

To: Colleagues in the Voluntary, Community, Social Enterprise & Public Sectors
From: Brian Carr - Chief Executive

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COPING WITH THE CUTS – IMPORTANT INFORMATION FOR ALL SECTORS

Many of you will already be engaged in discussions around the ongoing and imminent public sector funding cuts. It is widely acknowledged that these will have a significant impact on the provision of public services in the city, and no doubt we share very real concerns that they will have a disproportionately adverse effect on our most vulnerable citizens.

In addition to already-announced local cuts, all public sector agencies are under considerable pressure to identify and implement savings where possible. Yesterday, the Cabinet Office announced £11m of cuts in this year's budget to a range of initiatives working with the voluntary sector, including Capacitybuilders and v, the youth volunteering charity.

Francis Maude, the Minister for the Cabinet Office, and Nick Hurd, the Minister for Civil Society, have written an open letter to the sector asking charities, social enterprises and community groups to offer ideas for how the OCS could make further economies. Their letter is available here:

<http://download.cabinetoffice.gov.uk/voluntary/open-letter.pdf>

It is BVSC's view that the only way that the necessary savings can be made intelligently, and in ways which minimise adverse impacts on the city's most vulnerable communities, is through strong communication and cooperation between voluntary organisations and public sector agencies. By looking – together – at how savings can be made, we have a greater chance of working more effectively in an environment with fewer cash resources.

Therefore, we at BVSC:

- ***Are in conversation with public sector commissioners to offer support and guidance in mapping the impact of cuts, and involving the sector in identifying savings;***
- ***Are facilitating discussions for voluntary organisations through the Third Sector Assembly networks (www.assembly3.org.uk). These meetings will proactively look at opportunities for increased collaboration, potential efficiencies, and strategies for dealing with funding reductions;***
- ***Have produced the following digest of guidance for voluntary and community organisations, and for public sector commissioners, in navigating the difficult path ahead.***

For more information on the support BVSC can offer to voluntary and community organisations, and to public sector agencies engaging with the voluntary sector, please see our website at www.bvsc.org, or contact me directly.

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FOR VOLUNTARY & COMMUNITY GROUPS

Some general points:

- Be proactive in recognising that your funding is likely to be affected by the cuts. If you have concerns about the implications of cuts, contact your funder/contract manager and ask for some time to discuss the matter with them;
- *Expect* to be engaged in discussions about how to achieve savings, should these prove necessary. If you aren't being engaged – approach your funder/contract manager with a specific request. Be positive – public sector agencies are under extreme pressure too, and are looking for assistance with solutions to the funding crisis;
- Start looking – in detail – at your organisation's finances, and how they are deployed. Is it possible for you to make changes *now* that will minimise the impact of cuts in the future? Seek advice from your local infrastructure organisation if you need help with this.
- If you believe that cuts are being made improperly, be prepared to make an appropriate challenge. Be clear about your reasons, gather your evidence, and find out the correct route to follow (see below).

The **National Council for Voluntary Organisations** has produced an excellent and comprehensive package of guidance on coping with funding cuts: <http://www.ncvo-vol.org.uk/advice-support/coping-with-cuts>

If you have been informed of a cut, and wish to make a challenge, it would also be useful to look at the **Empowering the Voluntary Sector** guide to challenging cuts effectively (.pdf file): <http://www.navca.org.uk/NR/rdonlyres/499BABE5-9AA8-4085-8CE3-B87EBF94E8DD/0/Cutsbriefing.pdf>

FOR PUBLIC SECTOR AGENCIES & COMMISSIONERS:

Some general points:

- Don't assume that voluntary and community groups will be automatically resistant to cuts; be direct with them about the savings you are being required to find, and actively seek their ideas in realising these savings. By engaging them fully, you're inviting them to be part of the solution, and you're also giving them an opportunity to make provision in their organisations to protect their most essential services;
- Be clear about decisions that have already been made in relation to funding reductions. Don't try to "soften the blow" by delaying informing organisations of reductions in funding;
- Expect that some funding cut decisions will be challenged. There is guidance available on how to ensure cuts are administered in a fair, transparent, and Compact-compliant manner (see below).

The **Commission for the Compact** has produced some helpful guidance for public sector agencies which are required to make budget revisions. Although targeted at local authorities, it contains useful pointers for all public sector bodies (.pdf file):

<http://www.thecompact.org.uk/files/140405/FileName/CompactGuidanceLABudget.pdf>

USING YOUR COMPACT

Given that the Compact is designed to govern relationships between government and the voluntary and community sector, it is essential for voluntary groups and public sector agencies and commissioners to be fully aware of what it is, and how it can be used.

The National Compact

Established in 1998, the Compact is an agreement between government and the voluntary and community sector in England. It recognises shared values, principles and commitments and sets out guidelines for how both parties should work together. Although not legally binding, its authority is derived from its endorsement by government and by the voluntary and community sector itself through an extensive consultation process.

The National Compact was recently refreshed and the Prime Minister David Cameron re-stated his commitment to it in his recent speech to launch 'The Big Society'.

The current refreshed national Compact is available – along with guidance on its use – here:

<http://www.thecompact.org.uk/information/100022/140450/refreshedcompact/>

The Birmingham Compact

All agencies which are members of the city's Strategic Partnership (Be Birmingham) have signed a commitment to adhere to the principles of the Compact.

The Birmingham Compact is currently being refreshed to bring it into line with the refreshed national document, but the principles – and the city's commitment to them – remain. Details of the Birmingham Compact are available here:

<http://www.bebirmingham.org.uk/news.php?id=194>

For advice on using the local Compact in your negotiations – whether you are from a voluntary organisation or a public sector agency – speak to Tamsila Tauquir MBE, our Compact Action Adviser. Her contact details are here:

<http://www.bvsc.org/about-us/staff-directory/tamsila-tauquir>

For specific guidance for voluntary organisations and commissioners in using the Compact, look here:

<http://www.thecompact.org.uk/information/100023/140294/compactguidance/>

LOCAL VOLUNTARY SECTOR SUPPORT ORGANISATIONS in BIRMINGHAM

Details of BVSC's services – including *membership services, corporate services, advocacy for the voluntary sector, training and events, conference and meeting facilities, policy support, volunteering services, capacity building services, consultancy support to public sector bodies* and *support for voluntary sector networks* – can be found at <http://www.bvsc.org>

BVSC4Community is an online portal to funding information for voluntary and community organisations: <http://www.open4community.info/bvsc/>

The **Local Development Agencies Network** is a network of 10 well-established voluntary organisations, working in partnership and supported by BVSC, to serve a diverse range of frontline voluntary and community organisations across the city's constituencies. Information on the network's services can be found at <http://www.birmingham-da.org/support>

The **Third Sector Assembly** is a long-term association of voluntary sector networks brought together by BVSC to improve communication across the sector, grow its ability to influence, and to provide improved communication between, and relationships with, the public sector. To join one or more Assembly networks is free to any voluntary group in the city. More information here: <http://www.assembly3.org.uk>

The **VCS Matters** programme works to support voluntary and community organisations to improve the lives of children and young people in Birmingham, and to ensure the full involvement of the voluntary sector in Children's Trust arrangements and other strategic partnerships. Voluntary organisations working in this field can become members of the network, and can have access to a range of support services tailored specifically to their needs. More information here: <http://www.vcsmatters.org>

BVSC is a member of **Birmingham ChangeUp Consortium** (<http://www.changeupbirmingham.org>) and **Birmingham & Solihull Social Economy Consortium** (<http://www.bssec.org.uk>), which are, respectively, consortia which bring together infrastructure support providers, and organisations which support the social economy.