



POLICY REPORT

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Summary

This research report explores the impact of new Local Area Agreements (LAAs) on Community Empowerment Networks (CENs); in particular how LAA funding is affecting the activities of CENs. The report also examines how CENs contribute to empowerment in their area.

A survey of 85 CENs was carried out at the beginning of March 2008 with 79 (93%) of CENs responding. The survey was conducted by CENs in each of the nine English regions and co-ordinated and the findings collated by Urban Forum.

Funding

In this research, 18% of CENs surveyed had lost all their funding since the introduction of the new LAAs; 22% lost part of their funding with 11% losing more than 50%. Despite being conducted only a month before the start of the new financial year, 37% of CENs were uncertain about their funding situation from April 2008.

Activities

With reduced funding, CENs will have significantly less capacity to undertake their core representation function, with more than one quarter (26%) of CENs doing less and only 7% doing more to provide 'community voice'.

In addition CENs are carrying out less outreach work and work with distinct communities. This undermines the representational role on local decision-making bodies (Local Strategic Partnerships or LSPs) that CENs were set out to fulfil, because without the outreach work, they lack the tools to find out what their communities want and ensure that their representation is inclusive of the whole community. 48% of CENs will be carrying out less outreach work, 47% will be conducting less neighbourhood work and 45% will reduce their small grants schemes. 33% are doing less work with distinct communities.

Many CENs have proven to be instrumental in carrying out empowerment work in their area. Over the past seven years they have established a network of over 35,000 local groups. As activities contributing to empowerment in their area, 57% of CENs surveyed specifically mentioned their representational role on LSPs, while 38% listed their communications role.

Representational structures are essential mechanisms for an effective community voice. Although CENs are not the only model for community engagement or empowerment, they have been extremely successful in many areas and offer a valuable source of expertise and evidence to deliver an effective community voice. With greater devolution to local authorities, investment in CENs has been greatly reduced. The danger is that if CENs are allowed to perish, as a result of lack of investment, they will subsequently need to be re-invented at huge expense and with a resulting loss of knowledge and expertise.

Introduction

Successful local decision-making depends largely on effective community engagement and participation. A strong community voice will guide local decision-making bodies – such as Local Strategic Partnerships (LSPs) – in making better and more sustainable decisions more in tune with the local community. However, a structure needs to be in place to allow for a strong and effective community voice, and time and money are needed for this structure to be effective.

Community Empowerment Networks (CENs) are a model of community engagement created by central government seven years ago. They were set up precisely to be the mechanism for community representation on LSPs. Fundamental to their work is their outreach work which acts as a foundation for the representational role. Previously, funding for CENs came directly from central government, but with the advent of the devolution agenda, local authorities are now responsible for allocating funding to CENs via the Local Area Agreement (LAA) and Area Based Grant.

This report presents findings of research into the impact of the new Local Area Agreements (LAAs) on Community Empowerment Networks (CENs) across England.

The research aims were to explore:

- the effect of the introduction of new LAAs on funding for CENs
- the impact of LAAs on the activities and work of CENs
- the contribution of CENs to the empowerment agenda

This research study follows a previous Urban Forum research report¹ which examined the impact of the 'Safer and Stronger Community Fund' (SSCF) on CENs.

First, this report will look at the methodology of the research study. Secondly the past and present policy context will be explained. Thirdly the findings are presented and finally conclusions are drawn.

Methodology

A telephone survey was carried out in the beginning of March 2008, using the Neighbourhood Renewal Unit's (NRU) list of 86 CENs (two of the CENs have merged so the final list is 85). A complete list of all the CENs can be found in Appendix 1. Urban Forum co-ordinated the research and appointed a Network in each region to carry out the surveys with each of the CENs in their region. A list of the CENs that carried out the research can be found in Appendix 3.

The research questions covered:

- Funding to CENs before and after the introduction of new LAAs.
- The effect on the activities and work the changes in funding have had on CENs.
- CEN's contribution to empowerment in their local area.

¹ *Research Report on Impact of LAAs on Community Empowerment* (Urban Forum, 2006)
www.urbanforum.org.uk/pdf_files/CEN%20Research%200107.pdf

Background

Past policy initiatives

CENs were set up with support from the Government's Neighbourhood Renewal Unit (NRU) to enable community involvement in decision making, particularly in Local Strategic Partnerships (LSPs). LSPs are partnerships between statutory bodies, the private sector and the Voluntary & Community Sector (VCS) with growing importance in local decision making.

"The aim was to ensure that the activities of the Local Strategic Partnership took account of the perspective of the community and voluntary sectors and was focused on the needs of local communities" (NRU, 2003)

A range of funding was provided to CENs to ensure their participation in LSPs, including: Community Empowerment Fund (CEF), Community Chest (CC) and Community Learning Chest (CLC). Later these funds were merged into one pot: the Single Community Programme (SCP). VCS organisations applied directly to their regional Government Offices to access these funding streams. In some cases CENs formed as organisations and accessed the SCP directly. The fact that these funds came directly from central government to the VCS (rather than via local authorities) was significant, since the funds provided independent funding that helped create a more equal relationship with the local authority for community groups.

In April 2006, funding for CENs was directed through the LSP via local authorities, in the form of the Safer and Stronger Communities block of LAAs, which were being rolled out across the country. The aim of LAAs is to give more flexibility to local areas to determine priorities and spending plans. LSPs had the freedom to invest in CENs from other blocks of the LAA, if they deemed that such investment would contribute to LAA targets.

From April 2008 the Safer and Stronger Communities Fund (SSCF) was subsumed into a single pot, or Area Based Grant, for each top tier authority. These **new LAAs** were made statutory by the Local Government and Involvement in Public Health Act 2007. These are designed to give local authorities more flexibility to determine priorities and allocate funding.

Current and future policy initiatives

In November 2006 the Government published the Local Government White Paper: 'Strong and Prosperous Communities', which led to the 'Local Government and Involvement in Public Health Act 2007'. One of the main aims of the White Paper was 'to give local people and local communities more influence and power to improve their lives'². One of the Act's new provisions is the 'Duty to Involve' which states that authorities must 'inform, consult and involve the people they serve'. In carrying out this new Duty it will be essential for local authorities to ensure that structures are in place in order to provide 'community voice'. CENs therefore offer a significant source of evidence to draw on, as an example of how the Duty to Involve can be carried out within this new Performance Framework.

In March 2008 the Department of Communities and Local Government published the discussion paper 'Unlocking the talent of our communities' (DCLG, 2008) which sets out

² Strong and Prosperous Communities: Local Government White Paper (DCLG, 2006)

the Government's plan to publish a new Empowerment White Paper, in the summer of 2008. It focuses on the following four areas:

1. Regenerating deprived neighbourhoods, supporting people into work and encouraging more enterprise and social enterprise.
2. Encouraging more people to get involved in building stronger local democracy.
3. Improving local public services by increasing the involvement of people who use them.
4. Strengthening the accountability of public agencies to local people.

The paper also sets out further details of the new £1.5 billion Working Neighbourhoods Fund (DCLG, 2007).

For more information regarding policies that have shaped CEN funding, please see Appendix 2.

Previous Urban Forum research

In late 2006, Urban Forum carried out a survey exploring the affect of the introduction of the Local Area Agreement (LAA) and the Safer and Stronger Communities Fund (SSCF) on CENs. The survey covered 39 NRF areas (44%) and ten non-NRF areas.

The findings showed that with the introduction of the LAAs/SSCF, 79% of CENs had experienced a loss in funding, with 32% losing more than half of their funding. This resulted in reduced capacity for outreach work and work with distinct communities (e.g. Black and minority ethnic groups, old and young people, women's groups, disability groups etc). The findings also showed that there were fewer small grants schemes for community groups. In spite of this, an increasing number of CENs were involved in working with their Local Authority and LSP and in shaping their LAA.

Research Findings

Of the 85 CENs, 79 (93%) answered the survey (Appendix 2 lists all the CENs).

Funding

Funding Situation

Respondents were asked how much funding they were currently receiving and how much funding they would receive from April 2008. 70 (89%) responded to how much funding they were currently receiving and 46 (58%) were able to answer how much funding they were going to receive after March 2008.

The research findings show that 26% of CENs will receive no funding from their Local Authority/LSP in the current financial year. A further one in five (22%) face reduced funding, with over half of these losing more than 50%, and only 5% of CENs had seen their funding increase. The findings also show that almost 37% of CENs did not know, at the time of the survey (beginning of March), what funding they would have in the coming year and where this would come from. The list below shows the number of CENs and their funding situation.

- **CENs losing all funding: 14 (18%)**

Of the 79 CENs that answered the survey, 14 (18%) were losing all their funding.

- **CENs that had not received any funding: 6 (8%)**

Six CENs had collapsed at the time of the survey due to lack of funding. One of them however continued to carry out a representative role on the LSP. In one case the Council for Voluntary Service (CVS) had taken over the outreach and engagement work previously carried out by the CEN. And in another case the LSP had directed its funding into neighbourhood work, with no replacement for the strategic representation previously carried out by the CEN.

- **CENs losing part of funding: 17 (22%)**

17 (23%) of the 79 respondents asked were to lose at least part of their funding after March 2008 (table 1). Nine (12%) were losing more than half of their funding, with one CEN seeing its funding being cut by 95%. Five CENs were having their funds cut between 50-60%; three between 60-70%.

Table 1: number of CENs losing funding by percentage loss

Loss of funding in percentage	Number of CENs
91-100%	1
81-90%	0
71-80%	0
61-70%	3
51-60%	5
41-50%	2
31-40%	3
21-30%	3
11-20%	0
0-10%	0

- **CENs with undecided funding: 29 (37%)**

Of the 79 respondents to the survey, 27 (37%) did not know where their funding was coming from after March 2008. Respondents were asked to leave the question blank if they did not know their funding situation after the introduction of the new LAAs.

- **CENs receiving same funding: 9 (11%)**

Nine of the 79 CENs (12%) that responded were to receive the same amount of funding after the introduction of the new LAAs.

- **CENs increasing funding: 4 (5%)**

Four of the 79 respondents (6%) are to receive more funding with the new LAAs. One of the four is expecting a 100% increase in funding. One CEN is receiving funding after not having received any funding previously. One CEN is increasing its funding by 25%. The last of the four is to increase its funding by 3%.

Sources of funding

Respondents were asked about where their funding was coming from both before and after the introduction of the new LAAs. 72 (91%) respondents were able to tell us where the funding was coming from before and 68 (86%) respondents were able to tell us where funding was coming from after the introduction of the new LAAs (or March 2008).

The most common source of funding mentioned was the Council/LSP. The lists below shows the different sources of funding and the number of CENs receiving funding from these sources (not everyone specified from which part of the LSP/Council their funding was coming from).

Before the introduction of the new LAAs

- LSP/Council 67 (93%)
 - Neighbourhood Renewal Fund 30
 - Safer and Stronger Community Fund 16
 - Local Area Agreement 2
 - Community Safety Partnership 1
- European Regional Development Fund 4
- Primary Care Trust 4

Other sources of funding with one mention each were: Neighbourhood element, small grant, area based grant, central government via neighbourhood work, Capacity Builders, Children's Fund, infrastructure support fund, Neighbourhood Learning Fund, directly from central government, Lottery.

After the introduction of the new LAAs

- LSP/Council 58 (90%)
 - Neighbourhood Renewal Fund 9
 - Safer Stronger Community Fund 8
 - Local Area Agreement 3
 - Working Neighbourhoods Fund 9
 - Community Liaison Unit 1
- European Regional Development Fund 1
- Unknown 3

Other sources of funding with one mention each were: neighbourhood element, area based grant, central government via neighbourhood work, Children's Fund, infrastructure support fund, Lottery, Connexion, Home Council Tax, Children's Working Development Money, Learning and Skills Council, taken over by the council.

Decision about funding

Respondents were asked about how the decisions regarding their funding had been made and 67 (85%) responses were received. Broadly, there was an even split between those who felt the process for decisions being taken about the CEN had been handled well and those who felt it had been handled poorly. The list below shows the responses and the number of mentions each response got:

- Decisions were open and transparent: 15
- Decision making process was closed and unclear: 11
- Decision making process was compact-compliant: 7
- Decision making process was not compact-compliant: 12
- During the decision making process there was a good relationship with LSP/council: 11
- The decision making process was a negative experience: 12
- The decision making process was a positive experience: 10
- There was a lot of uncertainty over the decision making process: 6
- The decision making process was slow: 4
- There was a good representation of CEN on the LSP: 1

CENs that were facing funding cuts reported a more negative experience of the decision making process. The twelve CENs that were losing all the funding remarked that communication between the LSP/council and the CEN had been lacking- one of them was using community call for action to challenge the funding decisions. The 6 CENs that said that there was still a lot of uncertainty around the decision making process were all part of the 37% that still had undecided funding. Their comments included that 'the process was disempowering' and added to the unwanted insecurity of working in the third sector. Those CENs that were receiving the same amount or increasing their funding all had a positive experience of the decision making process and enjoyed a good relationship with the LSP/council.

Activities

Respondents were asked how the changes in funding would affect different activities (table 2). 60 (76%) CENs responded to the question.

The research findings show that between a quarter and a half of CENs will be undertaking less activities. The key representation role that CENs play showed a decline in 26% of areas with only 7% undertaking more. The three activities most affected by the changes in funding were outreach, neighbourhood work and making small grants, with almost half (45%-48%) areas undertaking less of these activities.

Table 2 shows the number of CENs that are increasing, decreasing and keeping constant their involvement in the following activities after March 2008:

Activity	More	Less	About the same	Number of responses
Small grants	2 (4%)	21 (45%)	24 (51%)	47
Outreach	7 (13%)	27 (48%)	22 (39%)	56
Representation	4 (7%)	15 (26%)	39 (67%)	58
Neighbourhood work	8 (15%)	26 (47%)	21 (37%)	55
Equalities work	11(21%)	16 (30%)	26 (49%)	53
Communities of interest	6 (12%)	17 (33%)	29 (56%)	52

27 CENs mentioned other activities. Six of them said that due to uncertainty regarding their funding it was difficult to predict what their work plans will be like after March 2008. Two specifically mentioned increased work to undertake fundraising.

The CENs losing funding or with undecided funding were more likely to be cutting back on their outreach work (47% and 56%). Unsurprisingly all the CENs, except for one, that were losing all their funding were not continuing with their activities. The one that was continuing its work was using previously accumulated reserves. The CENs that were receiving the same amount of funding and increasing their funding were generally continuing with a similar amount of activity.

On average each CEN was in contact with 543 local groups. In total, respondents were in contact with 35,282 groups.

Staffing levels

A majority of CENs (34) anticipated retaining similar staffing levels after March 2008. However 19 were losing staff and three were increasing their staff. None of the CENs that were receiving more funding were increasing their staffing levels.

Contribution of CENs to empowerment

The CENs were asked to name three examples of their contribution to empowerment in their area. 63 CENs (80%) answered (table 3)

Table 3 shows the activities contributing to empowerment activities mentioned by CENs

Activities contributing to empowerment	Number of responses
Representation	38 (60%)
Capacity building	32 (51%)
Outreach	32 (51%)
Communication	24 (38%)
Small grants	10 (16%)

The most common answer was representation: 38 (60%) mentioned it specifically. This includes representation on LSPs, as well as providing support for representatives and acting as a link between the community and the LSP/Council.

Joint in second place was capacity building (includes training) and outreach work (including equalities and cohesion work and work with distinct communities) with 32 (51%) mentions each.

Communication, with 24 (38%) references was in fourth place. This includes publishing newsletters, hosting websites, issuing policy briefings and disseminating information about the LSP. Ten respondents (16%) said that they were running small grants schemes.

Other work mentioned included sustainable development (4), local action (3), service delivery (2), participatory budgeting (1), working neighbourhood programme (2) impact of policy framework (1) lobbying (1), work around health and inequality (1).

Conclusions

CENs as a group continue to experience diminishing funding, a trend recorded in Urban Forum's 2006 research, where almost 80% of CENs surveyed were losing funding. In this latest research study 18% of CENs surveyed were set to lose all of their funding, with a further 22% losing part of their funding. With only a month to go, 37% of CENs were not sure of their funding situation after March 2008.

With reduced funding, 48% of CENs will carry out less outreach work, 47% will carry out less neighbourhood work, and 45% will reduce their small grants scheme activities. This is accompanied by 33% of CENs doing less work with distinct communities. This undermines the representational role on local decision-making bodies (LSPs) that CENs were set out to fulfil, because without the outreach work, they lack the tools to find out what their communities want.

The trend is in stark contrast with the Government rhetoric about empowerment and community engagement. Both the 'Duty to Involve' and the forthcoming Empowerment White Paper call for more community representation. Effective representation relies on a range of other activity to ensure it is inclusive and accountable to local people. Without outreach, equalities work and capacity building, it is unlikely that community representation will reflect the aspirations and concerns of the whole community, particularly marginalised groups. Weak community representation will result in less efficient LSP performance.

Many CENs have proven to be instrumental in carrying out empowerment work in their area. Over the past seven years, they have established a network of over 35,000 local groups. As activities contributing to empowerment in their area, 60% of CENs surveyed specifically mentioned their representational role on Local Strategic Partnerships (LSPs), while 51% listed their outreach work and capacity building.

Representational structures are essential mechanisms for an effective community voice. Although CENs are not the only model for community engagement or empowerment, they have been extremely successful in many areas and offer a great source of expertise and evidence to develop structures which deliver an effective community voice. The Government needs to recognise that this representational role is underpinned by successful outreach work and capacity building work with groups more likely to be excluded from decision making.

Greater devolution to local authorities has meant that investment in CENs has been greatly reduced. There is a very real danger that if CENs are allowed to perish that similar structures to deliver 'community voice' have to be reinvented, at considerable expense and with significant loss of experience and expertise. With pressures on the public sector to make cashable efficiency savings and the introduction of the Duty to Involve from April 2009, having to establish new structures for community empowerment seems particularly short-sighted.

The Government has devolved powers to local areas to determine priorities and spending plans, but unless they act to ensure adequate mechanisms are in place to support community engagement, a range of policy priorities are likely to be compromised.

Appendix 1: List of Community Empowerment Networks

London

Barking and Dagenham
Barnet
Brent
Camden
Croydon
Ealing
Enfield
Greenwich
Hackney
Hammersmith
Haringey
Islington
Lambeth
Lewisham
Newham
Southwark
Tower Hamlets
Waltham Forest
Westminster
(19)

South West

Bristol
West Cornwall
Plymouth
(3)

Yorkshire

Barnsley
Bradford
Doncaster
Kingston upon Hull
Kirklees
Leeds
Rotherham
Sheffield
Wakefield
(9)

North West

Allerdale
Barrow-in-Furness
Blackburn with Darwen
Blackpool
Bolton
Burnley
Halton
Hyndburn
Knowsley
Liverpool
Manchester
Oldham
Pendle
Preston
Rochdale

Salford
Sefton
St Helens
Tameside
Wigan
Wirral
(21)

North East

Derwentside
Easington
Gateshead
Hartlepool
Middlesbrough
Newcastle
North Tyneside
Redcar and Cleveland
Sedgefield
South Tyneside
Stockton-on-Tees
Sunderland
Wansbeck
Wear Valley
(14)

East Midlands

Ashfield
Bolsover
Derby
Leicester
Lincoln
Mansfield
North East Lincolnshire
Nottingham
(8)

West Midlands

Birmingham
Coventry
Dudley
Sandwell
Stoke-on-Trent
Walsall
Wolverhampton
(7)

South East

Brighton and Hove
Hastings
(2)

Eastern

Great Yarmouth
Norwich
(2)

Appendix 2: Policy context

Community Empowerment Networks have been in existence for seven years. The main Government policies and strategies that have influenced and shaped CENs are:

- *A New Commitment to Neighbourhood Renewal: A National Strategy Action Plan (NRU, 2000)*: Set out the Government's vision for narrowing the gap so that 'within ten to twenty years no-one should be disadvantaged by where they live.'
- *Community Empowerment Fund Guidance, NRU (2001)*: Provided £36 million over three years to support VCS involvement in LSPs. The CEF was intended to pay for activities such as outreach work, surveys, training and to support local VCS infrastructure in order to allow people to express their views and develop solutions. 88 areas were eligible for Neighbourhood Renewal Fund. Of the three funds, CEF was the one that had to be used solely for activity which fed into the LSP.
- *Single Community Fund Guidance, NRU (2003)*: This merged the Community Empowerment Fund (CEF), Community Chest and Community Learning Chest into a single funding stream.
- *Local Area Agreement Guidance, DCLG (March, 2006)*: LAAs are an agreement based on the local Sustainable Community Strategy (SCS). The SCS sets out priorities for a local area which are agreed by central government represented by Government Offices (GOs) and local authorities through Local Strategic Partnerships. LAAs are intended to simplify funding, help join up public services more effectively and allow greater flexibility for local solutions to particular local circumstances.
- *Safer and Stronger Communities Fund Guidance (2005)*: The Safer and Stronger Communities Fund³ (SSCF) was rolled out across all local authorities in England from April 2005. SSCF brings together former ODPM (now DCLG) funding streams on neighbourhood wardens, neighbourhood management, Single Community Programme and liveability with Home Office funding streams on building safer communities and anti-social behaviour.

Appendix 3: Organisations conducting the research

Networks were appointed in each of the nine English regions to conduct the surveys. These were:

Eastern - Brighton and Hove Community and Voluntary Sector Forum

East Midlands – Nottingham CEN

London – Lewisham CEN

North East – Sunderland CEN

North West – Liverpool CEN

South East – Brighton and Hove Community and Voluntary Sector Forum

South West – South West Forum

West Midlands – Nottingham CEN

Yorkshire and Humber – Leeds Voice

Reference

DCLG, 2006, Local Area Agreements Guidance: Round Three and Refresh on Rounds One and Two

<http://www.communities.gov.uk/publications/localgovernment/localareaagreements>

DCLG, 2008, Unlocking the talent of our communities – discussion document

<http://www.communities.gov.uk/publications/communities/unlockingtalent>

DCLG, 2007, Working Neighbourhoods Fund

<http://www.communities.gov.uk/documents/communities/pdf/566881>

Urban Forum briefing: Unlocking the talent of our communities

http://www.urbanforum.org.uk/pdf_files/unlocking%20talents%20brief%200308.pdf

NRU 2003, Single Community Programme Guidance

<http://www.neighbourhood.gov.uk/page.asp?id=393>

Urban Forum, 2006, Research Report on Impact of LAAs on Community Empowerment

http://www.urbanforum.org.uk/pdf_files/CEN%20Research%200107.pdf

List of acronyms used

Community Chest (CC)

Community Empowerment Networks (CENs)

Community Empowerment Fund (CEF)

Community Learning Chest (CLC)

Department for Communities and Local Government (DCLG)

European Regional Development Fund (ERDF)

Local Area Agreements (LAAs)

Local Strategic Partnership (LSP)

Neighbourhood Renewal Fund (NRF)

Neighbourhood Renewal Unit (NRU)

Safer and Stronger Community Fund (SSCF)

Single Community Programme (SCP)

Voluntary and Community Sector (VCS)