

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 6 FEBRUARY 2018

Title:

**FUNDING FOR VOLUNTARY SECTOR ORGANISATIONS
SERVICE LEVEL AGREEMENTS 2018 TO 2021**

**[Portfolio Holder: Cllr Jim Edwards]
[Wards Affected: All]**

Summary and purpose:

The Council currently operates a Service Level Agreement funding arrangement with 12 voluntary sector organisations. All Agreements expire on 31 March 2018 and organisations will sign new three year Agreements for 1 April 2018 to 31 March 2021. The purpose of this report is to consider the proposed levels of Service Level Agreement funding to the voluntary sector organisations, taking into account the observations made by the Community Wellbeing Overview and Scrutiny Committee and Sub-Group.

The report proposes to continue to protect the Council's overall level of discretionary funding allocated at £687,105 to the voluntary sector despite significant reductions in Waverley's government funding.

The Community Wellbeing Overview and Scrutiny Committee considered this report at its meeting on 23 January 2018 and its comments are noted at the end of this report.

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

The Service Level Agreements (SLA) provide funding to 12 voluntary sector 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 Community Wellbeing corporate priority.

Financial Implications:

The Council's total proposed funding allocated to community organisations in 2018/19 is £687,105 showing the Council's continued commitment to its partnerships with voluntary organisations. This overall budget has been maintained at a similar level over the past 5 years, despite the Council's significant reductions in its government grant. Waverley has continued to receive a cut in its Government Grant in the current year, 2017/18, which reduces to zero in 2018/19. The financial projection in the latest approved medium term financial plan shows a budget shortfall of £2.8m over the next 3 years. Proposals to close the budget gap in 2018/19 are currently being considered by Members but there is still a significant shortfall to address in future years. At this stage however, there are no proposals to reduce the overall funding to the voluntary sector.

Summary of funding proposed for 2018-2021

The Agreements will detail this level of funding per annum for the three-year period of the Agreement; however, individual amounts will be subject to annual review and Council approval in February each year as part of the budget setting process:

	Annual funding proposed (for each of the next 3 years 2018-2021)	Actual funding for 2017/18
Waverley Voluntary Commissioning Partnership	-	£42,770
Service Level Agreements	£687,105	£644,290*
Total funding	£687,105	£687,060
*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.		

In addition to the above funding, the Council supports these and additional organisations in many other ways including assistance with accessing other sources of funding, one-off capital investment, discretionary rate relief and rent relief.

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 consistent in achieving value for money, principles in accounting and any relevant procurement law.

Background

1. The Council has a strong commitment to working with and funding voluntary sector organisations to deliver services to residents. It is pleased to have maintained its overall budget at the same level since 2012/13, despite having to make significant savings on other services. The Council will look to protect funding to the voluntary sector, which supports many of our most vulnerable residents, if at all possible.
2. The Council has previously funded voluntary organisations in three ways: through SLAs, the Waverley Community Partnership annual grant scheme and the Waverley Voluntary Commissioning Partnership in partnership with Surrey County Council Adult Social Care.
3. Following the work of a Grants Review Special Interest Group held in 2011, seven organisations signed three year SLAs as a pilot for this new way of working. In 2015/16 the Council made the decision to move an additional 4 organisations across from the annual grant scheme to three year SLAs and a further 5 organisations to one year Agreements in 2017/18. This means that all SLAs expire on 31 March 2018. Due to this, the Waverley Community Partnership annual grant scheme was suspended for 2017/18 to determine its future. This meant that the Council's primary way of funding voluntary organisations would be SLAs to enable it to closely align funded activities with agreed priorities, deliver more effective partnership working and better outcomes for local communities.

Waverley Voluntary Commissioning Partnership

4. Surrey County Council and Waverley Borough Council have previously jointly funded (on a 50:50 basis) this commissioning scheme with an overall pot of £85,540. Surrey County Council wrote to Waverley in the summer 2017 to inform the Council that due to budget pressures they will be ceasing their contribution (£42,770) from 31 March 2018.
5. At its meeting on 5 September 2017 the Executive agreed to utilise the SLA process to assess how best to allocate the Council's remaining Waverley Voluntary Commissioning Partnership funding of £42,770 with the currently funded organisations. This demonstrated the Council's continued commitment to ensuring that the existing high priority services that this pot funds could continue to support residents, otherwise they would have been at risk.

Service Level Agreements 2018-2021 Review Process

6. 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.
7. At its meeting on 5 September 2017, the Executive agreed the establishment of an Executive Panel to review the current SLAs, in preparation for their renewal for the next three years, 1 April 2018 to 31 March 2021. The Panel proposed allocations for the next three years of the Agreements, with the caveat that funding is subject to annual review through the Council's budget setting process.
8. The Executive Panel, chaired by the Portfolio Holder for Economic Development and Grants supported by the Portfolio Holder for Health, Wellbeing and Culture and the Portfolio Holder for Environment, met on 20 September. Officers from the Communities Team and Finance supported the Executive Panel.
9. In reaching its decision, the Executive Panel reviewed information on each organisation including: a budget forecast for 2017/18, a business plan, key monitoring data, key financial information, a questionnaire completed by the Member Representative where there is one, a questionnaire completed by the organisation, and any relevant issues that the Panel should be aware of.
10. Annexe 1 shows the Panel's proposed allocations for funding and provides notes on the reasons for the proposed grant levels for some organisations where this is considered to be particularly relevant. Information on other discretionary support that the Council provides to partner organisations is detailed in Annexe 2.
11. Overall the Panel felt that all organisations are achieving good outcomes for residents with limited resources. The Panel noted that all organisations are run by volunteer Trustees, are fairly small, and do not have the funding leverage that national and larger charities may have. It is not unusual for these local charities to need to access their reserves in order to operate.

Citizens' Advice Waverley

12. The Panel noted that Citizens Advice Waverley is currently reviewing its business plan as part of its long-term strategy. In particular, it is the only funded organisation that provides an entirely free service to its clients and is required to invest resources to satisfy the needs of its membership to Citizens Advice national, adding pressure to its business model. The Panel felt that the Service Level Agreement should operate as a mechanism for Citizens' Advice Waverley to work collaboratively with other bureaux and strengthen its partnership working. This would also enable Citizens Advice Waverley to explore the possibility of streamlining overheads costs and reduce the costs per client. A number of other local Councils are also encouraging their Citizens Advice Bureaus to work in collaboration.
13. Citizens Advice Waverley has a commitment to support clients face to face, which many clients say they prefer. This requires a venue for these meetings to take place. The Panel felt that alternative, more cost-effective venues should be explored such as libraries and community buildings.
14. The Panel felt that there should be a stronger review of CAW's funding throughout the term of their SLA to ensure that the above requirements to explore alternative models of delivery are met.

Services for Older People in Haslemere

15. The Orchard Club currently provides services for older people in Haslemere and surrounding villages. It previously operated out of Haslewey Community Centre under a licence arrangement. The Orchard Club moved its entire operations from Haslewey in December 2016 and now operates under an outreach-type model of service delivery, focussing on supporting more isolated, vulnerable older people to attend meaningful activities.
16. As part of its relocation and reorganisation, the Council has actively supported The Orchard Club to enable them to rent space at the Haslemere locality office for its administrative operations. The Council also provided additional support to enable The Orchard Club to rent space at Rolston House sheltered housing scheme lounge area to operate its Friends social group. In addition, the Council assisted The Orchard Club to establish a lunch club from High Lane Community Centre.
17. The Orchard Club's operations have changed significantly and inevitably it is now a very different to the service that the Council originally agreed to fund through its SLA. In addition, the number of people being supported by the service has reduced. Following agreement with The Orchard Club, the Council released a total of £36,500 for the year 1 April 2017 to 31 March 2018 rather than the original amount allocated of £56,500. The remaining £20,000 was identified as a saving which is now proposed to be built into the base budget for 2018/19.
18. In view of The Orchard Club's significant change in operations and recognising a degree of uncertainty about how these changes might manifest themselves over the coming months, the Executive Panel proposed ring fencing £26,000 during 2018/19 towards funding day centre type services for older people in the Haslemere area, such as those provided by The Orchard Club. That way, whatever The Orchard Club

decides to do over the coming months, the money will still remain available to support the needs of older people in Haslemere. The Council continues to support The Orchard club with their plans, and continue to look for every opportunity to develop high quality day centre type services and meaningful activities for older people in the local area.

The Clockhouse

19. The Panel proposed to continue to maintain The Clockhouse's funding towards its core service at the same level, £43,200. In addition, the Panel proposed to ring fence a further £9,800 per year, which will be reviewed annually. This additional funding would be to support The Clockhouse to develop its activities to meet the changing needs of the local community and as part of developing a stronger partnership with the Council based on delivery of agreed outcomes. The Board is working towards taking on the Godalming area Community Meals Service and this additional transitional funding will support the organisation in this work as well.

Overview and Scrutiny Committee, Community Wellbeing Sub-Group

20. At its meeting on 12 September 2017 the Community Overview and Scrutiny Community Wellbeing Committee resolved that a Service Level Agreement Group be established to consider the Executive Grants Panel's funding proposals. The Sub-group met on 17 October to make their comments and observations.

21. The Sub-group agreed overall with the Executive Grants Panel's proposed allocations for funding to each organisation and made the following specific observations:

22. Citizens Advice Waverley – agreed that their funding should be reviewed if requirements were not met. Furthermore, Members wanted to see the results of their customer satisfaction surveys.

23. Day Centres – the group noted the proposed increase to The Clockhouse dependent upon outcomes achieved to develop the partnership with the Council to meet its objectives. The group also felt that more meaningful activities should be provided to clients, particularly for people living with dementia.

24. Cranleigh Arts Centre – the group noted that the Arts Centre is a community facility available to all residents living in the borough and communications from the Arts Centre should reach and attract this wider audience. The Sub-group supported the Arts Centre receiving slightly more to support their drive to expand services.

25. The group noted that officers would be working on ensuring that the Agreements were tightly monitored, especially those where there was an expectation to improve service delivery.

Service Level Agreements 2018 - 2021

26. All organisations were informed of their proposed levels of funding in mid-December with the intention that this early indication would support them with their financial planning. It was made clear to the organisations that the proposals are subject to approval through the Committee process. The Agreements will detail the proposed level of funding per annum for the three year period of the Agreement, however,

individual amounts will be subject to annual review and Council approval in February each year as part of the budget setting process

27. At its meeting on 5 September, the Executive approved 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 SLA.
28. The SLA documents are being prepared and will be ready for signing on 1 April 2018 so that the Council is in a position to release the first funding instalments at the beginning of April. The Service Expectations will be carefully written to ensure that any requirements identified as part of the SLA review process are included and that outcomes and outputs are clear. The Service Specifications and monitoring data may need to be reviewed during the period of the Agreements to ensure they are aligned to the Council's new Corporate Plan, which is scheduled to be taken to full Council in February 2018.

Conclusion

29. The Council chooses to work through the voluntary sector to deliver these discretionary services to our most vulnerable residents including community transport, day centres and arts organisations. This offers excellent value for money. It is, however, important to note that the grants do not fully fund the services that the organisations are expected to deliver, therefore the level of influence the Council has over their delivery can be limited.
30. The SLAs are now the Council's primary way of funding and working in partnership with voluntary organisations delivering identified key services to residents. The Council is aware of how challenging it is for these small charities to run local community services and appreciates the enormous efforts put in by the staff and volunteers. The Council is committed to continuing its partnership with these organisations.

Community Wellbeing Overview and Scrutiny Committee

31. The Community Wellbeing Overview and Scrutiny Committee considered the funding proposals for the Service Level Agreements to voluntary organisations at its meeting on 23 January 2018, and passes the following observations to the Executive:-
 32. The Overview and Scrutiny Committee thanked the Executive for managing to maintain the budget at the same level as the previous year. The Committee agreed that they should help Hasleway to continue to support older peoples services following the changes with the Orchard Club. A comment was also made that when they looked at grants again, to ensure that there was a fair balance across the Borough.
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Recommendation

It is recommended that the Executive:

1. confirm the overall funding to the voluntary sector at £687,105 for 2018/19;

2. considers the proposed allocations for the Service Level Agreements for 2018/19-2021, having regard to the comments of the Community Wellbeing Overview and Scrutiny Committee and Sub-Group; and
 3. recommends funding levels for each organisation, as detailed in Annexe 1 to the report, to the Council for approval.
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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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