



navca
local focus national voice

DEVOLUTION

FOR PEOPLE & COMMUNITIES



The five key principles of devolution

Making devolution work for people and communities

Devolution offers an opportunity to reimagine our economy, public services and democracy. It has the potential to revive local economies, use economic growth and new investment to support social justice, and give people the power to transform their public services and improve where they live. There are well established voluntary and community sector organisations in every part of England that can make sure devolution works for people and communities.

However, devolution has so far largely failed to involve people and communities. Without the right principles driving the development of devolution - from initial deals, through to implementation and beyond - the potential of devolution will not be realised. Instead, a top down approach to devolution, and new layers of sub-regional decision makers, could push influence, power and resources away from people and communities. The focus on economic growth and building new infrastructure within cities could also be to the detriment of areas with the highest levels of deprivation.

This is why Locality and NAVCA, together with our members in West Yorkshire¹, have developed a set of five key principles which should underpin devolution. Embedding these principles in devolution would strengthen community involvement in decision making, generate long term social and economic value for our public services and build the social economy.

Key principles of devolution:

- 1. Creating a social economy.**
Devolution is an opportunity for creating an economy that works for the people in it, strengthening communities and prioritising social justice.
- 2. Representation of the voluntary and community sector within new leadership structures.**
Devolved structures should give local people a strong voice through their voluntary and community groups.
- 3. Ensuring accountability through effective community engagement.**
Strong and identifiable accountability to ensure power structures are responsive to the needs of communities.
- 4. Decisions taken at the most local level appropriate.**
Decision making and spending powers should be at the most appropriate local level, with devolved rights and responsibilities on managing budgets.
- 5. Working with local organisations to transform public services.**
Devolution is a key opportunity for public service innovation through local commissioning and delivery.

¹ Contributors include Voluntary Action Leeds, Voluntary Action Calderdale, Nova Wakefield District, and Barca Leeds

Ideally, these five principles should be central to the initial devolution deals agreed, at least in statements of intent as the formal arrangements are constituted. They should also be used as part of an ongoing process for influencing new devolved structures to ensure that devolution fully capitalises on the opportunity for neighbourhood and community level governance and puts power in the hands of local people. These principles will provide a quality standard for the ongoing assessment of devolution.

The principles are not intended to be overly prescriptive in terms of how they are achieved, instead they should underpin the design and practice of devolution. Whilst suggestions are made about how to ensure that these principles are implemented, we recognise that devolution settlements will differ in shape and structure and therefore flexibility is important.

Using these principles to shape devolution in your area

In areas where [devolution deals](#) have either been announced or are expected, community-led organisations and local infrastructure charities can help involve local people and influence processes locally.

Some areas are running consultations on their deals, and inviting submissions from the community. In Leeds, Voluntary Action Leeds organised a devolution roundtable for the local voluntary and community sector where the Chief Executive of Leeds City Council, Tom Riordan, spoke about our principles of devolution.

Voluntary and community sector organisations can use these principles as a framework for local discussions or in submissions to consultations on devolution for their area. Levels of engagement with the voluntary and community sector is extremely mixed, which is why having a coherent message across the local voluntary and community sector is really important.

Local authorities can use these principles as a starting point for conversations with local voluntary and community sector organisations. NAVCA and Locality members would be happy to help facilitate local discussions.

Devolution will deliver more for people and communities if it strengthens their involvement in local decision making. Working with local voluntary and community sector organisations is essential to making this happen.

1 Creating a social economy

Devolution is an opportunity for creating an economy that works for the people in it, strengthening communities and prioritising social justice.

A key driver of the devolution agenda has been to create empowered city regions in order to drive economic growth. The key intention within the government's decision to devolve business rates to local government and devolved regions, for example, is to promote growth by enabling local areas to "boost enterprise and economic activity" and benefit from increased revenues.²

However, the focus on economic growth throughout the devolution agenda to date has been too narrow. It has neglected the importance of building strong communities, prioritising social inclusion and creating an economy that works for the people in it. As well as there being huge benefits for people and society in prioritising social justice, the economic case for focusing on building resilient communities and tackling inequality is strong. Inequality, poor health, low educational attainment, and low skill levels undermine economic growth, and in countries where income inequality is decreasing, growth is higher than in those countries where inequality is rising.³

The voluntary and community sector has so far been a missing voice in the debate around economic growth and devolution, despite having much to contribute to discussions about how best to secure growth which is also rooted in social justice and equality. The sector has a huge role in growing local economies, and community and social enterprises have a wealth of expertise in developing businesses which not only create local jobs, but also generate huge social value within communities.

Whilst the voluntary and community sector has been largely excluded from discussions about economic growth, businesses have similarly found themselves exclusively approached in terms of how they add to economic growth with their wider contribution to communities ignored. A plurality of perspectives is essential in shaping devolution settlements which work for local areas, both in terms of growing local economies and in terms of social and community outcomes.

First steps to embedding this principle:

Recognition of the importance of the social economy to economic growth and a strategy for growing the social economy. This strategy should include a plan for engaging with the voluntary and community sector around conversations about economic growth as well a plan to ensure local businesses are represented in discussions about the social economy.

² <https://www.gov.uk/government/news/chancellor-unveils-devolution-revolution>

³ <http://www.oecd.org/newsroom/inequality-hurts-economic-growth.htm>

2 Representation of the voluntary and community sector within new leadership structures

Devolved structures should give local people a strong voice through their voluntary and community groups.

With new leadership arrangements being put in place within devolved areas, it is essential that these structures include specific roles and responsibilities for driving the involvement of the voluntary and community sector in decision making. Alongside strong accountability measures and effective community engagement, this would help to ensure that people and communities are able to influence decisions at all levels within the new devolved structure and play a greater role in the design and delivery of local services.

There should be specific responsibilities for ensuring that strong links and relationships are developed between decision making structures and neighbourhoods, communities and the voluntary and community sector. To make sure this is not tokenistic, this should be designed in partnership with the voluntary and community sector, to ensure people and communities have influence at all levels within the new devolved structure.

First steps to embedding this principle:

A strong statement of principle that the local authorities, combined authorities and elected mayors will work with the community and voluntary sector locally to give them a strong input into the way in which devolution structures are set up, with a strong voice and contribution of the sector in devolved decision making.

3 Ensuring accountability through effective community engagement

Strong and identifiable systems of accountability are essential in ensuring that new power structures are responsive to the needs of communities.

Accountability between different levels of governance within new structures is extremely important, including strengthening the local authority's scrutiny role by giving them veto powers over mayoral decisions. However, it is also essential that proper opportunities are provided for people and communities to scrutinise policies and decisions affecting them.

A key challenge for the devolution agenda is in securing support from the public. There is a risk that devolution is perceived as less democratic than existing power structures, bringing unnecessary new levels of bureaucracy. To counter this, it will be essential that people and communities not only have legitimate and meaningful representation within the devolved structures, but that there are also strong systems of accountability.

An important element of establishing accountability, is regular and meaningful community engagement. This could be facilitated through formal links between decision makers and voluntary and community sector infrastructure bodies, community anchor organisations and local voluntary and community organisations. A clear set of expectations should be in place around frequency and form of engagement.

The voluntary and community sector already has existing structures that support engagement between decision makers and the community. Local infrastructure organisations are expert at providing open and transparent structures and processes that provide accountability and democracy. Community anchor organisations also provide important models of local authority and community engagement, and are particularly effective at ensuring a range of people in the

community are supported to engage with decision makers, including older people, young people and service users. These supplement and complement the formal democratic structures.

Supporting and strengthening the use of Community Rights would also help communities to hold decision makers to account, including on decisions around spending and service delivery.

First steps to embedding this principle:

There should be recognition that the deal is the first step, and that local people and communities need to understand and buy into the new arrangements.

Local authorities, combined authorities and elected mayors need to commit to holding significant and meaningful engagement with the voluntary and community sector and communities as devolution is implemented. A strong structure needs to be in place for neighbourhood level scrutiny and engagement in decision making, with a local constitutional convention or assembly style approach to looking at the longer term goals for local devolution.

4 Decisions taken at the most local level appropriate

Decision making and spending powers should at the most appropriate local level, with devolved rights and responsibilities on managing budgets.

With economic growth a key driver of devolution, and a key priority of government and devolved authorities, it is essential that this does not lead to all new investment being exclusively targeted towards cities and away from other areas. To ensure that all communities benefit from devolution and growth, decision making and spending powers should be retained at the most appropriate local level.

Not only will this ensure that communities not based within cities will see the benefit of devolution, it will also help to ensure that growth retains a social dimension by prioritising spending according to the impact it has on people's lives. Communities can be key drivers of growth, and by aligning spending powers to communities, devolution can capitalise on this. Tackling inequality and social justice should underpin plans to devolve spending decisions, and all areas should receive similar powers and levels of control over their budgets.

A key model of local spending is the community budget model, which organises public spending by place rather than organisations or services, giving greater control to communities on how this money is spent. A further possible model is to re-structure the council tax system so that a certain percentage of tax is retained at the neighbourhood level.

Investment should still be targeted towards communities of place, interest and identity with the greatest need, so as to prioritise areas of deprivation. Any system of local spending powers would need to be designed so that money that is redistributed from the local authority still benefits poorer communities the most.

It is important to note that when communities are defined from the top down, this creates problems across neighbourhoods in terms of service provision and local decision making. A key principle therefore of devolution is that communities and neighbourhoods should self-define. Flexibility should be retained to account for co-terminus neighbourhood boundaries and should not restrict spending and access to services by pre-determined neighbourhood boundaries. This principle is essential alongside the principle of subsidiarity of decision making, spending and public service delivery.

First steps to embedding this principle:

A commitment by the combined authorities to greater engagement, participation and empowerment of people and communities at the most local level appropriate. A commitment to working with the voluntary and community sector to lead the "onward devolution" agenda to neighbourhoods and communities.

5 Working with local organisations to transform public services

Devolution is a key opportunity for public service innovation through local commissioning and delivery.

Public services should be built around the needs of local people and communities. Not only does local delivery and involving people in the design and delivery of services mean that services are more responsive to local and individual need, it can also provide more cost effective solutions and help to focus resources on early intervention. Delivery led by local organisations enables improved opportunity for co-design and partnerships between statutory delivery bodies, community organisations and service users. This is at the heart of the Locality's Keep it Local campaign⁴ that has the full support of NAVCA.

Devolution deals should reject the myth that bigger is best and acknowledge that standardised services delivered on a vast scale counteract the principles of devolution and lead to a drop in quality and a rise in costs. They should embed the principles of local commissioning and delivery by developing and growing local models of service provision, supporting capacity building in the sector, and co-designing in commissioning. When measuring outcomes of service delivery, focus should be at a community level and consider how services have improved happiness, well-being and unlocked individual potential.

A further recommended approach to public service commissioning within new devolved structures is to secure local delivery and community control over local services through co-design and co-production of services. Commissioners should work with voluntary and community organisations and the community to build these models. In the longer term we want to see an enhanced mix of powers and rights for communities to trigger, request or scrutinise the additional devolution of powers.

First steps to embedding this principle:

A commitment to supporting local organisations and building wealth for the devolved area through a local first (or local by default) approach to commissioning and procurement; to embracing social value through commissioning and procurement strategy and policies; and to co-design services with local organisations and communities.

⁴ Keep it Local for better public services, Locality campaign. <http://locality.org.uk/our-work/campaigns/keep-it-local/about/>

