



**Department for Communities and
Local Government**
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To all Local Authority Leaders

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Dear colleague,

Supporting the voluntary sector and small firms

I am grateful for the constructive way in which councils have approached this year's challenging financial settlement. Local authorities have put an immense amount of effort into making taxpayers' money go further- cutting bureaucracy, sharing resources and redesigning services. This vital work must carry on, and will continue to call on all your imagination and professionalism.

I want in particular to recognise the work that many councils have undertaken at this time to maintain and strengthen their relationships with voluntary, community and social enterprise organisations, and small and medium sized enterprises. The majority of councillors and leaders recognise that these groups can play a vital role in delivering high quality and innovative front line services to the public. Close to the people they serve, small businesses can bring an unparalleled understanding of local needs. Voluntary groups can draw on the enthusiasm of volunteers, and the goodwill of local communities. Both can, in many circumstances, offer good value for taxpayers' money when commissioned to provide services.

Some local authorities are not only maintaining funding to such groups, but increasing it. Others are involving them closely in decisions about how to redesign services. Others still, where appropriate, are inviting them to take over the management or delivery of some services. I am keen to understand in greater detail the ways in which local authorities are strengthening these ties. I have asked my officials to raise this in their regular conversations with you. I want to consider whether my Department, working with external partners, might highlight and promote best practice.

I am also keen that greater transparency opens up new opportunities for small businesses, social enterprises and community groups to play a greater role in local life. The Secretary of State will shortly launch a consultation on the new *Code of Recommended Practice* for local authorities on the publication of data and spending information. We are proposing to require all local authorities to publish details about their grants and payments under contracts to the sector. This will help voluntary groups understand how services are currently delivered, and to assess whether they might be able to put forward a credible bid to run them differently and deliver greater value for money.

It has never been more timely for government at all levels to strengthen relationships with voluntary groups, and I look forward to continuing the conversation with you about how we can best achieve this.

A handwritten signature in black ink that reads "Greg Clark". The signature is written in a cursive, slightly informal style.

GREG CLARK MP