

AGENDA ITEM 8: APPENDIX D

WAVERLEY BOROUGH COUNCIL

COMMUNITY OVERVIEW AND SCRUTINY COMMITTEE **16 SEPTEMBER 2014**

EXECUTIVE - 30 SEPTEMBER 2014

Title:

**SERVICE LEVEL AGREEMENTS – NOMINATED PILOT PROJECT SECOND
YEAR REVIEW 2013/14**

**[Portfolio Holder: Cllr Stefan Reynolds]
[Wards Affected: All]**

Summary and purpose:

In 2012, three voluntary sector organisations signed three year Service Level Agreements, a pilot for this new way of working.

This report is the annual review of the Service Level Agreement outcomes and performance indicators for each organisation from 1 April 2013 to 31 March 2014.

The Community Overview and Scrutiny Committee considered the outcomes of the Service Level Agreement process to date at its meeting on 16 September and its observations are noted at the end of this report.

How this report relates to the Council's Corporate Priorities:

The Council awards grant funding towards the running costs of organisations that provide high priority services for the benefit of Waverley residents, in partnership with the Council. The services that the three pilot organisations deliver contributes to all corporate objectives and could fall in any of the five priority areas. In addition, the Council made a specific commitment to introduce Service Level Agreements (SLAs) with grant recipients to ensure Waverley's funds are used to deliver clear and identifiable outcomes for local people, especially the most vulnerable members of our society.

Financial Implications:

Part of the pilot process was to agree the organisation's funding for three years. The funding set aside for the pilot SLA's is £402,530.00 per annum. Whilst the SLA documents include a firm commitment to fund at the specified level, it is also made clear that funding is subject to sufficient budget being available each year. There are no further financial implications in this report.

Legal Implications:

The SLA is a three year legally binding document, which has been reviewed by the Council's Borough Solicitor.

Whilst not a legal requirement, the Council is a signatory of the Surrey Compact.

Introduction

1. The SLA pilots were introduced in response to the recommendations of a detailed review of Waverley's grants, carried out by the Grants Review Special Interest Group in 2011. In March 2012 the Executive endorsed the three year SLA documents and year 2 levels of funding were endorsed as part of the annual budget setting process. This report reviews the second year of the pilot.
2. The key purposes of the SLAs are as follows:
 - to provide greater accountability for the funding given to voluntary and faith organisations to the Council
 - to ensure the organisations are delivering outcomes that relate to the Council's corporate priorities
 - to demonstrate outcomes that the organisations are delivering are providing value for money with robust performance measures in place. These measures will be reported back to the Council on a 6 monthly basis.
 - to give organisations and the Council the opportunity to budget and plan for the future.
3. Regular SLA monitoring meetings are held with each of the organisations and minutes of the meetings are reviewed by management. Annual review meetings were held throughout April/June 2014.
4. The key year end monitoring data for each of the three organisations is attached in Annexe 1, but a summary of the key issues and achievements for the year are set out below.

Waverley Hoppa Community Transport (Hoppa)

5. The SLA funds the Demand Responsive Transport (DRT) service. The overall level of grant funding as a percentage of income is much less now, at 22.6% of income in 2013/14 compared to 34.9% in 2010/11. Grants support a third of the costs of running the DRT service, the remainder is subsidised by contract work. With the greater reduction in grant funding, the more Hoppa needs to secure additional contracts or more commercially based work to bridge the financial shortfall, which could potentially affect its core DRT service. [The SLA does not fund the Hospital Hoppa service.] In 2013/14 there were 384 new users.
6. An overall surplus of £23,390 was made in 2013/14, following a loss in the previous two years. The DRT service is now making a small surplus, £4,217 in 2013/14. The number of passenger trips increased from 51,727 in 2012/13 to 58,077 in 2013/14.
7. Hoppa previously parked its vehicle fleet on land owned by the Homes and Counties Agency around Milford Hospital for a rent of £1,000 per year. This land, known as Upper Tuesley, has been identified as appropriate for redevelopment and, as a result, Hoppa have needed to vacate the site. The fleet is now parked at the same site where their offices are based at

Towergate Business Centre, Wormley. Officers have worked with Hoppa throughout the year to resolve some planning issues around the Wormley site parking so that all vehicles can be parked here. Hoppa is currently in the process of negotiating a five year lease with the property owner and rental costs will increase to £8,000 per year.

8. The Board agreed a fare increase in April 2014 from £2 each way to £2.50 each way. This is the first increase in 7 years, which officers have encouraged.
9. Hoppa is in the process of rebranded and re-launching to raise awareness of its services. This includes a new website and community pop-up events to attract customers.
10. As part of its ongoing efforts to identify new income streams Hoppa, with three other community transport operators, have partnered with Surrey County Council (SCC) to provide MiDAS (Minibus Drivers Awareness Scheme) to all County Council affiliated school, colleges and other organisations who operate minibuses. Hoppa is already a long standing MiDAS training provider and will be offering other minibus fleet management consultancy services in addition to MiDAS training. It was originally estimated that Hoppa could achieve a £13,000 income for this year, however, due to SCC changing there stance on this being compulsory training for all SCC schools that operate their own transport, the uptake has been low and the income may not be realised.
11. The average age of vehicles has increased to 8.2 years, double the ideal age. £135,000 will be made available to replace vehicles in 2014/15. Hoppa has agreed a seven year vehicle replacement programme, with 24 vehicles ideally being replaced in total. After that, Hoppa will have caught up with its programme of replacement and will no longer be at financial risk. Officers have bid for Community Infrastructure Levy funds to contribute towards some replacement buses, when this comes into force.

Farnham Maltings and Museum

12. The SLA funds the Maltings outreach work. As a proportion of the Maltings overall turnover, Waverley's contribution is therefore considerably low, however, it is much valued and its financial support is critical in levering in external funding.
13. The Families in the Making workshops were withdrawn during the year due to lack of support from the community and the project has been remodelled to become Pop-Up Craft for families. Approximately 450 people attended 11 sessions Pop-Up Craft activities during the year. Work with young people will be consolidated in 2014/15 and further work around older people and people living with dementia will be developed as this audience has been identified as a high priority. The Theatre Programme and Participation Co-ordinator is developing the outreach work.

14. The Maltings has levered in two large grants during the year: £252,000 for a three year programme on talent development and £130,000 with other partners to provide additional capacity to support greater funding sustainability.
15. The Maltings made a planned surplus of £25,000 in 2013/14, some of which will be used to support the redevelopment of toilet facilities and some will help address the organisation's historical financial position. Income generation from the Garden Gallery is at capacity.
16. The Museum Curator and Assistant Curator have transformed the Museum. The National Museum Directors Council visited the Museum and was very impressed with the service. The number of visits to the Museum is increasing and it is felt that the Maltings has won the confidence of the community in managing the Museum. Renovation of the Museum will continue: Two thirds of rooms have been completed.
17. Successes in all other aspects of the museum highlight the fact the education service is performing less well and needs reviewing before April 2015. The aim is to offset the deficit of the service and re-align it around participation and audience development.
18. The Museum will be applying to the Arts Council's Accreditation Scheme for Museums and Galleries in October. As part of this, it has been agreed that it is preferable for the Museum to apply as an Independent Museum managed and governed under the terms of an SLA with Waverley. This supports Waverley's current policy direction with regards to both Farnham and Godalming Museum as it encourages greater independence and overall resilience from the pressures placed on local authority funding. The process is also much more straightforward and involves significantly less policy input from Waverley.

Citizens Advice Waverley (CAW)

19. The number of unique clients accessing services has increased from 3,226 in 2012/13 to 5,870 in 2014. Clients are presenting with increasingly complex problems meaning greater resources are required to handle the same number of clients. The average cost of providing services per client was £47.50 in 2013/14. One of the ways this is being addressed is to support people more over the telephone, which is the general direction CAW wishes to go in. Officers have, however, emphasised that it is important that clients still have the option to see an adviser if this is what they need and would not like face-to-face advice withdrawn altogether. CAW recognises the value of face-to-face appointments and would retain it as an option wherever it could. This will be discussed further with senior management and Councillors to harness their opinion and monitored throughout 2014/15.
20. The Farnham office reduced its opening hours to four days per week, closing on a Friday, three years ago due to significant reductions in funding from the Town Council. As a result, the waiting time for face-to-face appointments remains high. Officers have expressed concern that CAW is not addressing

how to reduce waiting times by possibly looking at other venues to deliver consultations on a Friday, such as the leisure centre. Officers will continue to monitor the situation.

21. 2013/14 figures show a deficit of £23,000, which was anticipated. During the year the Board made the decision to use its reserves to increase staff salaries and maintain the same level of service across the borough. The 2014/15 budget shows a potential loss of £9,000. In both of these cases these figures already include significant new income from project work that CAW is undertaking. Additional contracts will lever in £22,000 in 2014/15, however, this new income is not guaranteed and cannot be relied on to support core functions.
22. The Board is looking at how the organisation can generally be more efficient. This includes supporting people more over the telephone, looking at the locations and rental costs of all four bureaux, co-location and partnership working with Age UK Waverley at the Cranleigh bureau. A grant has been secured from CitA to look at different ways of working.
23. In 2013 CAW secured a grant of £250,000 from the Big Lottery Advice Services Transformation Fund, in partnership with Age UK Waverley and the Council. The funds will assist the organisation to deliver more seamless access to advice services, more consistent high quality advice, Cash Confidence training for residents and a more efficient and financially resilient service. As part of this work Age UK Waverley will be co-locating to CAW's Cranleigh offices. This will enable both organisations to develop a partnership and to identify efficiency savings. The partnership will also support Age UK Waverley's delivery across the borough.

Comments from the Community Overview and Scrutiny Committee

24. The Community Overview and Scrutiny Committee considered this report at its meeting on 16 September and was pleased with the second year progress with the SLAs. Members supported the proposal for expanding the number of SLAs to The Orchard Club, The Clockhouse, Farncombe Day Centre and Cranleigh Arts Centre although there was some concern expressed though about the amount of money left over for voluntary organisations who were not already part of the scheme.

Conclusion

25. The SLAs have provided stability and a more proportionate approach to securing funding for key community organisations. They have provided a framework for refocussing and improving outcomes. The pilot is considered a success by both the Council and the organisations and, as a result, the relevant Portfolio Holders and officers have begun discussions with all three organisations to continue the SLA process beyond March 2015 for a further three years.

26. Due to the success of the pilot, discussions have also begun with four more organisations, namely The Orchard Club, The Clockhouse, Farncombe Day Centre and Cranleigh Arts Centre, with a view to funding them through SLAs from 1 April 2015 to 31 March 2018 rather than them applying to the Waverley Community Partnership grant scheme.
27. The above organisations have been identified due the amount of funding they receive from the Council, already delivering measurable community outcomes, commitment to work in partnership with the Council to deliver and develop services and robust governance arrangements.
28. The content of all SLAs and monitoring requirements for 1 April 2015 to 31 March 2018 will be considered as part of the budget setting process in February 2015.

Recommendation

It is recommended that the Executive:

1. thanks the Overview and Scrutiny Committee for its comments and recognises the outcomes and success of the second year of the SLA pilot process, including the work delivered by the three funded organisations;
2. approves discussion with Farnham Maltings, Citizens Advice Waverley and Hoppa continue in order to draw up new SLAs from 1 April 2015 to 31 March 2018; and
3. approves discussion with The Orchard Club, The Clockhouse, Farncombe Day Centre and Cranleigh Arts Centre in order to move them to SLAs from 1 April 2015 to 31 March 2018.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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