Mid Sussex District Council  
Reading Borough Council  
Rushmoor Borough Council  
Selby District Council  
South Derbyshire District Council  
South Kesteven District Council  
Swale Borough Council  
West Lindsey District Council  
Wolverhampton City Council  
Worthing Borough Council

## Annex 9:

Authorities issuing contracts to the VCS in 2012-13 who hadn't issued any in 2011-12

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Redditch  
North Lincolnshire  
Ashford Borough Council  
Cherwell

## Annex 10:

Authorities that reduced expenditure to the VCS through contracts to 0 in 2012-13

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Aylesbury Vale  
Tendring  
Torridge

## Annex 11:

Authorities that reported disproportionate funding cuts and no consultations specifically about funding changes

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Arun District Council  
Barrow-in-Furness Borough  
Brentwood Borough Council  
Chesterfield Borough Council  
Colchester Borough Council  
Corby Borough Council  
East Cambridgeshire District Council  
Fenland District Council  
Forest of Dean District Council  
Gedling Borough Council  
Gravesham Borough Council  
Guildford Borough Council  
Knowsley Metropolitan Borough Council  
Lewes District Council

Middlesbrough Council  
Newcastle upon Tyne City Council  
North Kesteven District Council  
Preston City Council  
Purbeck District Council  
Reigate and Banstead Borough Council  
South Lakeland District Council  
Staffordshire Moorlands District Council  
Suffolk County Council  
Taunton Deane District Council  
Tandridge District Council  
Tendring District Council  
Three Rivers District Council  
Waverley Borough Council  
Wychavon District Council