



## Working with New Government – Summer 2024

This note reflects our experiences and priorities over the first 6 weeks or so of the incoming Labour Government. Please do send us your reflections and feedback, especially on priorities, and how this is playing through locally.

Unlike previous recent Programmes for Government, there are a considerable number of proposals contained within the King's speech that are either of direct relevance to the work of local infrastructure or will be indirectly relevant across the breadth of the four functions of infrastructure.

The list is extensive, and it will not be possible engage deeply with all aspects of the proposals!

### Objectives

Our objectives as NAVCA are to:

1. Demonstrate the essential contribution that local infrastructure makes to thriving and sustainable VCSE sector and local communities.
2. Show how through strategic partnership working, convening and capacity building by local infrastructure, they are a key player in the delivery of the Missions of government, devolution, delivery of major policy changes and frontline services.
3. Achieve funding for local infrastructure and NAVCA.

### Strategy

We are developing a three-fold approach:

1. Priority policy areas that NAVCA either leads on or works on, on its own.
2. Policy areas that are influenced in partnership with other infrastructure organisations or partners.
3. Policy areas/initiatives that are tangential to the main infrastructure offer but are an important contribution to either thriving VCSE sector serving its beneficiaries or thriving communities.

### Government Mission Driven Government

It is worth re-capping on the five missions against which the Labour Government has been elected:

1. Kickstart economic growth to secure the highest sustained growth in the G7 – with good jobs and productivity growth in every part of the country making everyone, not just a few, better off.
2. Make Britain a clean energy superpower to cut bills, create jobs and deliver security with cheaper, zero carbon electricity by 2030, accelerating to net zero.
3. Take back our streets by halving serious violent crime and raising confidence in the police and criminal justice system to its highest levels.
4. Break down barriers to opportunity by reforming our childcare and education systems, to make sure there is no class ceiling on the ambitions of young people in Britain.
5. Build an NHS fit for the future that is fair when people need it; with fewer lives lost of the biggest killers; in a fairer Britain, where everyone lives well for longer.

This translated into six headline areas within the King's speech of July 2024.

1. Economic stability and growth
2. Great British energy and clean energy superpower
3. Secure borders, cracking down on antisocial behaviour and take back our streets
4. Break down the barriers to opportunity
5. Health
6. National security and serving the country

NAVCA's approach to government on behalf of its members with these missions and headline areas is to demonstrate how local infrastructure can support mission driven government.

### Headline Policy Areas

The headline policy areas are set out below, drawn from the Government and its working – the manifesto, Kings Speech, public statements and our own connections and interactions.

#### DCMS

- DCMS as advocate for VCSE and local infrastructure across government
- Ensuring VCSE expertise is part of cross-government Mission Boards
- Civil Society Covenant
- Engagement with and support for LI including funding

#### MHCLG

- Devolution
- Local growth plans / economic growth and development
- Local government finance
- Communities policy
- Community building / place making in new build areas
- Local resilience forums

#### DWP

- White paper to support people back into work to pick up three manifesto commitments of (1) a new national jobs and career service, (2) new work, health and

skills plans for the economically inactive, led by Mayors and local areas (3) youth guarantee all young people aged 18-21

- Pathways to Work – implementation of Barnsley Commission  
<https://www.barnsley.gov.uk/PathwaysToWork> [Liz Kendall launched this 23 July]
- Link between worklessness and health

#### Department for Education

- Creation of Skills England - <https://www.gov.uk/government/news/skills-england-to-transform-opportunities-and-drive-growth>

#### Ministry of Justice / Home Office

- Volunteering and prisons / rehabilitation of ex-prisoners

#### DHSC

- ICS/ICB engagement with VCSE Alliances and sector more broadly
- Offer to government with National Voices / NAVCA
- Prevention and wellbeing agendas
- Social prescribing

#### Department for Transport

- Community Transport [work with CTA]

### Public Spending – Announcement 29 July 2024

Rachael Reeve's significant announcement: Fixing the Foundations – Public Spending Audit 2024-25 can be found here <https://www.gov.uk/government/publications/fixing-the-foundations-public-spending-audit-2024-25>

This sets the tone and expectations and is sobering. The headlines in summary:

- £22Bn unfunded spending pledges inherited from previous Government.
- £5.5Bn savings in current financial year, £8.1Bn 2025-26.
- Budget on 30 October 2024.
- Multi-year Spending Review will start now and conclude in Spring 2025. The Chief Secretary to the Treasury will shortly write to departments with details.
- The government will use the Spending Review to change the way public services are delivered by embedding a mission led approach, driving forward public service reform and making the best use of technology to better deliver services.
- Departmental expenditure limits for 2025-26 will be set alongside the Budget in October, which will also confirm control totals for 2024-25.
- Spending Reviews will be set every two years to cover a three-year period, with a one year overlap with the previous Spending Review.
- Winter Fuel Payments will be limited to households with someone of pensionable age receiving Pension Credit, Universal Credit, Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance.
- VAT on private school fees will be implemented from 1 January 2025.

- Acceptance of the recommendations of the independent Pay Review Bodies for public sector workers' pay.

## Public Sector Reform

We know this is a significant Labour priority, with ambition for:

- a long-term approach
- investment in prevention
- managing demand
- increasing devolution
- local integration of services.

Change in how public services are delivered through embedding mission led approach, which will support preparations for the spending review. As a result of spending review departments will work together to deliver key priorities in a more effective and efficient way.

Mission boards will drive collaboration to deliver robust performance management practices that track progress and outcomes.

A 10 year health plan will be developed to change and modernise the NHS. This will start with an independent external assessment of the current state of the health system led by Lord Darzi of Denham.

Spending review will be used to improve how different tiers of government work together, including:

- consolidating different funding streams for local authorities into the local government finance settlement [due December 2024]
- integrated settlements for further Mayoral Combined Authorities that can show exemplary management of public money
- review of local audit system.

The government will launch the National Infrastructure and Service Transformation Authority (NISTA) which will drive more effective delivery of infrastructure across the country and support the delivery of a 10-year infrastructure strategy.

## Devolution

Again, a significant area. Angela Rayner's letter to local government leaders on 16 July 2024 sets out:

- Invitation to partner with government.
- Meeting with current metro mayors was a signal of intent to bring local leaders into the heart of government.
- Devolve new powers over: transport, skills, housing, planning and employment support [see note in section on DWP].

- Move away from a deal-based approach, to clear conditions and a clear offer and to enshrine a presumption towards devolution, so areas can take on new powers if they meet certain conditions.
- Government will work in partnership with local leaders to implement Local Growth plans.
- A Council of Nations and Regions will be established to bring together the Prime Minister, leaders of devolved administrations and metro Mayors.
- Invitation to all areas to apply for devolved powers. Financial resources will be made available to enable this to happen.
- HMG will publish a new devolution framework to set out the new powers and flexibilities available, some of which will only be available to areas with directly elected mayors.
- New devolution settlements should be tailored to sensible economic geographies so that local leaders can act at the scale needed to effectively deploy their powers. In the majority of cases that will require local authorities to come together in new combined or combined county authorities.
- Proposals by the end of September for the first set of devolution settlements.

<https://www.gov.uk/government/publications/letter-from-the-deputy-prime-minister-to-local-leaders-the-next-steps-to-devolution/letter-from-the-deputy-prime-minister-to-local-leaders-the-next-steps-to-devolution>

Local government is seen as a key partner in delivery of Government Missions particularly: house building, regeneration of high streets, and safer streets.

Institute for Government is currently conducting a survey to contribute to research on how local areas can produce good economic plans i.e. 'a document that articulates a comprehensive strategy designed for supporting economic growth in an area.'

[https://docs.google.com/forms/d/e/1FAIpQLSf3ZMvDL-Bb3rY-6foElrzcq\\_Z20fFuUhMgBO4uCJ4n1Krhg/viewform](https://docs.google.com/forms/d/e/1FAIpQLSf3ZMvDL-Bb3rY-6foElrzcq_Z20fFuUhMgBO4uCJ4n1Krhg/viewform)

### Policy areas in more detail

The remainder of this brief sets out the key areas of policy as we currently have them, grouped under each department responsible.

#### Department of Work and Pensions

Departmental priorities include:

- A White Paper to *Get Britain Working*
- New Deal for Working People to make work pay and improve the quality of work.
- New reforms:
  - overhaul of job centres with the creation of the new jobs and careers service bringing together Jobcentre Plus and the National Careers Service.
  - a new youth guarantee to offer training, apprenticeship or help to find work for all young people aged 18-21.

- Empower mayors and local areas to take the lead in driving down economic inactivity and driving up economic opportunity, drawing on inspiration from the Barnsley Commission.
- Powers will be devolved from central government to deliver Local Growth Plans, with local places given the responsibility and resources to design a joined up health, work and skills offer that is right for local people.

The intention is to create a fundamental shift in the balance of power and resources to local areas, 'so that our Mayors, local councils, the NHS, businesses, colleges and the voluntary sector can work together to deliver real employment opportunities for local people.' DWP will be a:

- driver of innovation, experimentation and learning to build solutions to complex problems and build the evidence-base
- capacity builder working alongside local areas to create conditions for success.

#### **Pathways to Work Commission Barnsley**

The result of a 12 month enquiry led by Alan Milburn on behalf of Barnsley Council. Barnsley has the highest proportion of adults of working age who are not in work, and who are not classed as actively seeking work but would like to – the economically inactive.

<https://www.barnsley.gov.uk/media/opbpzxkz/bmbc-pathways-to-work-commission-report.pdf>

Commission headline recommendations, there are 21 in total:

- a new national cross-government strategy for raising labour market participation with a pivot from welfare-to-work to a new focus on supporting people to move from economic inactivity to activity
- the Department of Work and Pensions becoming a department for work with a cross-government mission board to lead strategy implementation
- a review of spending on economic inactivity to rationalise funding and programmes to support the new national strategy and release major savings through reduced bureaucracy and welfare costs
- the devolution of powers for tackling economic inactivity to Mayoral Combined Authorities with multiyear funding pooled from DWP, NHS employment support, skills budgets and other local resources;
- agreements so that services can be personalised to meet the needs of the individual
- a new support and advice service for people wanting to work and for employers looking to recruit based on a reformed Jobcentre Plus that is integrated with careers and other services
- a reformed apprenticeship levy to refocus it on supporting young people into employment
- making occupational health a new part of the nation's health infrastructure with an assessment of tax incentives and how SMEs could benefit from collective forms of occupational health care

- NHS Integrated Care Boards being given a duty of engagement with the local delivery plan for raising labour market participation
- local health services being better integrated with employment support services and being focussed on the major health conditions that are driving rising rates of economic inactivity
- expanding mental health services to more people by revisiting the NHS Workforce Plan and accrediting digital services so that more people get effective help on-line and on time
- prioritising for investment in early years services those parts of the country where limited childcare is having the biggest negative impact on parental employment rates
- reviewing and strengthening technical education in order to devolve skills funding, increase employer input into decision-making and improve quality
- creating a ‘duty to engage’ with employment support services for economically inactive people in receipt of state benefits to support more of them into work
- strengthening work incentives by allowing people to try work without losing benefits, introducing work allowances for second earners and reviewing how to close the financial gap between incapacity and unemployment benefits, whilst protecting payments to people with severe disabilities.

The Commission conclusions:

- raising labour market participation is the key to economic growth, focusing on unemployment is not sufficient, so need to find new ways to engage employers, coordinate existing support systems and provide proactive help for economically inactive citizens
- the link between employment services and health services needs to be strengthened
- work must be ‘worth it’ for individuals and families
- local and regional government should invest in doing detailed design of a proof of concept model to launch in spring 2025 [presumably in Barnsley].

**Launching the report** 23 July 2024 Liz Kendal, Secretary of State DWP made the following points, which very much mirror the recommendations and conclusions of the Barnsley Commission.

- Aspiration for department for welfare to become the department for work.
- Challenges are:
  - addressing increasing inactivity driven by increasing ill-health
  - over 1 million young people NEET [increased by 90,000 in the last year data available for]
  - ensuring all young people get the education, skills and job opportunities they need
  - all people to have decent pay and the chance to build a career, and to benefit from good work
- job centre plus is effectively a benefit monitoring service not in employment service
- there is no link/ attention paid to wider issues such as health, skills, childcare, transport that determine whether someone can work, stay in work etc.

- current system is too siloed and centralised, fails to join up health, work and skills' and is not rooted in local economies or responding to local needs.
- Goals:
  - 80% employment rate equivalent to 2 million more people in work
  - raise productivity and living standards
  - improve the quality of work
  - employment support system will change outcomes to deliver higher engagement, higher employment and higher earnings
  - DWP will support local areas 'to make a success of this new approach', by devolving new powers over employment support to catalyse action and change.
- Delivering the Growth Mission:
  - produce a White Paper soon to Get Britain Working
  - related to good jobs in clean energy and Modern Industrial Strategy
  - New Deal for Working People to make work pay and improve the quality of work.
- New reforms:
  - overhaul of job centres with the creation of the new jobs and careers service bringing together Jobcentre Plus and the National Careers Service. This will be focused on helping people get into work and progress, not only monitoring and managing benefit claims. It will support employers looking to recruit.
  - a new youth guarantee to offer training, apprenticeship or help to find work for all young people aged 18-21.
  - Empower mayors and local areas to take the lead in driving down economic inactivity and driving up economic opportunity, drawing on inspiration from the Barnsley Commission.
  - Powers will be devolved from central government to deliver Local Growth Plans, with local places given the responsibility and resources to design a joined up health, work and skills offer that is right for local people.
  - The intention is to create a fundamental shift in the balance of power and resources to local areas, 'so that our Mayors, local councils, the NHS, businesses, colleges and the voluntary sector can work together to deliver real employment opportunities for local people.'
- New role for DWP:
  - driver of innovation, experimentation and learning to build solutions to complex problems and build the evidence-base
  - as capacity builder working alongside local areas to create conditions for success
  - sharing data
  - champion of quality, outcomes and use a voice.
- Labour Market Advisory Board created to oversee this work, led by Professor Paul Gregg, former Director of the Centre for Analysis of Social Policy at the University of Bath.

<https://www.gov.uk/government/news/kendall-launches-blueprint-for-fundamental-reform-to-change-the-dwp-from-a-department-of-welfare-to-a-department-for-work>

Responsible Minister is Alison McGovern Minister of State (Minister for Employment). MP for Birkenhead, Merseyside since 2010. Her responsibilities include labour market, addressing inactivity including the Work and Health strategy, poverty, Jobcentre Plus, devolution, skills, access to work, youth offer, childcare.

## Department for Education

### Skills England

Skills England will bring together central and local government, businesses, training providers and unions to meet the skills needs of the next decade across all regions, providing strategic oversight of the post-16 skills system aligned to the government's Industrial Strategy. Aim to support local areas to develop skilled workforces needed, particularly in construction and healthcare — direct contributed to governments growth mission.

Bridget Phillipson Education Secretary said: 'It will bring businesses together with trade unions, mayors, universities, colleges and training providers to give us a complete picture of skills gaps nationwide, boost growth in all corners of the country and give people the opportunity to get on in life.' Adult education budgets will be simplified and devolved to mayoral combined authorities to address their adult skills needs directly and support growth. HMG will bring forward a comprehensive strategy for post-16 education to break down barriers to opportunity, support development of a skilled workforce and drive economic growth.

Richard Pennycook CBE, former chief executive of the Co-operative Group and lead non-executive director at the DfE, will be the interim Chair.

Skills England will be established in phases over next 9 to 12 months, starting as a shadow organisation with DfE:

- transfer functions from the Institute for Apprenticeships and Technical Education [IfATE] to Skills England
- identify training for which the growth in skills levy will be accessible, with the aim of giving businesses more flexibility on how they spend levy funds on training for the skills they need
- initial work will start with an assessment of future skills needs whilst building strong relationships with employers
- hold responsibility for maintaining a list of levy eligible training
- ensuring the mix of government funded training available to learners and employers aligns with identified skills needs.

Responsible Minister for Skills England is Rt Hon Baroness Jacqui Smith. She also has responsibility for adult education and combined authority devolution, careers advice, apprenticeships, growth and skills levy, local skills improvement plans, post-16 education, higher education.

## DCMS – Speech by Lisa Nandy 31 July 2024

- emphasised social and economic potential of DCMS sectors for national renewal

- event on 31<sup>st</sup> July that DCMS Ministers will carry out around the country to engage DCMS sectors
- writing communities back into a new national story, and enhancing these sectors as vehicles for economic growth:
  - ambition for a self-confident country in five years time where all people see themselves in the story we tell about ourselves as a nation, and their contribution is seen and valued
  - if share this belief in our country and want to challenge us, be willing to be challenged in turn, ‘we will walk alongside you. We will have your back.’
  - want to give voice to the country many others have believed in all our lifetime but have never quite yet seen.

No specific mention of VCSE / Charities in speech, quote from Sarah Elliott in PR.

<https://www.gov.uk/government/news/culture-secretary-declares-culture-media-and-sport-sectors-crucial-to-national-growth-mission>

### MHCLG: Planning / National Planning Policy Framework [NPPF] / House Building

Extensive plans have been published on revisions to housing and major infrastructure policy, the creation of new towns and building on green/grey belt, and the revision of the NPPF. This is not a major area of interest or expertise but the core issue for NAVCA is the social/community infrastructure present in areas of newbuild and the opportunity and capacity to build communities of geography and interest for the people living in these areas.

Chapter 8 of the NPPF consultation explores delivering community needs as part of newbuild, including provision of hospitals and criminal justice facilities, schools, post-16 education and childcare settings. Proposed changes will also adopt a vision led approach to transport planning – moving away from ‘predict and provide’. The third strand is promoting healthy communities and reducing health inequalities. MHCLG is seeking views on whether and how national policy could provide greater direction and clarity on promoting health through local plans and planning decisions, particularly focused on promoting healthy communities and tackling childhood obesity.

There is no mention of community or place building within these proposals or other needs communities might have, such as a place to meet or opportunities for recreation.

Closing date for consultation responses 11.45pm Tuesday, 24 September 2024.

Section to follow focusing on community / place building within these plans.

<https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system>