

AGENDA ITEM

REPORT TO CABINET

15 JUNE 2006

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Regeneration and Transport-Lead Cabinet Member- Councillor Cook

VOLUNTARY SECTOR SUPPORT FUND REVIEW

1. Summary

This report outlines for Cabinet discussion some key issues in the voluntary/community sector and a process for reviewing the Council's Voluntary Sector Core Funding, a fund which provides financial support to eleven of the main voluntary and community sector organisations in the Borough (see Appendix 1 for details).

2. Recommendations

That Cabinet approve the process and timetable for the review of the Council's Voluntary Sector Core Funding set out at paras 8 and 9.

3. Reasons for the Recommendations/Decision(s)

The Cabinet meeting on 11th November 2004 agreed indicative allocations for the main voluntary sector organisations through to March 2008. An interim report was submitted to Cabinet on 9th March 2006 outlining changes to the sector, including new governance arrangements and agreeing allocations for 2006/7 subject to compliance by recipients in meeting the Council's 'Code of Practice-Governance'. At that meeting Cabinet also agreed a comprehensive review of the fund later in the year to reflect changes to the sector including an independent review of the Stockton Voluntary Development Agency (SVDA) and Stockton Residents and Community Groups Association (SRCGA) umbrella organisations which is underway.

This report outlines a process to carry out a comprehensive review to culminate in a report to Cabinet in September that will recommend indicative allocations over the next three years.

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.

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SUMMARY

This report outlines for Cabinet discussion key issues and a process for reviewing the Council's Voluntary Sector Core Funding, a fund which provides financial support to eleven of the main voluntary and community sector organisations in the Borough (see Appendix 1 for details).

RECOMMENDATION

That Cabinet approve the process and timetable for the review of the Council's Voluntary Sector Core Funding set out at paras 8 and 9.

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. Currently financial resource for this fund comes from SBC resources (£420,000) topped up with (£120,000) Neighbourhood Renewal Funding.
2. The Cabinet meeting on 11th November 2004 agreed indicative allocations for the main voluntary sector organisations through to March 2008. An interim report was submitted to Cabinet on 9th March 2006 outlining changes to the sector, including new governance arrangements and agreeing allocations for 2006/7 subject to compliance by recipients in meeting the Council's 'Code of Practice-Governance'. At that meeting Cabinet also agreed a comprehensive review of the fund later in the year to reflect changes to the sector including an independent review of the Stockton Voluntary Development Agency (SVDA) and Stockton Residents and Community Groups Association (SRCGA) umbrella organisations which is underway.
3. This report outlines a process to carry out a comprehensive review to culminate in a report to Cabinet in September that will recommend indicative allocations over the next three years.

VOLUNTARY SECTOR SUPPORT CORE FUND KEY ISSUES

Umbrella Organisations/Deliverers

4. At present recipient organisations of the core funding include both umbrella organisations and deliverers of services, who sign a core funding agreement with the Council to deliver a series of milestones. The review offers an opportunity to differentiate between the two and to move towards more of a commissioning basis for those that are deliverers to allow further alignment of outcomes to support objectives in key Council strategies. An example of this is the approach recently taken to plug a gap in providing independent advice and confidential support/signposting to the BME community where clients may be reluctant to use the International Family Centre because of perceived concern about confidentiality due to the organisations strong roots in the community. One of our core funding recipients,

Stockton District Advice and Information Service were requested to tailor their service to provide this support as one of their milestones under our Core Funding Agreement. This approach would require a co-ordinated approach across services in the Council to pin down achievable milestones and a commissioning approach to identify organisations that could deliver them. The term of any indicative allocations would need to be of sufficient duration to allow organisations to do their forward financial planning (three years) and to further tie outputs to our key medium term strategies.

Governance/Performance Management

5. A great deal of progress has been made on governance and performance management over the last year with the introduction of the Council's Code of Practice-Governance and the development of a database of voluntary sector organisations who are in compliance with the code. It is now a condition of any grants or contracts to the voluntary/community sector that organisations are in compliance with the code.
6. Allocations to umbrella organisations are already linked to performance against a series of milestones, which will indicate support to the wider voluntary/community sector. Differentiating between our true umbrella organisations and our deliverers would allow us to strengthen this approach by including consultation with the umbrella organisations 'client organisations', particularly the smaller organisations on what support they need from the umbrella organisations as part of our review of the VSSCF. It is likely that this will identify amongst other things a need for support around constitutions, registering as a charity, human resources and financial advice or signposting to such advice. Consulting the 'client' organisations at this point could allow the Council to engage them in the annual evaluation of the performance of their umbrella organisation, which forms part of recipient organisations Core Funding Agreement. This approach could promote greater and more consistent engagement of the sector with their umbrella organisations and vice versa.

Member representation on voluntary/community sector organisations

7. Democratic Services have recently conducted a review of Member representation on outside bodies and the insurance arrangements that organisations have in place to cover Members who serve on them. The initial proposals, from the review of the VDA/SCRAGA, indicate that any new umbrella organisation arising from the review will not be seeking councillor representation on the Board of Directors. The review of the voluntary sector core funding affords the opportunity to consult Members on whether they want formal representation on these outside bodies and to explore other models of engagement for Members.

Way Forward

8. It is anticipated that the independent review of the Stockton Voluntary Development Agency (SVDA) and Stockton Residents and Community Groups Association (SRCGA) umbrella organisations will be finalised and organisational changes implemented by the end of June 2006. Therefore it is proposed to hold a seminar in July to inform Council Members of the final arrangements and to kick start the review of the Voluntary Sector Support Core Funding. This seminar would also include representation from services across the Council to help identify desired outcomes from the voluntary sector which will support key strategies. It will be important to build into the review consultation with the voluntary and community sector so the following timetable and stages are proposed to culminate in a report to Cabinet in September 2006.

9. **Timetable for review**

Beginning of July- Member and officer consultation seminar to discuss -

Umbrella organisations/ delivery organisations
Core funding/commissioning
Governance/Performance management
Member representation on boards

July -Aug Consultation with the recipient voluntary sector organisations, the other VCS organisations registered on the Council's 'Code of Practice-Governance ' database and other voluntary sector organisations in the Borough

September 2006- Report to Cabinet
Formal notification to existing recipients of any changes to the allocations.

April 2008- Earliest implementation of proposals

10. It will be necessary to allow organisations a lead in time therefore it is proposed that any new arrangements for the core funding be implemented at the earliest in April 2008/9, which would allow organisations 18 months notice of any changes to their allocations.

FINANCIAL AND LEGAL IMPLICATIONS

11. The fund currently has £420,027 (2006/07) and, £425,420 (2007/08). The fund in future years will be subject to the Medium Term Financial Planning process.
12. Renaissance has approved £120,000 from the NRF for 2006/7 and a further £120,000 for 2007/8.
13. The total amount of the VSSF fund for 2006/7 is £540,027. The total amount allocated for 2006/7 from this fund is £529,671.
14. 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.

RISK ASSESSMENT

15. 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 low level.
16. 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

17. 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

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

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Background Papers Cabinet Report of 7th March 2002, 14th November 2004 and 9TH March 2006
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.

CORE FUNDING ALLOCATIONS

ORGANISATION	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 in Partnership	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