

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM 6

REPORT TO CABINET

9 MARCH 2006

REPORT OF CORPORATE MANAGEMENT TEAM

CABINET DECISION/KEY DECISION

Regeneration and Transport-Lead Cabinet Member-Cllr. Cook

VOLUNTARY SECTOR SUPPORT FUND ALLOCATIONS 2006/8

1. Summary

This report provides an interim review outlining changes to the sector, including new governance arrangements, since the Cabinet meeting on 11th November 2004 agreed indicative allocations from the Council's Voluntary Sector Support Fund to the voluntary sector for core funding purposes. It provides background to the fund, advises on the importance of providing resource support to the sector and proposes a comprehensive review later in the year.

2. Recommendations

1. That funding from the Voluntary Sector Support Fund be approved for allocation to the Voluntary Sector for the financial year 2006/7 as detailed in **Appendix 1** and Core Funding Agreements (CFA) be extended for that period.
2. That the allocations for 2006/7 as detailed in **Appendix 1** be approved subject compliance by recipients in meeting the 'Code of Practice – Governance'
3. That the proposal from Newtown Community Resources Centre to manage both the Newtown Community Resource Centre and the Forge Community Resource Centre be supported and that an allocation of £50,000 from within the fund be approved.
4. That approval for any changes within recommended allocations, plus or minus 10% of that detailed in **Appendix 1**, is delegated to the Corporate Director for Development and Regeneration in consultation with the Cabinet Member for Regeneration and Economic Development.
5. That a comprehensive review of the Voluntary Sector Support Fund arrangements be undertaken and report be brought back to Cabinet in September in light of the independent review of the Stockton Voluntary Development Agency (SVDA) and Stockton Residents and Community Groups Association (SRCGA) umbrella which is underway, governance issues and changes within the sector.

6. As a condition of receipt of any Voluntary Sector Support Fund allocations, at least two elected Members or SBC Officers are provided with a place on the Board of recipient organisations.
7. A one off payment of £25k be allocated to Stockton International Family Centre pending a wider review of the voluntary sector support funding later this year.

3. Reasons for the Recommendations/Decision(s)

This an interim review on the voluntary sector support fund allocations to reflect changes in the voluntary and community sector including the liquidation of the Forge and the hand over of the Richard Hind Centre to Sure Start which offers the opportunity to reallocate the released funding. This report will be followed by a more fundamental review in September when the sector's review of the two umbrella organisations has been completed.

4. Members Interests

Members (including co-opted members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (paragraph 8) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (paragraph 10 of the code of conduct).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting is being held, whilst the matter is being considered; not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (paragraph 12 of the Code).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc.; whether or not they are a member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting, and if their interest is prejudicial, they must also leave the meeting room during consideration of the relevant item.

AGENDA ITEM

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SUMMARY

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RECOMMENDATIONS

1. That funding from the Voluntary Sector Support Fund be approved for allocation to the Voluntary Sector for the financial year 2006/7 as detailed in **Appendix 1** and Core Funding Agreements (CFA) be extended for that period.
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DETAIL

1. The Voluntary Sector Support Fund (VSSF) forms part of the Community Resources Fund and is the primary means by which the Authority provides financial support to its voluntary sector.
2. The VSSF helps support the recipient organisations within the sector to provide services to communities within the Borough. Further, added value is received from recipient organisations in that they contribute to broader strategic work occurring in the Borough, for example Stockton International Family Centre work closely with the Local Strategic Partnership in delivering the Community Cohesion agenda. This approach of providing assistance for core funding was developed through City Challenge and the Best Value consultation highlighted the support for this fund from the sector. Currently financial resource for this fund comes from SBC resources topped up with Neighbourhood Renewal Funding.

BACKGROUND

3. In light of the cross-cutting review initiated by central government to examine the role of the Voluntary Community Sector in delivering public services, it is recognised that there is a need to build capacity and ensure additional support for the sector. At the end of June 2004 the government published "Change Up: Capacity Building and Infrastructure Framework for the Voluntary and Community Sector", which sought to provide a strategy for increasing the capacity of the sector. In addition with the move towards greater partnership working the Audit Commission has taken an increasing interest in the governance arrangements that underpin these. The potential for an enhanced role for the Voluntary & Community Sector (VCS) brings with it the need for clear and rigorous scrutiny and performance management framework.
4. We supported 13 organisations when the VSSF underwent a review in a report to Cabinet 11th November 2004 when allocations and indicative allocations were agreed, subject to funding, based upon criteria which included - the level of turnover for each organisation, the number of buildings and the number of wards in which the organisation delivers its services.
5. In order to enable organisations to undertake suitable financial planning, Core Funding Agreements (CFA's) are provided annually. The CFA's prescribe all the obligations of the organisation in return for the funding, such as legal and financial requirements. They also contain a number of conditions for all organisations, which include providing:
 - Annual Reports
 - Business Plans
 - Audited accounts

The performance of the voluntary organisations benefiting from this support is monitored by SBC. The Core Funding Agreement requires organisations to set yearly milestones and report progress against these six monthly and provide information regarding the number of clients, partnership working, strategic partnership involvement, customer satisfaction, progress, and the opportunity to provide any additional information.

6. The milestones for 2005/6 and progress against them are set out in a table at Appendix 2.
7. To address the national and local (raised in our Audit Commission Assessment) moves towards greater focus on governance arrangements a 'Code of Practice – Governance' has

been developed with our core funded voluntary sector organisations to ensure that all Voluntary and Community Sector organisations receiving money, either from or through the Council or who are using Stockton Borough Council assets, operate appropriate governance structures and procedures.

8. A governance event to launch the Code of Practice was held on the 26th July 2005, which was attended by over 60 people from the Voluntary and Community Sector, and the evaluations and general feedback revealed that the Code of Practice was welcomed overall. A copy of the Code of Practice – Governance has been circulated through the SVDA database and SRCGA database for completion by all organisations in receipt of Council support. SRCGA have also held a number of open-door surgeries for community groups to assist with the completion of the Code of Practice. A database has been developed by the Council to log the completed Code of Practice documents and reminder letters are being sent out to ensure that all appropriate organisations complete the questionnaire. At present a total of 30 have been received. This work will continue and completion will be a pre-requisite for those receiving grants or support from the Council from April 2006.
9. The end of the Single Regeneration Budget funding and the Single Community Programme funding streams have contributed to financial difficulties for the two umbrella groups in the Borough, Stockton Voluntary Development Agency and Stockton Residents and Community Groups Association. In light of these challenges both organisations are seeking a way forward that provides a more unified, better structured and resourced lead body to service this sector. An organisation review and development of a future strategy encompassing the rationale of both organisations is currently taking place to determine how they can work to best service the VCS in Stockton-on-Tees.
10. Other developments in the sector, which affect the indicative core funding allocations from the Voluntary Sector Core Fund, include changes to the organisations that benefited from the Fund. Following the liquidation of the Forge Community Resource Centre – the centre is temporarily being ran by Stockton Borough Council, however a longer term solution is required. The Forge Community Resource Centre was one of the recipients of the core funding. Similarly, following the liquidation of the Richard Hind Centre, the core funding allocation was provided to Stockton International Family Centre (SIFC) to maintain a community resource in the area. However the Richard Hind Centre has now been taken under the umbrella of Sure Start and the payment that SIFC would have received had they retained the centre has been reviewed and a one off payment of £25k allocated pending a wider review of the funding later this year.

THE WAY FORWARD

11. Discussions have been held with Newtown Community Resource Centre around undertaking management responsibility for the Forge Community Resource Centre. This will provide economies of scale through shared management across both centres and will be used to support the kick starting of activity, core-running costs and to continue a dedicated resource for the community. Therefore it is proposed that an allocation of £50,000 p.a. is made to support Newtown Community Resource Centre and the Forge using this underspend from the VSSF. This will result in an overall saving to the Council budget of £10,000 on the anticipated spend this year on the Core Funding.
12. As outlined in the Cabinet report on 11th November 2004 the Hardwick allocation will also need to be transferred to an appropriate delivery organisation in the area. This will be agreed through the Hardwick Community Partnership to ensure that an appropriate delivery agent is commissioned to address the key priorities in the area.
13. New milestones are currently being negotiated with the recipients of the VSSF to develop milestones to be contained within the CFA's which (i) support the delivery of borough wide

strategies and outcomes (ii) make a contribution to the development of initiatives and (iii) improve the quality and life chances of the communities, which they serve. It is also proposed that SVDA/SCRGA, as one of the milestones within their Core Funding Agreement, provide a copy of their membership database annually to the Council to support the work around governance.

14. Whilst indicative allocations have been identified for 2007/08 in light of the emerging independent review of the SVDA and SCRGA it is proposed that a comprehensive review of the Voluntary Sector Core Fund takes place later this year when a clearer way forward has been identified by the Voluntary Community Sector for the core support functions of any umbrella organisation/s and how it will be delivered. It is proposed to present a paper back to Cabinet in September 2007 detailing changes in the sector. Furthermore in view of the enhanced governance arrangements being adopted by the Council it is hoped to develop a system whereby funding is allocated on a performance-based system.
15. Democratic Services are also currently reviewing the member's involvement on outside bodies to assess training and support needs and this work will be reflected in the review.

FINANCIAL AND LEGAL IMPLICATIONS

16. The fund currently has £420,027 (2006/07) and, £425,420 (2007/08). These allocations include, £1,543 (2006/07) and £2,751 (2007/08) from the Community Regeneration Support Fund.
17. Renaissance has approved £120,000 from the NRF for 2006/7 and a further £120,000 for 200/6.
18. The total amount of the VSSF fund for 20067 is £540,027. The total amount allocated for 2006/7 from this fund is £529,671. The £25k one off payment for the Stockton International Family Centre will be met from existing budgets. The remaining £10,356 will be reserved.
19. Allocations from further rounds of NRF will be sought to the sum of £120,000 for each of the financial years 2008/09 and 2009/10; this is subject to securing of funds and any regulations attached to its usage.

Legal

N/A

RISK ASSESSMENT

20. Experience over the previous term of the Core Funding Agreements (CFA) has highlighted the risk associated with levels of governance in the Voluntary Sector. Without suitable support in ensuring governance levels for recipients of public funds meet the requirements coming through from Government there is a medium risk (score of 9) that the Council is called to intervene in the operation of Voluntary organisations. The new Code of Practice will ensure that processes are in place to prevent organisations from failing to establish such governance levels that satisfy the Council's audit and identify probity of usage of public monies thus reducing risk to a very low level.
21. Without VSSF sector there is significant risk that the services offered by its recipients will be lost and the sector as a whole significantly weakened (score of 12).

COMMUNITY STRATEGY IMPLICATIONS

The granting of the Voluntary Sector Support Fund to recipient organisations is in accordance with and links directly into the five policy platforms of the 2005-2008 Community Strategy.

CONSULTATION INCLUDING WARD/COUNCILLORS

Renaissance have agreed an Neighbourhood Renewal Fund allocation of £260,000 for 2006/8 to supplement the Voluntary Sector Support Fund.

Name of Contact Officer: Dawn Welsh
Post Title: Neighbourhood Renewal Manager
Telephone No. 01642 526011
Email Address:

Background Papers Cabinet Report of 7th March 2002 & 14th November 2004

Ward(s) and Ward Councillors: All

Property: The Forge Community Resource Centre; Stockton International Family Centre Dovecot Street; 32 Dovecot Street; Thornaby Community Resource Centre Eldon Street; South Thornaby Community Resource Centre; Newtown Community Resource Centre

All above properties are leased from the Council by current VSSF recipient organisations. Combined with the risks identified earlier in the report there is potential that should an organisation fail then any buildings leased by that organisation would become vacant.

APPENDIX 1

RECOMMENDED CORE FUNDING ALLOCATIONS

ORGANISATION	Indicative Allocations	Indicative Allocations
	2006/7	2007/8
Stockton Residents & Community Groups Association	35,381	35,734
Stockton International Family Centre	54,111	54,652
U.N.I.T.E	16,650	16,815
Stockton Borough Voluntary Development Agency	35,381	35,734
Newtown-Norton Community Resource Centre	£50,000	£50,500
Hardwick 1	30,178	30,479
Stockton District Information & Advice Service	148,935	150,423
The Corner House	35,381	35,734
The Clarences	19,771	19,969
The Five Lamps	73,883	74,622
The Billingham Partnership	30,000	30,300
TOTAL	540,027	545,420
Funded by:		
SBC (VSSF) 3	418,484	422,669
SBC (CRSF)	1,543	2,751
NRF	120,000	120,000
TOTAL	540,027	545,415

1. Transfer to an appropriate delivery organisation working in Hardwick (TBC)

APPENDIX 2

**VOLUNTARY SECTOR SUPPORT FUND
MILESTONES – PROGRESS 2005 – 06**

ORGANISATION	MILESTONES	ACHIEVED Y/N
Stockton Residents & Community Groups Association	<ul style="list-style-type: none"> • SRCGA will be in compliance with the 'Voluntary Sector Support Fund Governance - Code of Practice' by 31st December 2005; • SRCGA will provide information, advice and guidance to the remaining 11 Voluntary sector Core funded organisations in implementing the 'Code of Practice-Governance' (which will also have to be complete by the 31st December 2005) as and when required; and finally • SRCGA will work with the Neighbourhood Renewal Team at SBC, to identify milestones / targets to be included in the next financial year 2006/07. 	<p>Y</p> <p>Y</p> <p>Y</p> <p>underway</p>
Stockton International Family Centre 1	<ul style="list-style-type: none"> • SIFC will be in compliance with the 'Code of Practice-Governance' by 31st December 2005; • SIFC will work with the Neighbourhood Renewal Team at SBC, to identify milestones / targets to be included in the next financial year 2006/07. 	<p>Y</p> <p>underway</p>
U.N.I.T.E	<ul style="list-style-type: none"> • UNITE will be in compliance with the - 'Code of Practice-Governance' by 31st December 2005; • UNITE will work with the Neighbourhood Renewal Team at SBC, to identify milestones / targets to be included in the next financial year 2006/07. 	<p>Y</p> <p>underway</p>
Stockton Borough Voluntary Development Agency	<ul style="list-style-type: none"> • SBVDA will begin to bring together the Voluntary Sector as a partnership/forum on a quarterly meeting basis; -This will allow for the sector to have mechanism to draw upon the voluntary sector collectively. Furthermore, SBC will be able to feed into the sector on items such as Renaissance updates, governance issues, voluntary sector representation; any joint issues etc; • SBVDA will be in compliance with the 'Code of Practice-Governance' by 31st December 2005; • SBVDA will provide information, advice and guidance to the remaining 11 Voluntary sector Core funded organisations in implementing the 'Code of Practice-Governance' (which will also have to be complete by the 31st December 2005) as and when required; and finally • SBVDA will work with the Neighbourhood Renewal Team at SBC, to identify milestones / targets to be included in the next financial year 2006/07. 	<p>N</p> <p>N</p> <p>Y</p> <p>underway</p>

Hardwick Partnership 2	in	<ul style="list-style-type: none"> HIP will be in compliance with the 'Voluntary Sector Support Fund Governance - Code of Practice' by 31st December 2005; HIP will work with the Neighbourhood Renewal Team at SBC, to identify milestones / targets to be included in the next financial year 2006/07. <p>*(A recipient for Hardwick's 2006/07 allocation still needs to be agreed)</p>	Y *
Stockton District Information & Advice Service		<ul style="list-style-type: none"> SDIAS will be in compliance with the 'Voluntary Sector Support Fund Governance - Code of Practice' by 31st December 2005; SDIAS will work with the Neighbourhood Renewal Team at SBC, to identify milestones / targets to be included in the next financial year 2006/07. 	Y Y
The Corner House		<ul style="list-style-type: none"> The Corner House will be in compliance with the 'Voluntary Sector Support Fund Governance - Code of Practice' by 31st December 2005; The Corner House will work with the Neighbourhood Renewal Team at SBC, to identify milestones / targets to be included in the next financial year 2006/07. 	Y underway
The Clarence's		<ul style="list-style-type: none"> The Clarences will be in compliance with the 'Voluntary Sector Support Fund Governance - Code of Practice' by 31st December 2005; The Clarences will work with the Neighbourhood Renewal Team at SBC, to identify milestones / targets to be included in the next financial year 2006/07. 	Y underway
The Five Lamps		<ul style="list-style-type: none"> The Five Lamps will be in compliance with the 'Voluntary Sector Support Fund Governance - Code of Practice' by 31st December 2005; The Five Lamps will work with the Neighbourhood Renewal Team at SBC, to identify milestones / targets to be included in the next financial year 2006/07. 	Y underway
The Partnership	Billingham	<ul style="list-style-type: none"> The Billingham Partnership will be in compliance with the 'Voluntary Sector Support Fund Governance - Code of Practice' by 31st December 2005; The Billingham Partnership will work with the Neighbourhood Renewal Team at SBC, to identify milestones / targets to be included in the next financial year 2006/07. 	Y underway