

**15 January 2015**

**ITEM: 6**

## **Corporate Overview and Scrutiny Committee**

### **Update on progress against recommendations into the impact of savings on the voluntary sector.**

**Wards and communities affected:**

All

**Key Decision:**

Non key

**Report of:** Natalie Warren, Community Development and Equalities Manager

**Accountable Head of Service:** Karen Wheeler, Head of Strategy and Communications

**Accountable Director:** Steve Cox, Assistant Chief Executive.

**This report is Public**

#### **Executive Summary**

This report provides a summary of progress made in developing the recommendations made at a joint meeting of all Overview and Scrutiny Chairs and Vice Chairs to consider the impact of savings to the Voluntary Sector, October 2014.

#### **1. Recommendation(s)**

##### **1.1 Consider progress to date and provide comments where relevant.**

#### **2. Introduction and Background**

2.1 In August 2014 Cabinet agreed to convene an informal meeting of Chairs and Vice Chairs of the Overview and Scrutiny Committees to consider the impact of savings proposals to the Voluntary Sector. The special meeting was held 27 October 2014.

2.2 A number of recommendations were made to help limit the impact of savings proposals to the voluntary sector.

2.3 Since that meeting, officers have worked in partnership with the voluntary sector through CVS and through the Joint Strategic Forum with the voluntary sector to consider the recommendations and help stem the impact of savings on the sector. This paper provides an update on progress to date.

#### **3. Issues, Options and Analysis of Options**

- 3.1 The following section considers each of the recommendations made by the special committee with progress to date:

**Recommendation 1: The Group note the comments made by the Leader of the Council relating to Section 106 monies, the recruitment of a professional bid writer and the temporary use of reserves to provide interim support to the sector in time of transition**

- 3.1.2 S106: There have been discussions with CVS through the Joint Strategic Forum regarding the use of S106 monies and their availability to the voluntary and community sector. The current position is as follows:

- S106 negotiated and received by the Council is identified for specific measures to manage the impact of the development it relates to.
- S106 monies currently held by the Council have already been allocated to projects. While some is unspent it is programmed.
- The Council's Growth Board, chaired by the Chief Executive, is responsible for agreeing how unallocated S106 money should be spent.
- Where unallocated monies are for community facilities, or similar, a series of principles will be agreed with the voluntary sector to inform allocation decisions taken at Growth Board.
- A mechanism is being explored to involve the community and voluntary sector in shaping the infrastructure and other requirements across the Borough in order to inform future S106 negotiations and/or CIL process.

- 3.1.3 A professional bid writer: Initial discussions regarding this recommendation were discussed with the voluntary sector via the Joint Strategic Forum December 2014.

- 3.1.4 The Forum did not feel that one professional bid writer would be able to support a wide range of applications whilst securing income to cover their role. Instead, the Forum thought it would be best to identify a budget for supporting specific bids on an invest to save basis whereby professional bid writers could provide capacity across organisations to secure external funding. This model was especially considered to be appropriate for European Funding.

- 3.1.5 Discussion at the Joint Strategic Forum extended to other ways in which opportunities for securing funding for Thurrock could be explored. These are reflected in the following points for further discussion at the JSF 16<sup>th</sup> January 2015:

- Consideration of a Joint Funding Board to help lever funds into Thurrock, consider up and coming opportunities, liaise with key funders

and commission specific professional bid writing support on a business case model.

- Consideration of a Thurrock Giving initiative – Local giving schemes have been successful in other areas. A common feature of giving schemes is they have come out of Fairness Commissions. As Thurrock is currently establishing a Fairness Commission, there may be opportunity to explore support for this in the future. Something like a Giving Initiative could provide opportunity for an endowment approach to future funding.
- Innovative opportunities – there may be other ways of securing ongoing funds to support future community investment. For example, consideration of a Lottery for Thurrock, or ring-fencing income from different schemes for community investment.

3.1.6 Temporary use of reserves to provide interim support to the sector in time of transition: A draft template to inform the use of reserves is provided at Appendix 1. This will be discussed with the JSF 16 January 2015.

**3.2 Recommendation 2: The alternative budget proposal supplied by the voluntary sector be reviewed and studied to ascertain its viability**

3.2.1 As previously reported to O+S and agreed by Cabinet December 2014, the consideration of the alternative budget proposed by CVS has resulted in a reduction to the proposed savings impact of £249,000. This news has been welcomed by the sector who thanked the council for effort in this area at its meeting December 2014.

**3.3 Recommendation 3: Officers and portfolio holders review the proposals for outsourcing council services to the voluntary sector.**

3.3.1 As previously shared with O+S December 2014, services have provided an initial response to the areas identified by CVS that could be considered to be outsourced. Little progress has been made in the time since the last meeting in taking forward any of the areas where some potential was identified as being likely.

**3.4 Recommendation 4: The Voluntary Sector provide plans on how they could work together to provide joined up services in the future.**

3.4.1 CVS will be reporting back to JSF on this recommendation 16 January 2015 and the response will be shared with O+S if possible, 15 January 2015.

**3.5 Recommendation 5: The current voluntary sector model in Thurrock to be reviewed.**

3.5.1 The following text has been shared with the Joint Strategic Forum (JSF) and the review of the Community Engagement Strategy will take place 2015. Furthermore, The JSF will meet at the same time as Strategy Week 2015 to ensure better communication with the future budget programme.

This recommendation came from the debate at the special Overview and Scrutiny meeting which identified examples of poor communication between the council and voluntary sector.

The main criticism made by the voluntary sector was that little effort was made to inform organisations about the proposed savings prior to the proposals being made public.

The council accepts that with hindsight more could have been done to avoid organisations learning about the proposed impact on their organisation prior to the publication of proposals with Overview and Scrutiny papers.

This will be avoided in the future by reviewing the guidance notes to officers regarding savings proposals, and including advice around communications.

Another example raised at the Overview and Scrutiny meeting was unhelpful comments made by officers in their discussions with the voluntary sector – for example, referring to the Compact as lacking any weight as it is not a legal document with the inference that it could be ignored.

Promoting the importance of the voluntary, community and faith sector as a valued partner is a constant piece of work, and new ways of strengthening our commitment in this area are always being tested.

The Community Engagement Strategy and Compact are the key documents which set out our shared commitments to joint working. The Community Engagement Strategy is to be refreshed 2015 and the Joint Strategic Forum will be utilised to consider how this can consider improvements to joint working.

The Compact was refreshed 2012. There is scope to improve the use of tools such as logging examples which either promote the Compact, or which demonstrate practice which is not Compact compliant so that the council and voluntary sector, through the Joint Strategic Forum, can take a more strategic and informed view of practice across Thurrock. This piece of work will be absorbed in the Community Engagement Strategy (CES) refresh exercise.

Finally, it has been suggested by CVS that the Council needs a strategy as to how it funds the sector. The council has recently worked with the sector to co-design the Thurrock Council's Commissioning, Procurement and Grant Funding Strategy with the Voluntary, Community and Faith Sector (VCFS) 2014/15-2016/17. This sets out key principles and commitments with regard to funding the sector.

Previously, the council has avoided savings to the voluntary sector in order to provide time for the sector to better prepare for reduced income (e.g. 2012/13 voluntary sector grants proposals). It would be almost impossible for the council to be more precise with regards to agreeing budgets to support the voluntary sector outside contracts/ funding agreements. However, the review of the CES provides an opportunity to see if commitments through the Compact can be strengthened. Furthermore, the options work required around Recommendation 1 (S106 and professional bid writer) provide an opportunity to strengthen a partnership approach to budget planning.

**3.6 Recommendation 6: Savings proposals be qualified in future so Members can understand the value of savings in terms of value for money.**

3.6.1 This will be adopted where practicable.

**4. Reasons for Recommendation**

4.1 Members of Corporate Overview and Scrutiny are asked to share their comments on the progress made to date to help inform an ongoing dialogue with the voluntary sector. Budget savings are likely to feature in future years, and it is important that we learn from this year's experiences to help better prepare for dialogue and a joint approach in future years.

**5. Consultation (including Overview and Scrutiny, if applicable)**

5.1 The Joint Strategic Forum with the voluntary sector provides the main opportunity for dialogue with the sector for consulting on proposals. Comments from Overview and Scrutiny will inform discussion at the next meeting scheduled 16 January 2015.

**6. Impact on corporate policies, priorities, performance and community impact**

6.1 The range of services and activities provided across the voluntary sector impact on all corporate priorities.

**7. Implications**

**7.1 Financial**

Implications verified by: **Jonathan Wilson**  
**Acting Chief Accountant**

The financial implications identified to date are explained in the body of this report. These remain under review as the work progresses

**7.2 Legal**

Implications verified by: **David Lawson**  
**Deputy Head of Legal & Deputy Monitoring Officer**

There are no direct legal implications at this stage as this report is to consider progress to date and provide comments where relevant. Due regard should be had to equality impact assessments and consultations.

### 7.3 **Diversity and Equality**

Implications verified by: **Rebecca Price**  
**Community Development Officer**

The impact on equality groups have been considered through individual proposals as they have made their way through the budget process. Efforts made through the recommendations from Overview and Scrutiny have succeeded in reducing the overall impact on the voluntary sector, therefore helping to mitigate the cumulative negative impact.

### 7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

No other implications.

### 8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

Papers and minutes from the special Overview and Scrutiny Meeting 27 October 2014

<http://democracy.thurrock.gov.uk/thurrock/Committees/tabid/62/ctl/ViewCMISCommitteeDetails/mid/463/id/432/Default.aspx>

### 9. **Appendices to the report**

- Appendix 1 – Draft Interim Support Form Application Form.

### **Report Author:**

Natalie Warren

Community Development and Equalities Manager

Strategy Team, CEDU