



CVS Rochdale Policy Briefing

Safeguarding the Sector

There has been much recent discussion about the scope of the inevitable public sector budget cuts in 2010. These are likely to be wide-ranging, and may threaten many job losses. Already the Local Authority has announced cuts totalling 50 million over 2011/12. The changes to funding arrangements will also occur across the borough, and will have a significant impact on many voluntary organisations, including those who deliver services. Cost cutting reviews have been going on in anticipation for this and the first phase of the savings have gone to cabinet on 2nd August 2010. Following on from this there will be a 3 month consultation reviewing all possible areas for savings. Phase 2 of the cuts will be considered in October 2010 and this phase is likely to include any cuts to the sector.

Compact

Every local area in the country is covered by a **Local Compact**. This is a tool which will help local authorities make "smart cuts", rather than un-strategic short term cost savings, the principles of this agreement will be critical for navigating the new funding relationship. The cuts can be reviewed by a Compact way of working; for example informing strategy to "cut out waste and duplication", "involving the third sector" and "learning from (others) who are doing it better" - through sharing best practice between Local Compact areas. Additionally, it should be recognised that the Sector is committed, along with local authority bodies, to making the best use of available resources.

Phase 2 of the service cuts which is to take place in October should generate early discussions with the Sector. This should cover the impact on the community and raise issues facing voluntary and sector groups.

Safeguarding relations

If a public body is planning to cut funding for groups, discussion with the Sector covering the same ground should be held at once. The impact of even modest cuts on local groups can be considerable and disproportionate, and flat percentage cuts should be avoided. Jointly agreed funding conditions should specify the minimum notice that must be given and the covering of "winding down" costs.

What should you emphasise with public sector partners?

If a service is completely removed due to shorter term cuts, the public sector should look at a placeholder service being established to cover the gap until it can be resumed - **there is a role for the Sector here.**

When expenditure needs to be carefully considered to ensure it gives the best value, this is actually the right time to think about investing in the Sector. In particular, new preventative Sector services should be pursued - so that avoidable costs can be tackled. Making cuts without recognising this need can be a false economy. If handled strategically, local authorities will have more resources for their own priorities, rather than being compelled/driven to concentrate on these avoidable issues.

More on Compact can be found on www.thecompact.org.uk also keep up to date on the CVS Rochdale website www.cvsr.org.uk Updates will be done through our e-bulletins, blueprint and future policy briefings

