

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

9 FEBRUARY 2021

Title:

Service Level Agreements (SLAs) with Community Organisations, 2021-2022

Portfolio Holder: Cllr Michaela Martin, Portfolio Holder for Health, Wellbeing and Culture

Head of Service: Andrew Smith, Head of Housing Delivery and Communities

Key decision: Yes

Access: Public

1. Purpose and summary

1.1 The purpose of this report is to seek Executive approval for the renewal of the current Service Level Agreement (SLA) 12 organisations for one year only, in order to give organisations some certainty for budgeting, staffing and service delivery purposes. Several have been a vital part of the Covid response at significant cost to themselves, committed to continuing to support vulnerable residents and their local community.

2. Recommendation

2.1 It is recommended that the Executive:

- i) approve the renewal of the current SLAs with the 12 partner organisations for one year only, 2021/22 at the proposed levels of funding as shown in Annexe 1 and as part of the budget setting process.
- ii) approve the withdrawal of funding to Brightwells Gostrey for the higher needs service and divert these funds to Haslewey to support services for older people and contribute towards running cost as shown in Annexe 1.
- iii) agree the establishment of an Executive Working Group to review the councils funding mechanism to voluntary sector organisation from 1 April 2022.

3. Reason for the recommendation

3.1 The current three year SLAs come to an end on 31 March 2021 for all 12 partner organisations. Without sufficient notice of changes in funding these organisations that operate within limited financial margins even in usual circumstances could be

at overall risk and services may not be delivered to residents with higher needs.

- 3.2 One year Agreements will allow for any potential changes to the Council's funding processes and mechanisms to the voluntary sector. A year's extension will also take into account the Council's financial challenges and how the Council can respond to outcomes from the pandemic informed by Surrey's Community Impact Assessment and local health data.

4. Background

- 4.1 The current three year SLAs come to an end on 31 March 2021 for all 12 partner organisations. In usual circumstances an indicative overall SLA budget would be known around October/November. Officers would indicate this to the organisations as part of regular dialogue and most would therefore have a reasonable idea whether their funding had the potential to change. Any change in funding to these small organisations can have a significant impact. The organisations are concerned about this, particularly given the impact the pandemic has had on their operations. Without sufficient notice of changes in funding, some of these organisations that operate within limited financial margins even in usual circumstances could be at overall risk and services and may not be delivered to residents with higher needs. Most of these small, local charities do not have the financial buffer enjoyed by larger charitable organisations.
- 4.2 The organisations would normally receive a provisional offer letter in early December to advise them of the proposed level of funding prior to the formal annual budget setting process in the January and February.
- 4.3 Organisations have appreciated the Council's financial challenges and this has been explained to them at their SLA review meetings throughout November 2020, but it is clearly very worrying for them, particularly given the financial impact of the pandemic on their organisations during 2020.

4.4 Funding Proposals

- 4.4.1 Given the lateness in knowing the potential SLA budget there is not sufficient time to follow the normal renewal process and meet Committee deadlines, ready for the SLAs to be drawn up, signed and funding paid on 1 April 2021. Officers are therefore proposing that the current SLAs are renewed for one year only, in order to give organisations some certainty for budgeting, staffing and service delivery purposes. Many have been a vital part of the Covid response at significant cost to themselves, committed to continuing to support vulnerable residents and their local community. Based on overall partnerships and SLA monitoring meetings officers have made proposals on possible levels of funding for 2021-22 only as shown in Annex 1. One year Agreements will allow for any potential changes to the Council's funding processes resulting from the work of the Executive. A year's extension will also take into account the Council's financial challenges and how the Council can respond to outcomes from the pandemic informed by Surrey's Community Impact Assessment and local health data. The extra time will also allow clarifying of objectives in the new Corporate Strategy and Service Plans.
- 4.4.2 Officers are also proposing that offer letters include the condition that the larger grants over £10,000 that are normally paid in two tranches in April and October

(Hoppa and CAB are paid quarterly) will be reviewed in August/early September before the October 2021 payment, in order to assess the impact of the pandemic on the Council or organisations' service delivery.

- 4.4.3 At this early stage it is difficult to know what services organisations may be able to provide from April. They may not initially be the same as detailed in their current SLA Service Specification; therefore any grant offer would come with the caveat that organisations will need to work with the Council as well as the Council recognising there will need to be flexibility within the funding. Officers propose that there is a consistent approach across all organisations, particularly with those that may be furloughing staff or delivering no service. Where necessary, organisations will be asked to use the funding to contribute in some way towards addressing the impact of the pandemic, particularly around mental health and loneliness/social isolation (e.g. virtual options), as part of their local community response.
- 4.4.4 Haslewey – has been funded for 2 ½ years towards services for older, lonely and isolated people only. Haslewey has continued to develop its services and provide an exemplar model of delivery. It has worked positively with the Council and is always willing to adapt and try new things. It is felt that this approach should be recognised and an increase in funding would also bring Haslewey up to similar levels of the other day/community centres. The funding would contribute towards development of these services as well as a contribution towards overheads.
- 4.4.5 Brightwells Gostrey – It is proposed that the higher needs grant be withdrawn. Staff delivering the higher needs service have been made redundant and the service has therefore ceased operating. Brightwells Gostrey continues to deliver the Community Meals Service but has ceased providing all other day centre services. The Board are taking this opportunity to review and refresh all services and the future shape of the organisation. The proposed funding will continue to contribute towards running costs, anticipating that new services/activities will have been shaped by April (restrictions permitting), and possibly elements of the Community Meals Service delivery for 2021/22 only.

4.5 Funding from 1 April 2022

- 4.5.1 An O&S SLA Working Group was formed in October 2019 to review the SLA process (not levels of funding) with the aim of potential changes being ready for April 2021. However, its work was suspended due to the pandemic. The SLA Working Group could be to scrutinise any recommended changes to the policy and funding mechanism to the voluntary sector organisations.
- 4.5.2 It is proposed that officers consult with the Deputy Leader, Portfolio Holders for Finance and for Health and Wellbeing in January to establish a way forward. This gives time for officers to prepare any new, robust delivery mechanisms such as tendering, commissioning or procurement. It also provides the opportunity for existing and potentially new organisations to prepare to bid for funding or take into account any changes that may affect their operations. This is also in line with the Surrey Compact, which recommends 6 months' notice to partner organisations of any potential changes in the funding relationship.
- 4.5.3 Officers would work with the organisations throughout the year to keep them informed of any developments.

5. Relationship to the Corporate Strategy and Service Plan

Funded organisations were identified as providing high priority services in line with the council's corporate priorities and the service delivery requirements within the SLAs reflect these. Outcome 3 of the Housing Delivery and Communities Service Plan 2020-23 is 'the organisations funded through Service Level Agreements are delivering the agreed outcomes' and the impact of the pandemic has, and continues to affect those outcomes for some organisations.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

This report proposes that the three year SLA's for each organisation is extended a further year to enable an additional years financial certainty whilst the delayed SLA review is undertaken.

The draft budget 2021/22 currently proposes no change in the budget for SLA's. The 2021/22 draft budget is currently following the democratic process and a budget will be set at Full Council in February 2021 as per statutory requirements.

6.2 Risk management

If funding to some of these organisations is significantly reduced or removed at this stage without sufficient notice of changes in funding, these organisations that operate within limited financial margins even in usual circumstances could be at overall risk and services may not be delivered to residents with higher needs.

6.3 Legal

The SLAs are (usually) 3-year legally binding documents, and are reviewed by the Council's Legal Services team. The same will apply in respect of the proposed 1-year SLAs.

6.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

6.5 Climate emergency declaration

Consideration of the Council's environmental and sustainability objectives will need to be made when making decisions on levels of funding.

7. Consultation and engagement

7.1 The Head of Housing and Communities wrote to all 12 organisations in November 2020 advising them that the Council is going through a period of change and facing significant financial challenges, highlighting that the Council needed to find an additional £8 million over the next 4 years. The letter explained that this will have an impact on any commissioning process and funding decisions in the future. The SLA budget is a discretionary fund and, along with its other budgets, the Council will need to review its future financial support to community organisations.

- 7.2 As part of the 2020/21 SLA annual review meetings held between October and November, officers discussed the implications in the letter with these organisations and the impact any changes of funding would have on their organisation. These discussions have helped inform the proposed funding arrangements for 2021/22.
- 7.3 Officers have continued to work closely with statutory partners from Surrey Heartlands Integrated Care Partnership Guildford and Waverley Locality, North East Hants and Farnham Clinical Commissioning Group and Surrey County Council throughout the pandemic. These organisations have established their own COVID recovery programmes but are working together as part of this. Data on the impact of COVID demonstrates older people have been significantly affected, particularly over 75s, older carers, older people with respiratory and cardiovascular disease and those people living on their own. This information has also helped inform the proposals for SLA funding for 2021/22.
- 8. Other options considered**
- 8.1 The alternative option is to no longer fund or all some of the organisations when their existing SLAs expire on 31 March 2021. However, this could potentially result in the suspension or reduction in some services to the most vulnerable members of the community.
- 9. Governance journey**
- 9.1 Executive – Tuesday 9 February as part of the budget approval process
Full Council – Tuesday 23 February as part of the budget approval process

Annexes:

Annexe 1 – SLA Proposals 2021-22

Background Papers

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

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