

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

5th MARCH 2009

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

**Regeneration & Transport – Lead Cabinet Member – Cllr. Robert Cook
Access & Communities – Cabinet Member – Cllr. David Coleman**

VOLUNTARY SECTOR SUPPORT FUND 2009/10 ALLOCATIONS & REVIEW

1. Summary

The purpose of this report is two fold:

- i) To approve the specific allocation of Voluntary Sector Support Fund to 11 core funded organisations during 2009/10 as set out as **Appendix 1** to this report.
- ii) To agree the objectives for a review of the Voluntary Sector Support Fund during 2009/10

2. Recommendations

1. Members approve the distribution of the £553,869 Voluntary Sector Support Fund (including an additional one year only funding approved by Council on 25 February 2009) to the 11 organisations as set out at **Appendix 1**.
2. Allocations for 2009/10 as detailed in **Appendix 1** are approved subject to compliance by the recipients in meeting the “Code of Practice – Governance”.
3. Cabinet agree the objectives for a review of the Voluntary Sector Support Fund during 2009/10 as set out in paragraphs 7.1 to 7.3 of this report.
4. Cabinet endorse the involvement of Catalyst, the strategic body for the voluntary & community sector in Stockton to be a key consultee and partner in undertaking the review of the Voluntary Sector Support Fund.
5. Cabinet delegate the final agreement of the outcomes provided by the investment of the Voluntary Sector Support Fund to the Head of Housing, the Cabinet Member for Regeneration & Transport and the Cabinet Member for Access & Communities.
6. Cabinet delegate authority to the Head of Housing, the Cabinet Member for Regeneration & Transport and the Cabinet Member for Access & Communities to agree amendments of individual allocations from the VSSF plus or minus 10%

3. Reasons for the Recommendations/Decision(s)

Nos.1, 2, 5, & 6 to ensure that vital payments can be made to our voluntary sector partners in the new financial year from April 2009.

Nos.3 & 4 to ensure that the funding review is appropriately objective led and conducted with regard to the Council's Compact with the voluntary and community Sectors.

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 (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must 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 (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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SUMMARY

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- i) To approve the specific allocation of Voluntary Sector Support Fund to 11 core funded organisations during 2009/10 as set out as **Appendix 1** to this report.
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RECOMMENDATION

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6. Cabinet delegate authority to the Head of Housing, the Cabinet Member for Regeneration & Transport and the Cabinet Member for Access & Communities to agree amendments of individual allocations from the VSSF plus or minus 10%

DETAIL

Background to Allocations

1. The Voluntary Sector Support Fund (VSSF) in 2008/9 comprises of £430,869 of Council funding and is supplemented by £123,000 of Working Neighbourhood Fund (WNF). The WNF allocation replaced a three year allocation of Neighbourhood Renewal Funding but is specifically limited to 2008/9. On 25 February 2009 Council approved an additional £123,000 for one year only which is to be added to the core funding in 2009/10 giving a total fund of £553,869 to be distributed to the 11 organisations as set out at **Appendix 1**.
2. Negotiations are ongoing with the grant recipients concerning the outcomes to be provided in return for the VSSF investment in the recipient organisations during 2009/10. The outcomes are revised annually with the aim that they become more focused, provide greater clarity on achievement and become more measurable. For illustrative purposes the outcomes associated with the 2008/9 allocations are attached as **Appendix 2** to this report
3. Core Funding Agreements (CFAs) are in place with all the core funded organisations. Monitoring is regularly reviewed against the CFA, the autumn 2008 returns demonstrated achievement for all organisations without exception.

The VSSF Review

4. There was an expectation that the Voluntary Sector Support Fund (VSSF) be reviewed during 2008 both within the Council and throughout Stockton's Voluntary and Community sectors. The review has deliberately been held over until 2009 to allow Catalyst, the strategic organisation for Stockton's third sector to become sufficiently established to have an active role in the review.
5. The previous review of the VSSF was considered by Cabinet in March 2002. The funding formula set has influenced all subsequent years allocations. The 2002 review did not make any radical changes to the scheme or draw any new organisations in to the core funding pool. The 2002 review did establish however a funding formula to which there were exceptions and caveats from the outset.
6. The Value of VSSF to Grant Recipients is more than financial. It provides a "clean" funding stream to be used as match funding for a variety of National and European regimes. As important is the credibility that a core grant provides to an organisation. If Stockton-On-Tees Borough Council has the confidence to invest in an organisation this is a strong message to other potential funders to follow suit. The Council's contribution of £430k towards the Voluntary Sector Support Fund contributes to a turn over in excess of £4,085,146 within the eleven core funded organisations or 10.5%. The opportunity to explore other forms of Council endorsement other than financial to an organisation could be part of the forthcoming VSSF review.

The Objectives of the 2009 Review

7. A number of objectives have been developed to help shape the review as set out below.

- 7.1 Objective 1 – Consolidate the Borough’s Strategic Infrastructure. Experience in Stockton and nationally demonstrates that strong strategic infrastructure is key to creating an environment for a vibrant and thriving third sector. The principle objective of the 2009 review therefore must be to allocate adequate resources to fund the Borough’s infrastructure including the Strategic Infrastructure Body, namely Catalyst
- 7.2 Previously in Stockton the third sector infrastructure bodies have become service delivery agencies. This situation has created inherent tensions in that the infrastructure agency may come to compete with it’s third sector partners to secure funding contracts in order to earn and income and be sustainable. A properly resourced infrastructure body has the best prospect of achieving it’s objectives to be an advocate for, to support, to develop and to secure inward investment for the sector as a whole.
- 7.3 The Community Empowerment Network underpins Stockton’s approach to resident engagement across the Borough. Having initially been financed by a specific Government Grant which has subsequently been reduced and finally withdrawn, the CEN is critical to the functioning of Stockton Renaissance. The CEN is the principle means of ensuring residents are adequately informed and empowered to participate in area and thematic partnerships and to become representatives on the Renaissance Partnership Board itself. In 2009/10 the CEN will be funded by from the Community Fund as an interim measure, no alternative resource can be identified beyond March 2010 other than incorporating this commission in to the Voluntary Sector Support Fund. As part of the review we will consult with the sector to review and refresh the CEN.
8. Objective 2 – A Flexible Support Fund – The second objective of the VSSF review is to create a more flexible means of support appropriate to the changing needs of Stockton’s Voluntary and Community Sectors. A number of issues are anticipated to emerge in conducting the VSSF review including the creation of an Emergency/Loan Fund:
- An Emergency Fund - There have been a number of occasions in the past where 3rd sector partners have faced acute financial difficulties leading to their closure. Consideration will be given to making an element of VSSF available as an emergency fund as part of a package of recovery that includes emergency financial support to on going capacity building to ensure the problem does not reoccur.
 - A Loan Fund – Cash Flow issues are a recurring problem amongst 3rd sector organisations. Consideration will be given as part of the VSSF review to using an element of fund to intervene where a cash flow hiatus is threatening the proper function of a voluntary or community sector organisation.
9. Objective 3 – Measuring the Contribution of the 3rd Sector – The third key objective of the 2009 VSSF review is to demonstrate more clearly the direct and indirect contributions from the investment of core funding to the achievement of National Indicators, especially NI7 and others within the Stronger Communities, LAA targets and the Sustainable Community Strategy. Since 2002 the outcomes associated with the investment of VSSF grant have been monitored against an annually agreed set of milestones. Background work on the VSSF review has included a questionnaire distributed to all organisations receiving core grant. As part of completing the form, core funded organisations have been asked to consider their contributions towards

National Indicators, performance targets expressed within the Local Area Agreement and core improvement themes within the Sustainable Community Strategy. The information returned demonstrates the value of partnership working with Stockton's Voluntary and Community sectors which needs to be drawn out more clearly as part of the review process.

The Review Process

10. It is proposed that Catalyst is the key consultee in the review process. Partnership working with Stockton's third sector infrastructure organisation to undertake the VSSF review is entirely in the spirit of Stockton's Compact and all the published good practice and emerging legislation. The opportunity also exists to develop and links through the planned Third Sector Strategy between core funding and the 3rd sector's strategic priorities. The Third Sector Strategy and resulting strategic priorities will be a key task for Catalyst's Council of Interest.
11. Attached as **Appendix 3** is a project plan outlining an approach to the VSSF review including consultation. In addition to consultation as outlined in the Project Plan throughout the sector there will be a desk review of national good practice and a comparison with the experience with our neighbouring authorities. It is proposed that the outcome of the review be presented to Cabinet during the autumn of 2009.

FINANCIAL IMPLICATIONS

12. The total amount of the Voluntary Sector Support Fund in 2009/10 is £430,869; the total commitments are £430,869. Subject to approval it is proposed that £123,000 from the Medium Term Financial Plan is allocated to supplement the VSSF during 2009/10 making the total fund for distribution £553,869. Finance advice will also be required to consider the feasibility of creating an Emergency/Loan Fund as part of the 2009 review.

LEGAL IMPLICATIONS

13. There are no specific legal implications arising from this report

RISK ASSESSMENT

14. Without any VSSF support to these 11 organisations there would be a significant risk that the services offered by the grant recipients will be severely affected and the sector as a whole significantly weakened (score of 12). Giving the grant recipients as much notice of the likely reduction in their allocations has been an approach to assist their budgeting and therefore try to reduce risks.

COMMUNITY STRATEGY IMPLICATIONS

15. The granting of the Voluntary Sector Support Fund is in accordance with and provides cross cutting support to all the Community Strategy policy platforms i.e.:-

Economic Regeneration and Transport

Safer Communities
Children and Young People
Healthier Communities and Adults
Liveability

EQUALITIES IMPACT ASSESSMENT

16. This report is not subject to an Equality Impact Assessment because these issues will be considered as part of the review process itself.

CONSULTATION INCLUDING WARD/COUNCILLORS

17. All ward members

Name of Contact Officer: Julie Nixon
Post Title: Head of Housing
Telephone No. 01642 527072
Email Address: julie.nixon@stockton.gov.uk

Background Papers

Cabinet Report 14TH February 2008

Ward(s) and Ward Councillors:

All

Property - This report proposes no changes to the Council's Portfolio of Community Buildings

