

**WAVERLEY BOROUGH COUNCIL**

**EXECUTIVE – 6 OCTOBER 2015**

---

**Title:**

**SERVICE LEVEL AGREEMENTS – NOMINATED PILOT PROJECT, THIRD AND FINAL YEAR REVIEW 2014/15**

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

---

**Summary and purpose:**

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

This report reviews the third and final year of the pilot, detailing the outcomes and performance indicators for each organisation from 1 April 2014 to 31 March 2015.

The Community Overview and Scrutiny Committee considered this report at its meeting on 14 September 2015. Members also received presentations from the three organisations of which questions were asked. There were no observations to forward onto the Executive.

---

**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 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 Legal Services team.

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 a Grants Review Special Interest Group in 2011. In March 2012 the Executive endorsed the three year SLA documents and year three levels of funding were endorsed as part of the Council's annual budget setting process in February 2014. This report reviews the third and final 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 annual review meetings were held throughout April and June 2015.
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 23.3% of income in 2013/14 compared to 34.9% in 2010/11. An overall surplus of £20,464 was made on the service in 2014/15 and accounted for 24.3% of overall Hoppa expenditure in 2014/15. 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.]
6. In 2014/15 Hoppa had 3,180 registered members, of which 384 were new members. Approximately half of the registered members use the service regularly. The number of passenger trips increased to 63,855 in 2014/15 from 58,077 in 2013/14.
7. 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. This fare increase has not affected numbers although some clients have said that they cannot afford to use the service if the cost increases any further. The Board agreed not to increase fares in April 2015 but will look at a price increase next year. The age profile of Hoppa members is 77 years, many of whom are on a limited income.

8. The number of refusals due to routes being fully booked has increased to 79 for the year, compared with 26 last year. In particular, demand on the Farnham and Godalming routes has increased. Farnham Town Council recently awarded a grant of £10,000 to enhance the existing DRT services in Farnham, which are also partially funded by Surrey County Council via a contract of £30,000 per annum. An additional £20,000 has been allocated from the Personalisation, Prevention and Partnerships Fund towards an enhanced Godalming service for 2015/16, with a further £20,000 set aside for £2016/17.
9. Hoppa launched a new website in 2014 as part of its rebranding and has made efforts to raise awareness of its services to attract new customers.
10. The average age of vehicles increased to 9 years at the end of 2014/15, double the ideal age of 4.5 years. Hoppa has agreed a seven year vehicle replacement programme, with 24 vehicles ideally being replaced in total. In March 2015, three new vehicles were purchased outright and three hire purchased. On completion of the replacement programme, 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.
11. Surrey County Council has advised that, as part of the Local Transport Review, it is looking at reducing Hoppa's annual grant of £52,000 from April 2016, although it will remain the same for 2015/16. This grant subsidises Hoppa's work and could have a negative impact on the DRT service if it was withdrawn. Hoppa would need to find an additional £1.2 million in contract work to continue to provide the same DRT service.
12. As part of its ongoing efforts to identify new income streams and bridge its grant-funded financial shortfall, Hoppa and other community transport operators are currently holding exploratory meetings to determine whether there is scope to tender for the South East Coast Ambulance (SECAmb) patient transport contract when it comes to an end in October 2016. In addition, Hoppa has submitted applications to the Surrey County Council approved supplier list of providers. This is part of Surrey's new Dynamic Purchasing System. Hoppa has also passed the requirements to tender for mainstream Surrey bus routes.

### **Farnham Maltings and Museum**

13. The SLA funds the Maltings outreach work supporting young people's participation, pop-up craft, building theatre audiences and vulnerable people. 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.

14. Over the three years of the SLA, the Maltings has moved to deliver and shape activities to meet growing, changing needs and is now known for being a cultural and wellbeing service-provider, not solely a venue. 115% of the Maltings core costs are covered through self-generated income.
15. 128 youth theatre sessions were held with 1,653 known attendances. 14 Pop-Up Craft for families sessions were held including venues at Potters Gate Children's Centre, Museum of Farnham, Farnham Library, Binscombe, Cranleigh, Roman Way, Hale Institutes and Wrecclesham Community Centre. At total of 392 people attended all sessions.
16. The young people's participation work culminated in a one-day annual Youth Arts Festival in March. Approximately 150 people took part, with 200 friends and family members coming to see the showcase event. Work with young people is growing. A new workshop leader has been recruited to the Craft Team and a new Education Officer is in post at the Museum.
17. The Maltings is working closely with community partners to deliver more wellbeing activities, particularly for older people. The one-year Mind Full Maltings programme, which engaged older people and people living with dementia, has finished but has been replaced with the Arts and Elders Programme. Funding from The Maltings Patronage scheme has been used to fund an Arts and Elders Co-ordinator post for two days per week.
18. The Great Hall project, to comprehensively refurbish the Hall, will be delivered in 2015/16 now that all funding is secured. The Council has awarded £75,000 from the final tranche of its ongoing capital commitment to the Maltings, agreed by the Executive in March 2012. As part of this project, the Maltings is building a more meaningful partnership with the University for the Creative Arts, who are also contributing towards the cost, to be an operational and service provider.
19. During 2014/15 The Maltings secured over £1/2 million in funding for project work. The Maltings is working on a commissioning model so that it can tender for Surrey opportunities, under the Care Act.
20. The Council also funds the Maltings to deliver the Farnham Museum service under its Service Level Agreement. In 2009/10 Waverley managed the Museum at a cost of £1/4 million. It worked hard to reduce costs, whilst still providing a service. Costs reduced to £120,000 and with the partnership with Farnham Maltings, the running costs to the Council will have reduced to £70,500 per annum under a new three year Service Level Agreement for 2015-2018. Farnham Maltings have recruited more paid Museum staff and volunteers, created an entrepreneurial approach and developed the overall service. The Council continues to pay for the Museum building costs.

21. In April, the Museum applied to the Arts Council's Accreditation Scheme for Museums and Galleries. The Museum applied 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 assessment process takes a further six months.
22. The Education Officer has been recruited and will be reviewing the service as part of their role. Both Education Officer and Pop Up Craft Co-ordinator will be working to expand the Pop-Up Museum initiative over the next three years.

### **Citizens Advice Waverley (CAW)**

23. The number of unique clients accessing services has increased from 3,226 in 2012/13 to 5,873 in 2014/15. Clients are predominantly of working age, however, the number of older clients is increasing which reflects Waverley's ageing population, as is their level of debt.
24. Of the enquiries received, 8% were for more complex casework, where a dedicated adviser is allocated to support the client. Most Gateway advice, 61% of enquiries, is more straightforward and takes approximately 20 minutes per client. The cost per client to provide the service based on Waverley's funding is £33.21.
25. 61% of client contact is face-to-face and there is still high demand for this means of support, which officers have also emphasised is important to residents. 20% of people were supported over the telephone and this is increasing. 40% of calls are responded to immediately and CAW is aware that it is not meeting demand. CAW will be the first bureau in Surrey to be part of a pilot whereby Surrey and Hampshire bureaus share one advice line. Currently 90% of Citizens Advice bureaus in Hampshire are part of the group and their response rate to calls is 60%. Citizens Advice nationally is encouraging CABs across the country to follow this model, with a minimum standard being set. Officers have sought reassurance that CAW will provide a proportionate level of people on the telephones to support this shared service. When Waverley residents call the phone line it will hunt for a CAW line first. This system will be used for Gateway advice only.
26. The Godalming bureau continues to account for the highest number of clients, 39%. The Farnham bureau has the second highest number of clients, 28%. CAW took the decision to reduce the Farnham bureau opening hours from five days to four days a week four years ago due to significant reductions in funding from the Town Council. Waiting time for appointments at Godalming is 7 days and it is 10 days at Farnham. The Service Level Agreement target for waiting time for appointments is one week and it continues to concern officers that CAW is not addressing how to reduce waiting times at Farnham. CAW has had lengthy discussions with all Town Councils about funding for 2015/16, with one offering an increase.

27. CAW is looking for new premises in Haslemere, partly due to the loss of income from its sub-let to the mental health team which has moved.
28. 2014/15 financial figures show a deficit of £9,290. Next year's budget, 2015/16, shows a potential loss of £527. The figures show reasonably static expenditure next year compared to the current year 2014/15, however, income should increase from £335,000 to £343,000 in 2015/16. This is mainly down to an increase in training grant income of £10,000.
29. The Board continues to look at how the organisation can generally be more efficient. This includes using the funding from the Big Lottery Advice Services Transition fund. In 2013 CAW secured a grant of £250,000 from the Big Lottery Advice Services Transition Fund, in partnership with Age UK Waverley and the Council. Some of the funds were intended to assist the co-location of Age UK Waverley to Citizens Advice Cranleigh offices to share services and reduce costs; unfortunately, Age UK Waverley withdrew from project in early 2015. CAW has recently presented a project proposal to use some of the funds to install touch screens, telephones and deliver face-to-face advice within GP surgeries. The Fund will also be used to tender for a Voice Over IP which could reduce telephone costs.

## **Conclusion**

30. The Service Level Agreements 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.
31. Due to the success of the pilot, four more nominated organisations, namely The Orchard Club, The Clockhouse, Age Concern Farncombe and Cranleigh Arts Centre, are now funded through three year Service Level Agreements.
32. As part of the budget setting process in February 2015, the Council agreed all seven new Service Level Agreements for the three years 1 April 2015 to 31 March 2018. Due to the continued satisfactory performance and priority of the services delivered by the organisations, the Council agreed to award an increase in funding of 8% compared to the previous year, for six of the organisations. The organisations do, however, continue to face financial pressures which have an effect on their ability to meet the demand for their services. In particular, increases in funding from the Town and Parish Councils are varied. This may begin to impact on the delivery of services over the next three years of their Service Level Agreements, which officers will continue to monitor.
33. The Boards, staff and volunteers of all seven organisations continue to work hard to deliver services to some of our most vulnerable residents in a challenging environment. The Council places great value on the work of these organisations to provide accessible, high quality services and the outcomes they deliver to improve the lives of their clients. The three year

Service Level Agreements reaffirm the Council's commitment to working with these organisations to support its residents.

### **Recommendation**

It is recommended that the Executive notes the outcomes and success of the third and final year of the SLA pilot process and the work delivered by the three funded organisations.

---

### **Background Papers**

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

---

### **CONTACT OFFICER:**

**Name:** Jane Todd

**Telephone:** 01483 523067

**E-mail:** jane.todd@waverley.gov.uk

**Name:** Kelvin Mills

**Telephone:** 01483 523067

**E-mail:** kelvin.mills@waverley.gov.uk