

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

26th NOVEMBER 2009

REPORT OF CORPORATE MANAGEMENT TEAM

CABINET DECISION

**Access and Communities – Lead Cabinet Member – Councillor Coleman
Regeneration and Transport – Lead Cabinet Member – Councillor Cook**

Voluntary Sector Support Fund and Community Empowerment Network Review

1. Summary

This report provides information to Cabinet on the outcomes from the review of the Voluntary Sector Support Fund and Community Empowerment Network. It makes recommendations for the allocation of the Voluntary Sector Support Fund for 2010/11 and proposes a way forward in relation to determining future funding allocations.

The core purpose of the Voluntary Sector Support Fund is to facilitate the development of a thriving and sustainable third sector in order that voluntary and community sector organisations are well placed to access the significant amount of public service and private sector funding through commissioning and access external grants. In 2008/9 this amounted to expenditure of £11m by the Council.

The proposals in the report address all the main findings arising from the review and would, in summary, see continued support for most of the organisations currently funded but at a reduced level (by 12% for 2010/11) in most cases, a reduction that is less than what the sector were expecting.

A clear time-limited additional piece of work as part of the Communications, Consultation and Engagement EIT review recommendations will be carried out in order to develop a coherent and transparent framework for future core funding decisions from 2011/12, alongside seeking financial contributions from other key public sector partners and linking with strategic sector development work currently being proposed by Catalyst.

In conclusion the proposals within this report will see continued support for the strategic infrastructure for the sector via Catalyst, support to grass roots organisations via Stockton Residents and Community Groups Association and the CEN without the need to utilise voluntary sector support funding for the latter. The financial impact on the sector for 2010/11 has been minimised whilst a more strategic and transparent framework for the allocation of VSSF is developed in 2010/11.

2. Recommendations

Cabinet is recommended to:

- i Receive this report and note its content
- ii Approve the allocations for 2010/11 as indicated in Appendix 1
- iii. Endorse the approach to determining a model for future funding allocations through securing (possibly via RIEP) an independent organisation with an understanding of the Third Sector and Stockton to work with Catalyst and SBC to agree a core funding commissioning framework.
- iv. An update be brought to a future Members Seminar.

3. Reasons for the Recommendations

To ensure the most effective use of the voluntary sector support fund in helping to develop and sustain a thriving third sector.

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.

AGENDA ITEM

REPORT TO CABINET

26th NOVEMBER 2009

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

**VOLUNTARY SECTOR SUPPORT FUND AND COMMUNITY
EMPOWERMENT NETWORK REVIEW**

SUMMARY

This report provides information to Cabinet on the outcomes from the review of the Voluntary Sector Support Fund and Community Empowerment Network. It makes recommendations for the allocation of the Voluntary Sector Support Fund for 2010/11 and proposes a way forward in relation to determining future funding allocations.

The core purpose of the Voluntary Sector Support Fund is to facilitate the development of a thriving and sustainable third sector in order that voluntary and community sector organisations are well placed to access the significant amount of public service and private sector funding through commissioning and access external grants. In 2008/9 this amounted to expenditure of £11m by the Council.

The proposals in the report address all the main findings arising from the review and would, in summary, see continued support for most of the organisations currently funded but at a reduced level (by 12% for 2010/11) in most cases, a reduction that is less than what the sector were expecting.

A clear time-limited additional piece of work as part of the Communications, Consultation and Engagement EIT review recommendations will be carried out in order to develop a coherent and transparent framework for future core funding decisions from 2011/12, alongside seeking financial contributions from other key public sector partners and linking with strategic sector development work currently being proposed by Catalyst.

In conclusion the proposals within this report will see continued support for the strategic infrastructure for the sector via Catalyst, support to grass roots organisations via Stockton Residents and Community Groups Association and the CEN without the need to utilise voluntary sector support funding for the latter. The financial impact on the sector for 2010/11 has been minimised whilst a more strategic and transparent framework for the allocation of VSSF is developed in 2010/11.

RECOMMENDATIONS

Cabinet is recommended to:

- i Receive this report and note its content.
- ii Approve the allocations for 2010/11 as indicated in Appendix 1.
- iii. Endorse the approach to determining a model for future funding allocations through securing (possibly via RIEP) an independent organisation with an understanding of the Third Sector and Stockton to work with Catalyst and SBC to agree a core funding commissioning framework.
- iv. An update be brought to a future Members Seminar.

BACKGROUND

1. Cabinet on 5th March 2009 agreed the scope and approach for the review of the Voluntary Sector Support Fund in line with a number of agreed underpinning objectives and principles, including the allocation of adequate resources to support the strategic infrastructure for the sector. The review was held over from 2008 to allow the newly formed strategic third sector organisation, Catalyst, to become sufficiently established to have an active role in the review.
2. The Voluntary Sector Support Fund has been historically used to support third sector organisations but this has been out with any formal strategic framework. A clear, time-limited piece of work as part of the Communications, consultation and engagement EIT review recommendations will be carried out in order to develop a coherent and transparent framework for future core funding and CEN commissioning arrangements.
3. The Community Empowerment Network (CEN) underpins Stockton's approach to engaging residents. Initially funded by a specific Government grant, funding has gradually been reduced and was finally withdrawn. An indication of the activity currently undertaken by the CEN falls into two discrete areas:
 - Direct support for community groups and residents associations, for example through payroll and other 'back office' services, constitutional advice etc.
 - Ensuring community representatives are able to effectively participate in the full range of LSP associated activity, for example through pre-agenda meetings for community representatives, LSP elections, administering volunteer expenses, BME network.
4. The findings from the review identified significant clear support for the strategic infrastructure underpinning the sector, currently provided through Catalyst and the Community Empowerment Network function and for support for grass roots organisations through Stockton Residents and Community Groups Association.
5. In 2009/10, following the withdrawal of specific CEN funding from central government, the CEN was funded from Council headroom as an interim measure, for 1 year only.
6. Funding of £100k to support a CEN function without the need to utilise the VSSF has been secured from efficiency gains to be realised in 2011/12 from the EIT review of communications, consultation and engagement. For 2010/11 this will be funded by the Council, although a request for a contribution to support the CEN/LSP arrangements has been sent to key partners.
7. The contract for delivering a CEN function is administered through the Partnership and Engagement Team within the Corporate Policy, Performance and Communications Team and is currently provided by Stockton Residents and Community Groups Association. This arrangement will remain in place for 2010/11 in advance of the new commissioning framework being in place.
8. In 2009/10 the Voluntary Sector Support Fund distributed £553,000 (excluding the funding for CEN) to support the activities of ten voluntary sector organisations throughout the borough.
9. The sector was already aware that following the end of national grant regimes supporting the voluntary sector support fund, such as the neighbourhood renewal fund and the likely reduction in public sector spend, the amount of funding to be allocated from 2010 would be significantly less than in previous years where the Council has 'topped up' the allocation.

METHODOLOGY

10. The review and the opportunity to participate in the process was widely publicised through Catalyst, Stockton Residents and Community Groups Association (SRCGA) and the Stockton Renaissance infrastructure.
11. A questionnaire was designed drawing on advice and guidance from a range of people in the Council and within the sector itself. Following some initial piloting of the questionnaire it was distributed to 405 organisations on the SRCGA database, as well as being made available on the Council and Renaissance websites and promoted via an 'in brief' item in the local press.
12. Acknowledging that return rates for questionnaires is traditionally lower than other forms of consultation, 3 workshop sessions were held with voluntary and community sector representatives to help them use the questionnaire and promote its availability.
13. In addition, the review was discussed as an agenda item at each of the Renaissance Area Partnership Boards, a specially convened meeting of the Chairs of the Renaissance Thematic partnerships, the Faith Network, Catalyst Board and Council of Interest meetings, Community Empowerment Network,
14. The questionnaire resulted in 31 completed returns (11 completed by individuals and 22 on behalf of organisations). The sessions where the review was considered and discussed and feedback sought have been attended by over 120 individuals.
15. A small review of core funding distribution in other Tees Valley authorities was also undertaken which showed a mixed picture, alongside performance of the respective authorities against the key national indicator for a thriving third sector. In some cases it would appear that funding is being used to support delivery of services against Community Strategy objectives and targets rather than a strategic approach to facilitating a sustainable third sector, with some authorities also undertaking a review of their approach.
16. As part of the discussions with the sector during the review the economic position for the council and other public sector partners was also outlined with a clear indication being given to the sector that funding would be likely to be reduced, not just for 2010/11 year but in future years in line with potential reductions in public sector settlements.

OUTCOME FROM THE CONSULTATION

17. Whilst the questionnaire provided a limited response the outcomes from discussions at the other 12 sessions highlighted in paragraph 10 were captured and have informed the review, alongside the 31 returns.
18. Analysis of all of the contributing information identifies:
 - Clear and significant support for capacity building for community groups and residents associations and for a community empowerment network function.
 - The need for the voluntary sector support fund to be targeted at helping to develop and sustain a thriving third sector that is well placed to access commissioning opportunities and external grant funding.
 - A feeling from the sector that there should be some independent input into the development of a commissioning framework for the VSSF.
 - Continued support for Catalyst as the strategic organisation for the sector.
 - The need for clarity in relation to the respective roles and governance arrangements of Catalyst and Stockton Community Groups and Residents Association that is well communicated and understood both by the sector itself and key public sector partners.
 - The need for consistency of approach to secretariat support and arrangements for the LSP and its underpinning infrastructure.
 - Other key partners in the Local Strategic Partnership should be asked to contribute to Stockton Renaissance and the underpinning empowerment function.

- The need for a flexible/small grants fund and an emergency loan fund with clear criteria.
- Support for developing a volunteer bureau.
- Comments relating to capping/restricting amount of funding linked to turnover.

THE WAY FORWARD

19. In determining a way forward it is necessary to identify the key strategic purpose for the voluntary sector support fund. Community engagement and empowerment are key agendas nationally and locally and, in addition, the range of policy and legislative frameworks support the development and sustainability of a thriving third sector, measured through a number of national indicators, in terms of:
- Facilitating community engagement and the provision of volunteering opportunities
 - Creating choice and alternative delivery models to support local authorities and other public sector organisations in the delivery of services.
 - Promoting social enterprise through the development of sustainable voluntary and community sector organisations for example through securing charitable status, becoming a company limited by guarantee and a range of other enterprise models.
 - Supporting community cohesion.
20. Work by Catalyst to develop a model of what a sustainable third sector organisation looks like has already been proposed through the Catalyst Board, supported by research undertaken through one of the RIEP programmes which will be used to inform any emerging commissioning framework for the VSSF going forward. In addition Catalyst are planning on an activity that will 'baseline' the sector which will help to identify strengths, gaps and opportunities within the sector. It is also working closely with the Central Area Partnership to pilot a volunteer bureau.
21. Funding currently going in to third sector organisations is not only via the voluntary sector support fund but by direct commissioning of a wide range of third sector organisations including local, sub-regional and national. In 2008-9 approximately £11m was invested in commissioning activity from the third sector (including the VSSF), although this figure does include national and sub-regional as well as local third sector organisations but excludes commissions from public service organisations other than the council.
22. The Efficiency, Improvement and Transformation Review of Communications, Consultation and Engagement includes recommendations relating to bringing together community engagement activity that is underpinned by a strategic framework that is likely to include an engagement strategy, a commissioning framework that will include the voluntary sector support funding and links to the developing Third Sector Strategy and a community asset transfer policy/framework – all of which will provide a clear framework/approach within which community engagement and empowerment activity will be delivered going forward.
23. As the EIT review on Information, advice and guidance includes Stockton District Advice and Information Service within its scope the level of funding for 2010/11 has been retained at the 2009/10 level, pending the outcome of that review.
24. The Northern Area Board, via the Billingham Partnership, have been in receipt of core funding which has funded a Partnership Manager. The Area Partnership Review undertaken in 2008 identified that this arrangement was different to support arrangements for the other area partnerships and would be considered as part of the VSSF review.

25. During the period of the review being undertaken SIFC closed. The Council is working closely with the local community and service providers to continue a number of key services whilst a more sustainable solution is identified. It is acknowledged that this might require the identification of additional resources, from within existing resources, depending on the outcome of that work.
26. The funding within the mainstream budget for the Council for the Voluntary Sector Support Fund for 2010-11 is £430,000.
27. Recognising that the current economic climate has resulted in increased demands in relation to many services, some of which are delivered through the core funded organisations, has been factored in to the recommendations from the review.
28. Paragraph 2 above recognises that the current core funding arrangements are based on custom and practice and are outside of any strategic approach or framework. Part of creating a sustainable third sector relates to supporting medium term financial planning. The development of a strategic framework would help to ensure that decisions on core funding arrangements going forward could support this process through 3 year funding allocations subject to review. It would also be necessary to build in some flexibility to deal with emerging third sector issues within an agreed approach.

FINANCIAL IMPLICATIONS

29. The funding for the VSSF is within the Councils planned budget.

LEGAL IMPLICATIONS

30. There are no legal implications directly arising from this report.

RISK ASSESSMENT

31. This report is categorised as low to medium risk should the recommendations be agreed.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

32. A thriving third sector directly contributes to the Sustainable Community Strategy theme of 'Stronger Communities'. In addition the third sector organisations that will benefit from the core funding directly contribute to the delivery of each of the main SCS themes.

EQUALITIES IMPACT ASSESSMENT

33. This report is not subject to Equality Impact Assessment as it makes no proposals for service development or policy change.

CONSULTATION INCLUDING WARD/COUNCILLORS

34. Consultation with the sector is as detailed in the methodology paragraphs of the report. The Leader and relevant portfolio holders have received briefings and the Voluntary Sector Support Fund was discussed at a Member Seminar.

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Background Papers

Cabinet Report 5th March 2009 – Voluntary Sector Support Fund 2009/10 allocations and review
Stockton Renaissance Partnership Board, Review of Area Partnerships, 12th January 2009
Cabinet Report 14th February 2008 – Voluntary Sector Support Fund 2008/9 funding allocations
Cabinet Report 1st February 2007 – Voluntary Sector Support Fund allocations 2007/8
Cabinet Report 15th June 2006 – Voluntary Sector Support Fund review
Cabinet Report 9th March 2006 – Voluntary Sector Support Fund allocations 2006/8

Ward(s) and Ward Councillors:

The Sustainable Communities Act affects all wards in the Borough.

Property

This report has no implications for the Council's Capital Programme and Asset Management Plan.

Organisation	2009/10 allocation	Proposed 2010/11 allocation from VSSF	Comment
Catalyst	36,270.01	31,918	Supported by additional funding for 2010/11 only from Community Development budget
Stockton Community Groups and Residents Association	36,270.01	31,918	
U.N.I.T.E	17,067.23	15,019	
Stockton International Family Centre	55,471.78	0	
Newtown-Norton Community Resource Centre	51,257.50	45,106	
Hardwick in Partnership	30,936.19	27,224	
Stockton District Information and Advice Service	152,679.35	152,679	Included in EIT review on Advice and Guidance
The Corner House	36,270.01	31,918	
The Clarences	20,268.54	17,836	
The Five Lamps	75,741.33	66,652	
The Billingham Partnership	30,754.50	0	To be brought in line with other Area Partnership arrangements via EIT review on Communication, Consultation and Engagement
Planned reserve	10,882.87	10,599	
Total	683,869.02		
Funded by:			
SBC (VSSF)	£430,869	£430,869	
	£123,000 (MTPF)		
	£130,000 (identified savings PPC)		