

**AGENDA ITEM**

**REPORT TO CABINET**

**1 FEBRUARY 2007**

**REPORT OF CORPORATE  
MANAGEMENT TEAM**

**CABINET DECISION**

**Regeneration and Transport – Lead Cabinet Member – Councillor Cook**

**VOLUNTARY SECTOR SUPPORT FUND ALLOCATIONS 2007/8**

1. Summary

This report seeks the approval of expenditure from the Voluntary Sector Support Fund (2007/8) towards the voluntary sector organisation's core costs during 2007/8 (detailed at **Appendix 1**). The allocation of core funding is essential to the operation of the organisations concerned. The report also highlights the delay in the planned review of Voluntary Sector Support allocations for future years due to outside influences.

2. Recommendations

1. That funding from the Voluntary Sector Support Fund be approved for allocation to the Voluntary Sector for the financial year 2007/8 as detailed in **Appendix 1** and Core Funding Agreements (CFA) be extended for that period.
2. That the allocations for 2007/8 as detailed in **Appendix 1** be approved subject to compliance by recipients in meeting the 'Code of Practice – Governance'
3. 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 Housing.
4. That a comprehensive review of the Voluntary Sector Support Fund arrangements be undertaken and report be brought back to Cabinet in November in light of the independent review of the Stockton Voluntary Development Agency (SVDA) and Stockton Residents and Community Groups Association (SRCGA) merger which is underway, governance issues and other changes within the sector.
5. As part of the Voluntary Sector Support Fund review to consult members on the options for formal representation on the Boards of recipient organisations
6. Agree a protocol for Officer support to the Management Boards of Voluntary Sector Support Fund recipients.

3. Reasons for the Recommendations/Decisions

This is an update report to release funds to the recipient organisations early in the new financial year 2007/8. This report outlines a timetable for a more fundamental review by

November 2007 when the sector's review of two key umbrella organisations has been completed and implementation begun.

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 judgment 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

## REPORT TO CABINET

1 FEBRUARY 2007

## REPORT OF CORPORAETAE MANAGEMENT TEAM

### VOLUNTARY SECTOR SUPPORT FUND REVIEW

#### SUMMARY

This report seeks the approval of expenditure from the Voluntary Sector Support Fund (2007/8) towards the voluntary sector organisation's core costs during 2007/8 (detailed at **Appendix 1**). The allocation of core funding is essential to the operation of the organisations concerned. The report also highlights the delay in the planned review of Voluntary Sector Support allocations for future years due to outside influences.

#### RECOMMENDATIONS

1. That funding from the Voluntary Sector Support Fund be approved for allocation to the Voluntary Sector for the financial year 2007/8 as detailed in **Appendix 1** and Core Funding Agreements (CFA) be extended for that period.
2. That the allocations for 2007/8 as detailed in **Appendix 1** be approved subject to compliance by recipients in meeting the 'Code of Practice – Governance'
3. 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 Neighbourhood Services in consultation with the Cabinet Member for Housing.
4. That a comprehensive review of the Voluntary Sector Support Fund arrangements be undertaken and report be brought back to Cabinet in November in light of the independent review of the Stockton Voluntary Development Agency (SVDA) and Stockton Residents and Community Groups Association (SRCGA) merger which is underway, governance issues and other changes within the sector.
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6. Agree a protocol for Officer support to the Management Boards of Voluntary Sector Support Fund recipients.

#### 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) augmented in 2007/8 only with (£120,000) Neighbourhood Renewal Funding (NRF).
2. The Cabinet meeting on 11<sup>th</sup> November 2004 agreed indicative allocations for the main voluntary sector organisations through to March 2008. An interim report was submitted to Cabinet on 9<sup>th</sup> 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) which is nearing completion.

3. This report updates a process to carry out a comprehensive review to culminate in a report to Cabinet in Autumn 2007 that will recommend the process for distributing the funding allocations within the framework of a medium term financial plan.

## **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. The review offers an opportunity to develop more of a commissioning approach to the delivery of services with a stronger alignment of outcomes to support key objectives in the Community Strategy. We would anticipate that allocations would need to be of sufficient duration to allow organisations to forward plan in the medium term in line with the Council's own financial planning and this would allow the setting of longer term service delivery outcomes.

### **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 umbrella organisations and those delivering services 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/SRCGA, 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. 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 November 2007.

#### 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 –Sept** 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

**November 2007** Report to Cabinet  
Formal notification to existing recipients of any changes to the allocations.

10. It will be necessary to allow organisations a lead in time if it is proposed that any new arrangements for the core funding be implemented following the review. There will however be a significant pressure on resources if further NRF allocations are not part of the forthcoming Government Spending Review.

#### **FINANCIAL AND LEGAL IMPLICATIONS**

11. The fund currently has £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 of NRF for 2007/8.
13. The total amount of the VSSF fund for 2007/8 is £545,420. The total amount allocated for 2007/8 from this fund is £545,420.

#### **RISK ASSESSMENT**

14. 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.
15. Without VSSF 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**

16. 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**

17. All Ward Members will be fully involved in the review process.

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Background Papers Cabinet Reports of 9<sup>th</sup> March 2006 & 15<sup>th</sup> June 2006

Ward (s) and Ward Councillors: All

Property: No changes to the Council's Portfolio of Community Buildings

