

## WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 05/09/2017

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**Title:**

**FUNDING TO VOLUNTARY SECTOR ORGANISATIONS – SERVICE LEVEL AGREEMENTS 2018/19 TO 2020/21**

**[Portfolio Holder: Cllr Andrew Bolton]  
[Wards Affected: All]**

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**Summary and purpose:**

The purpose of this report is to seek the Executive's approval to continue to support funding to the nominated voluntary sector organisations through its three year Service Level Agreements and the review process.

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

The Council funds voluntary organisations that provide high priority services for the benefit of Waverley residents, in partnership with the Council. The services that the partner organisations deliver cut across all corporate objectives. The Council's funding schemes particularly support the health and wellbeing of our residents, particularly meeting the new Community Wellbeing corporate priority.

**Financial Implications:**

The annual budget provision for Service Level Agreements to the voluntary sector in 2015/16 to 2017/18 was £644,290. Funding awarded was as follows:

Table 1

Service Level Agreements	Total funding awarded (£)
<b>SLA organisations 2015/16 to 2017/18</b>	
Waverley Hoppa Community Transport	108,000
Citizens Advice Waverley	210,000
Farnham Maltings Outreach Service	32,490
The Orchard Club	*36,500
The Clockhouse	43,200
Age Concern Farncombe	54,000
Cranleigh Arts Centre	19,500
<b>SubTotal</b>	<b>503,690</b>
<b>SLA organisations 2017/18</b>	
Rowleys Centre for the Community	55,000
Brightwells Gostrey Centre	55,000
Voluntary Action South West Surrey	7,600
Age UK Surrey	15,000
Farnham Assist	8,000

<b>Sub Total</b>	<b>140,600</b>
<b>Total funding</b>	<b>664,290</b>
*The Orchard Club saw a reduction of £20,000 in their funding in 2017/18 due to changes in the way they deliver their services under the SLA.	

This is a cost-effective way of helping to deliver the Council's Corporate Objectives in partnership with voluntary sector organisations. The overall 2018/19 budget for the voluntary sector will be subject to final decision as part of the Budget process to be concluded in February 2018. Given the significant projected shortfall in the Council's finances for 2018/19, Members will need to consider funding levels to the voluntary sector.

### **Legal Implications:**

In awarding funding to voluntary organisations, the Council is required to obtain value for money for Borough residents.

Having robust funding schemes that are reviewed annually ensures that the Council is not open to dispute under the Surrey Compact Funding Code 2009, which is consistent with funding bodies' duty to achieve value for money, principles in accounting and European Union procurement law.

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### **Background**

1. The Council is hugely supportive of the voluntary organisations in the borough and is pleased to have maintained the overall budget at the same level since 2012/13, despite having to make significant savings on other services. The overall budget for voluntary sector funding is currently allocated through two schemes: Service Level Agreements and the Waverley Voluntary Partnership Commissioning Partnership. The Council will continue to look to protect funding to the voluntary sector, which supports many of our most vulnerable residents, if at all possible.
2. Following the work of the Grants Review Special Interest Group held in 2011, seven organisations were taken out of the grant scheme in 2012 and signed Service Level Agreements as a pilot for this new way of working. Their funding was top sliced from the grants pot which reduced the overall amount available to organisations applying to the grant scheme. The overall Waverley Community Grant Scheme pot was reduced from £575,000 in 2011/12 to £158,650 in 2015/16 as a result. This has meant that it became increasingly challenging to introduce new organisations to the scheme, make decisions on funding and to manage expectations of organisations applying to the scheme. In addition, the scheme was labour intensive and required a significant level of administration.
3. In 2017/18 the Council made the decision to move an additional five organisations across to one year Service Level Agreements as shown in Annexe 1 further reducing the Waverley Community Grant Scheme pot from £158,650 to £18,050. Due to this the Waverley Community Grant Scheme was suspended for one year to determine its future.

## **Introduction**

4. The key purposes of the SLAs are as follows:
  - To provide greater accountability for the funding given to voluntary organisations.
  - 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.
  - To build a stronger partnership.
  - To give organisations and the Council the opportunity to budget and plan for the future.
5. Each organisation has signed a comprehensive SLA which sets out the Service Expectations and Standards Waverley requires in return for its funding. This includes the core service requirements funded through the SLA and the monitoring information to be provided. The grants do not fully fund the services that the organisations are expected to deliver, but they make a significant contribution towards the delivery of identified high priority services. It is necessary for organisations to also fundraise through a variety of means which may include charges to customers, grants, hire fees for use of facilities etc.
6. The SLAs do not set specific targets within the individual monitoring schedules as, following careful consideration; it was not felt to be appropriate when Waverley's funding does not fund the service in its entirety. It was also recognised that this approach could be too burdensome for voluntary organisations with limited management resources.
7. As part of the process monitoring meetings are held with the organisations to review their delivery of the SLA requirements and monitoring information. Where appropriate organisations are challenged if expectations are not met. In addition, an officer and nominated Member Representative sit as non-voting observers on the Boards of some of the organisations. As well as the opportunity to contribute to Board meetings, this provides an additional operational and strategic overview of each organisation.
8. The SLA process continues to provide robust, outcomes focussed approach to funding voluntary organisations to deliver services in partnership with the Council. Outcomes for each organisation have been reported annually to the Community Overview & Scrutiny Committee in the autumn.

## **Waverley Voluntary Commissioning Partnership 2017/18**

9. Surrey County Council and Waverley Borough Council jointly fund (on a 50:50 basis) this commissioning scheme with an overall pot of £85,540. Recently Surrey County Council wrote to Waverley to inform the Council that due to budget pressures they will be ceasing their contribution (£42,770) from 31 March 2018.
10. Given this significant loss in funding from Surrey the existing services that this pot funds could put some of the organisations or the funded activity at risk. It is therefore proposed to protect those priority existing activities by utilising

Waverley's forthcoming SLA process to assess how best to allocate the Council's remaining £42,770 within the currently funded organisations.

## **Review Process**

11. As this is the first time that all twelve SLA funded organisations are due for review at the same time it was proposed to hold a review process similar to the Waverley Community Grant scheme, see Annexe 2. The process has been agreed between the Portfolio Holder for Economic Development and Grants and the Chairman and Vice-Chairman of Community Wellbeing O&S. Any changes or delays to the established review process could have a significant impact on these organisations as they require certainty of funding for forward planning of their service.
12. In preparation for the review process each organisation has been asked to complete a questionnaire, as agreed with the Portfolio Holder for Economic Development and Grants, and to submit a budget forecast for 2017/18, a business plan and any budget forecast beyond 2018 if they have one. All monitoring information will also help inform the review.
13. The Council will continue to look to protect funding to the voluntary sector, however at this early stage of the process, the Council is unable to confirm the overall budget for the Service Level Agreement pot. The overall funding will be determined in the autumn when the Council's Executive reviews its medium term financial strategy and priorities for the Council.

## **Conclusion**

14. The Council places great value on the work of the organisations that it supports through its funding schemes and their volunteers continue to work hard to deliver outcomes for the community in line with Waverley's corporate priorities. Many of the funded organisations provide vital services to the most vulnerable members of the community. Waverley's community is stronger and more resilient as a result of the partnership between the Council and voluntary sector.

## **Recommendation**

It is recommended that the Executive:

1. confirms the review process and timetable;
2. approves utilising Waverley's forthcoming SLA process to assess how best to allocate the Council's remaining Waverley Voluntary Commissioning Partnership funding; £42,770 within the currently funded organisations;
3. approves the establishment of an Executive Panel to review the Service Level Agreements and propose allocations;
4. approves a review of the Service Level Agreements and their outcomes to ensure they are in line with the councils emerging future strategy; and

5. approves delegated authority to the Head of Community Services in consultation with the Portfolio Holder for Economic Development and Grants to agree the final service specification for each organisation's Service Level Agreement.

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#### 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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### Organisations funded through Service Level Agreements

Service Level Agreements	Total funding awarded (£)
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**Service Level Agreements 2018/19 to 2010/21  
Review Process**

