

New government: opportunities for the VCFSE sector – August 2026

24 August 2026

NAVCA and ACRE have produced this resource as part of a project supporting the VCFSE sector and forming unitary and strategic authorities to work together through devolution and local government reorganisation.

Andy Burnham became Prime Minister on 20 July 2026, bringing major changes in tone, focus, approach and communications, with large scale changes to the Cabinet and junior ministerial posts, and the machinery of government. The announcements so far open many opportunities for the VCFSE sector to be a key partner through codesign and codelivery.

New Prime Minister and approach to government

Head North, Burnham's book with Steve Rotherham [Mayor of Liverpool City Region] gives a clear statement of intent for his approach to government, which is reflected in the flurry of announcements in his first weeks as Prime Minister. The 10-point plan proposed in Head North is:

1. A written constitution – with equal representation for all regions and nations.
2. A basic law – to create equivalent living standards between different areas [which would lead to a redistribution of funds between areas – which has partly started through the 2026 revisions to local government funding].
3. Reform of the voting system – a proportional system so that a candidate has to have a minimum of 50% of the vote to be elected.
4. Removal of the Whip – reform or complete removal to create real debate and decision-making in the Commons.
5. A Senate of the nations and regions.
6. Full devolution – a federal UK with directly elected Mayors.
7. Two equal paths in education – academic and technical, [already enacted in Greater Manchester with the Manchester baccalaureate and technical education related to employer needs].
8. Grenfell law – a right to good secure homes.
9. Hillsborough law – of full disclosure by those in public office [which became law in the middle of July].

10. Net zero to re-industrialise the North – a green economy, to include a focus on renewable energy sources, the greening of public transport, decarbonisation of existing industry, retrofitting homes with the aim to reach net zero by 2050.

Burnham's thesis is that, firstly, the UK is wired for regional inequalities throughout its' structures and governance. Secondly, that the Treasury Green Book mitigates against regional investment, preferencing projects that give most return in the shortest time, meaning that investment goes to areas that are already well resourced, mainly London and parts of the South East. Consequently, there is an expectation that there will be significant changes in the Green Book at the budget on Wednesday, 28 October 2026. Thirdly, addressing inequalities in opportunity in health and education are a major driver. There have already been announcements on technical education from the age of 14 and devolution of powers to provide post-16 education. Expect to see an emphasis on health inequalities and the Marmot principles that have been extensively addressed through programmes such as Live Well and the drive to end homelessness in Greater Manchester. This has extensive involvement by LIOs and the VCFSE sector.

Machinery of government changes

There have been significant machinery of government [MOG] changes that have both direct and indirect implications for local infrastructure and NAVCA.

Louise Haigh MP for Sheffield Heeley is First Secretary of State, Head of Cabinet Office [now called Office of the Prime Minister and Cabinet] and will lead No. 10 North. The designation of First Secretary of State marks a minister as senior to other secretaries of state, closer to a deputy Prime Minister. The Institute for Government are suggesting that this indicates an institutional commitment to decentralisation embedded within the MOG changes.

Responsibility for devolution policy now sits with No.10 North, with some devolution functions remaining within MHCLG. This links it to local government reorganisation [LGR]. MHCLG has strengthened responsibilities on building, housing and homelessness, and has taken on responsibility for Equalities from the Cabinet Office.

DCMS now also includes all digital policy and delivery, and the Office of the Impact Economy moves there from the Cabinet Office. There is a new Minister for Civil Society, Vicky Foxcroft MP for Lewisham North [announced on 13 August 2026]. She has a background in trade unions and local government, and most recently was a member of the DCMS select committee.

Rewiring the state

There will be major changes in power and decision making, moving it away from Whitehall to local leaders. The proposals link economic development to social outcomes and democratic accountability, through devolution to directly elected mayors and strategic authorities.

Mayors and strategic authorities will have more powers over skills, education and training for young people, employment support, transport, housing, and innovation. The intention is for public services to be more locally integrated, with greater local oversight of health, policing and education. ICB boundaries will change again to mirror the new strategic authority map, and every area of England is expected to be covered by a strategic authority by the end of 2028. Fiscal devolution will give strategic authorities a proportion of income tax, business rates will be retained, and visitor levies can be applied.

Central government will support devolved governments, strategic authorities and local authorities to deliver by working in partnership with businesses, academic and the VCFSE sectors. The new Number 10 North will be responsible for implementation, working with local leaders and driving forward a place-based approach to policy.

Every area of England will be covered by a strategic authority by the end of 2028, speeding up implementation from the previous plan. These will be non-mayoral foundation strategic authorities. Additional powers will be available to areas with directly elected mayors. There will be further as yet unspecified reform to support the financial viability of the local authorities.

Opportunities for the VCFSE sector

The VCFSE sector will be an essential partner in policy design and delivery with strategic authorities, and as power and decision-making shift to this level, it will be important to ensure funding follows for the essential work carried out by VCFSE organisations. This means that the VCFSE sector will need to work with local infrastructure to demonstrate its value and impact. Opportunities include:

- The VCFSE sector is an essential provider of homelessness services and will have a central role in providing every rough sleeper with a bed over the coming winter.
- The VCFSE sector has knowledge, experience and insight into communities that others do not. Make an offer to strategic and local authorities, explain how working with the VCFSE sector will strengthen and improve their approach to the design and delivery of public services.
- VCFSE organisations are a key direct and indirect provider for skills, employment support, training and education. This is an opportunity to proactively work with strategic authorities to shape the design and delivery of services through the extensive knowledge, experience and reach of the VCFSE sector.
- Greater oversight of health, policing and education by Mayors and strategic authorities creates opportunities for the VCFSE sector. Drawing on the breadth of knowledge of needs that the sector holds, this can be used to codesign approaches that work more effectively for local areas.

The Prime Minister already recognises the voluntary sector as a core partner. This is an opportunity to make sure that this becomes integrated across central government and in all strategic authorities and local councils. NAVCA will be working with members across England to enable the VCFSE sector to play a full role in these changes.

Find out more

To get more support on local government reorganisation and devolution, [contact your local NAVCA member](#) and, for rural issues, [contact your local ACRE member](#).