

THE ROLE OF THE VOLUNTARY AND COMMUNITY SECTOR IN ACHIEVING THE OUTCOMES OF LEPS

Context

England's 39 Local Enterprise Partnerships (LEPs) have a key remit to stimulate growth and create jobs. This remit has been highlighted through the responsibility of LEPs to administer European funding through their European Structural and Investment Frameworks (ESIFs) and to negotiate Growth Deals with central government through their Strategic Economic Plans (SEPs). LEPs are designed to be business led vehicles for growth which encompass the engagement of public and social sector partners. There has been a significant body of research undertaken exploring the structures of LEPs and the involvement of different spheres of the economy, notably small business.

For CLES, the voluntary and community sector are an integral part of the functioning of place. They provide key services and are a contributor to local economies. We believe they should have a defined role in LEPs in representative, strategic and delivery terms. This findings document therefore outlines what we see as the key roles for the voluntary and community sector in LEPs; and how LEPs can maximise the potential of the sector so that they contribute towards their core outcomes. The findings have been drawn from work undertaken by CLES and Voluntary Sector North West (VSNW) with the Cheshire and Warrington LEP.

There are effectively four ways in which LEPs can use the voluntary and community sector to achieve economic AND social growth.

Stimulating social enterprise

Social Enterprises are businesses which use trade to tackle social problems, improve communities, enhance people's life chances, and improve environmental outcomes. The voluntary and community sector can support the development of new social enterprises by providing advice and training, often to marginalised groups, to develop the skills needed to move towards social entrepreneurship. LEPs can use Local Impact Funds to support voluntary and community sector infrastructure organisations to provide business support to local organisations to create new social enterprises which provide jobs and importantly community defined services. The coordination of support, advice and training between the LEP and voluntary and community sector organisations is important; it combines the LEPs business intelligence with voluntary and community sector's knowledge of local social need. Social Enterprise Zones have proven to be another successful collaboration between LEPs and the voluntary and community sector; by providing structures and resources for social enterprises, such as office space, so that they can incubate and develop.

To assist social enterprises that are already up-and-running, LEPs could conduct regular surveys in collaboration with voluntary and community sector infrastructure bodies to assess business support needs whilst building an online portal to give information and other resources to social enterprises in the area. The LEP could use its links with local government to encourage the use of social enterprises in wider service delivery.

Promoting social innovation

The voluntary and community sector is usually at the heart of social innovation – finding cost efficient ways to address social needs. They excel at this due to often having first-hand contact with their users, enabling them to experiment with innovative ideas. LEPs can utilise the voluntary and community sector and the concept of social innovation to address issues their locality may face. These include: an increasing population of older people; local unemployment; unemployed young people with limited work opportunities; and people who don't have a qualification at level 2 or higher. Social innovation could focus upon these issues, all of which have multiple interrelated causes, to develop new approaches to addressing them.

Given the challenge of austerity, new models of service delivery are required, particularly around care. LEPs could use the voluntary and community sector and social innovation to support care in a more community-based and cost-effective manner; but also in a way which creates more jobs and deals with the challenge of an ageing population. LEPs can utilise European resource and the expertise of

the voluntary and community sector to support social ventures to prosper. So LEPs can use 'seed investment' to promote social innovation through investment; likewise LEPs could set up 'innovation hubs' which would provide a space for the testing and evaluation of specific ideas.

Addressing employment and skills gaps

The issue of worklessness is extremely prevalent in some areas of England; as is the challenge of low levels of skills and particularly employability skills. The voluntary and community sector are a key provider of employment opportunity and a bespoke provider of employment and skills provision. If LEPs are to create growth and jobs and are to support the most marginalised into employment, then the voluntary and community sector need to be a key partner in any European Social Fund activities.

The voluntary and community sector are very effective at providing pathways into work which are tailored to specific local situations. LEPs therefore need to utilise the voluntary and community sector as part of the pathway to employment. This includes encouraging employers to work with the sector whether it be through direct employment or the offer of work experience or training opportunities. LEPs also have access to several sources of funding, including the Community Grants programme and the Big Lottery Fund opt-in match funding for VCS organisations to deliver programmes which aim to build skills and improve employability.

Enabling social inclusion

20% of European resource for LEPs must be allocated to reducing social exclusion, which is defined as provisions to benefit those furthest away from the labour market, which may include helping those with drug and alcohol dependency, those without literacy and numeracy skills and those who are homeless; improving family intervention and access to childcare; and addressing health problems including mental health. There is significant scope for LEPs to work with voluntary and community sector organisations to help achieve such outcomes. LEPs should be looking to map all the services voluntary and community sector organisations in their area deliver around the broad theme of social inclusion. They should then use this intelligence to subsequently identify gaps which can be filled through grant arrangements between the LEP and the voluntary and community sector.

Conclusion

LEPs need to be about both economic AND social growth. They obviously need to work with business to increase their productivity and their ability to export and grow. They however also need to be people focused; delivering activities which reduce demand for public services and which supports people into employment and skills progression opportunity. The voluntary and community sector are integral to the achievement of balanced outcomes around economic and social growth, with this findings document highlighting four ways in which the sector can be utilised to contribute to the wider outcomes of LEPs.

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The full research can be viewed here: <http://www.vsnw.org.uk/publications/view/2014-07-02-the-future-role-of-the-vcs-in-the-cheshire-and-warrington-lep>

