

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter:	Voluntary Sector Funding 2017/18 to 2019/20 – A report of the Member Task & Finish Group
Meeting/Date:	Overview & Scrutiny (Communities & Environment) – 12th July 2016 Cabinet – 21st July 2016
Executive Portfolio:	Executive Councillor for Community Resilience – Cllr Steve Criswell
Report by:	Head of Community – Chris Stopford Cllr Terry Hayward, Chair of Member Working Group
Ward(s) affected:	All

Executive Summary:

In January 2016, Cabinet resolved to form a Member Task & Finish Group to review the Council's funding to the voluntary sector. The Group convened its first meeting in February 2016, and now presents back its report and recommendations to Cabinet.

The Group has taken evidence from representatives from the voluntary sector and the County Council, and has undertaken further desk-top research with other local authorities. In making its recommendations to Cabinet, the Group recognises the January 2016 Cabinet resolutions, guidance from the National Association of Voluntary and Community Action, and the Council's Corporate Plan 2016-18.

Recommendation(s):

The Overview and Scrutiny Panel is invited to comment on, and endorse the report of the Overview and Scrutiny Task & Finish Group

1. PURPOSE OF THE REPORT

- 1.1 At its meeting in January 2016, the Cabinet agreed the formation of a Member Task & Finish Group ('the Group') to review the Council's funding arrangement for the voluntary sector from 2017/18 until 2019/20. This report provides the conclusions and recommendations emerging from the group.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 The Council has historically supported the voluntary sector across Huntingdonshire through revenue grant funding. The existing funding arrangements ended on the 31st March 2016. January 2016 Cabinet resolved, in defined cases, to extend the funding until 31st March 2017; to establish a Task & Finish group to review the arrangements for allocating Council funding to the voluntary and community sectors; and to propose any changes to funding arrangements to take effect from 1st April 2017.

- 2.2 The Council's approved Corporate Plan 2016-18 makes specific referenced to:-

2.2.1 Enabling Communities – particularly, supporting people to improve their health and well-being, and developing stronger and more resilient communities to enable people to help themselves. The plan also provides for two specific Corporate Indicators, the reduction in the number of people accessing the advice services, and the number of volunteer hours worked within Huntingdonshire.

2.2.2 Becoming a more Efficient and Effective Council – particularly becoming more efficient in the way we deliver services providing value for money services, and becoming a customer focussed organisation

- 2.3 On 25th February 2016, a meeting was convened of the Group to respond to the Cabinet resolution. The meeting was attended by Cllrs Brown, Duffy, Hayward, and Jordan, and supported by the Corporate Director (Delivery), Head of Community and Community Health Manager. Also in attendance at this initial meeting was Cllr Harrison, as Executive Councillor for Strategic Economic Development and Legal. At subsequent meetings, Cllr Jordan stood down from the Member Working Group.

- 2.4 During its research, the Group heard evidence from Sue Grace – Director, Customer Services and Transformation, Cambridgeshire County Council; Julie Farrow – Chief Executive, Hunts Forum; and Batul Dunganwalla – Chief Executive Officer, Rural Cambs Citizens Advice Bureau. Details of the meetings, and evidence obtained, can be found in the background papers.

- 2.5 Research also included a desk-top review of funding arrangements with other local authorities, insofar as internet research of published information would permit; and was supported by evidence from Council Officers regarding the current regime, and experience of previous funding regimes.

3. OPTIONS CONSIDERED & ANALYSIS

- 3.1 The Group considered all options from the continuation of the existing funding arrangements through to the creation of a single contract for the whole of the sector, and the option of terminating the funding to the sector. Options analysis, and discuss on these options are provided below.

3.2 Option 1: Termination of Funding

The Group recognises the value that the voluntary sector provide to the Council's Corporate Plan, and therefore would not support this as a final option.

3.3 Option 2: Continuation of Existing Arrangements

At its January 2016 meeting, Cabinet were referred to the NAVCA guidance¹ *Change for good – Report of the Independent Commission on the future of local infrastructure, January 2015* and its recommendation that local government should 'act strategically to fund core infrastructure functions at the local level, to act as a multiplier, drawing in other resources and creating social capital'. The report also discussed the need for infrastructure bodies to act collaboratively for the benefit of their communities, and to be vigilant in avoiding duplication of others. In response to this, Cabinet resolved that the future funding should be a 'commissioning and outcomes' model.

The Group reviewed the NAVCA guidance, and support the January 2016 Cabinet resolution. Specifically that the future model should be strategic commissioning and therefore would not support a continuation of the existing funding arrangements.

3.4 Option 3: Single Contract Award

The Group considered, and agreed that a single award would, based on the evidence it has obtained during its review, not be cost effective to provide the services required because it would necessitate significant changes in the sector.

There are existing allegiances between the voluntary and community sector, and separately between the information and advice services. This was evidenced through the Group's meetings, and further research. The Group recognise that bringing the existing six contracts into two contracts demonstrates alignment with the NAVCA recommendations, but considered that a single award at this time was not its recommended approach.

3.5 Option 4: The Award of Two Contracts – the provision of advice to Huntingdonshire communities, and the provision of infrastructure and support to the Huntingdonshire voluntary and community sector (VCS).

The Group believes, based on the evidence review undertaken, that this is the best option for the Huntingdonshire communities, and the Council. It recommends that the Cabinet recognise that there are two clear demands one to provide advice that people need help to solve the problems they face and the second to provide the infrastructure and support to the Huntingdonshire VCS. The Group also recommends that there is also an urgent need to provide training and education in support of both sectors, and considers that this should be a consistent theme within both contract awards.

¹ **NAVCA**, the **National Association for Voluntary and Community Action**, is the national membership body for local support and development organisations in England. It was previously called the National Association of Councils for Voluntary Service (NACVS). NAVCA is a strategic partner of the Department of Health and the Cabinet Office's Office for Civil Society

- 3.6 In considering the options for the funding of the voluntary and community sector, as detailed above, the Group recommend Option 4 – the award of two contracts.

4. IMPLEMENTATION OF PERFERRED OPTION

- 4.1 In making its recommendation at 3.6 above, the Group gave further consideration to the implementation of the recommendation.

4.2 Duration of the Contracts

The Cabinet resolution, January 2016, considered funding arrangements to the 31st March 2020. The Group considered options including Council procurement until 31st March 2020, of seeking alignment with the current funding arrangements of Cambridgeshire County Council, and of extending the Council procurement until 31st March 2021

4.2.1 Option A: Funding to 31st March 2020

This is in line with the January 2016 Cabinet resolution, and is within the approved Medium Term Financial Strategy of the Council

4.2.2 Option B: Alignment with the County Council contract

This was rejected on this occasion, the current County Council contract runs until the 31st August 2017, and is considered by the Group to be too short to allow for realistic alignment between the District procurement, and County contract on this occasion.

4.2.3 Option C: Extending funding until the 31st March 2021

The Group recognise that in setting its Budget, and Medium Term Financial Strategy for 2016/17 – 2020/21 that an opportunity to extend funding until 31st March 2021 exists. This would provide further stability in the Huntingdonshire advice service, and voluntary and community infrastructure services. It would allow the sector to develop and further support the Council's Corporate Objectives.

As further consideration, the review of the contract proposed to start from April 2020, would be protected from any suggestion of political bias as it would be disparate from the current elections timetable summarised below:-

October 2016	Contracts awarded for voluntary sector funding – 1st April 2017 to 31st March 2021
May 2018	All Out Local Elections
April 2020	New Task & Finish Group to review future funding arrangements 12 months' Notice to existing providers
October 2020	Award new voluntary sector funding to commence 1st April 2021
May 2022	All Out Local Elections

4.3 In considering the options for the duration of the contract, as detailed above, the Group recommend Option C – the award of contract until 31st March 2021.

4.4 Value of Combined Contracts

In January 2016, Cabinet agreed Option 2 – the tapered reduction of voluntary sector funding over the period to 2016/17 to 2019/20. The Group reconsidered this in light of evidence obtained from its review. It recommends that in order to ensure stability and confidence for long term planning within the sector that Option 3 – the reduction of funding in 2016/17, and then the award of a static annual contract value until 2019/20 should be a preferred option. This would require the contract value for 2017/18 to 2019/20 to be amended from the January 2016 recommendation of £189k to £178k to ensure no impact on the Council's approved budget.

	Option 2 £,000	Option 3 £,000	Option 3 (amended) £,000
2016/17	225	225	225
2017/18	201	189	178
2018/19	178	189	178
2019/20	154	189	178
Total	758	792	759

If Cabinet resolve to extend the contract until the 31st March 2020, as per 4.2.3 above, then further consideration of the overall budget will be necessary, as demonstrated below:

	Option 2 £,000	Option 3 Extended to 2020/21 £,000	Option 3 (amended) Extended to 2020/21 £,000
2016/17	225	225	225
2017/18	201	189	172
2018/19	178	189	172
2019/20	154	189	172
2020/21	154	189	172
Total	912	981	913

In considering the options for the value of the combined contracts, the Group recommend that:

- a) the preferred overall budget model is amended from Option 2 to Option 3, of the January 2016 Cabinet report, and subject to this agreement,
- b) that in the case of funding until 2019/20 the value is reduced to £178k per annum, to ensure that this would have no impact on the overall budget or that budget growth of £34k over the MTFS is allocated to the voluntary sector funding; or
- c) that in the case of funding until 2020/21 the value is reduced to £172k per annum, to ensure that this would have no impact on the overall budget or that budget growth of £69k over the MTFS is allocated to the voluntary sector funding.

4.5 The split of financial value between the two contracts

The Working Group considered the present split of funding across the 6 contracts, as below, and the likely pressures on the sectors over the contract term.

Advice Based Contracts	Infrastructure Based Contracts
Citizens Advice Bureau (£115k)	Hunts Forum for Voluntary Organisations (£38k)
Disability Information Service Huntingdonshire (£19k)	Huntingdon Volunteer Centre (£37)
Care network (£10k)	
Total - £144 (66% of overall budget)	Total - £75k (34% of overall budget)

Table 1: Existing VCS Contracts

In considering the options for the value of the each contacts, the Group recommends a 65% / 35% split in favour of the advice based contract but with flexibility through negotiated contract award of $\pm 10\%$.

4.6 Contract Award process

The Working Groups recommends that the key themes of any procurement exercise, and outcome based commissioning model, should consider the factors given in Table 2 **Error! Reference source not found.** below.

Provision of advice to Huntingdonshire communities	Provision of infrastructure and support to the Huntingdonshire voluntary and community sector (VCS)
Provide advice to all Huntingdonshire communities, through <ul style="list-style-type: none"> • Face to face contact in the four major towns • Home visiting • Web and telephone access 	Provide advice and support for: <ul style="list-style-type: none"> • Community Infrastructure • Community Self-management • Governance • Trustees • Charity foundation and compliance • Sources of, and application support for funding • The encouragement and recruitment of volunteers
Common Themes across both advice, and infrastructure and support	
<ul style="list-style-type: none"> • Training & Education to school, public, HDC Officers and Councillors and other advisors • Provision of funding to meet the task • Provision of Statistics and 6 monthly reports to O&S • Provision of annual accounts 	

Table 2: Desired Outcomes of Commissioning Model

The Working Group recommends that Cabinet should establish a new or retain the existing task and finish group to develop the contract terms including performance metrics, reporting frameworks etc.

The Contract will be advertised in accordance with the Council's Code of Procurement, and will promote the submission of a detailed business case with supporting outcomes and monitoring metrics.

5. KEY IMPACTS / RISKS

- 5.1 The Council's Corporate Plan 2016-18 recognises with the themes of Enabling Communities, and Becoming a more Efficient and Effective Council, the value of partnerships with the voluntary and community sector in delivering a vision of improving the quality of life, deliver economic growth and provide value for money. Not providing the recommended support to the sector may adversely affect the delivery of the vision and objectives, and may result in instability within the sector.
- 5.2 The Council has historically provided support to the voluntary and community sector, the withdrawal of support may result in reputational damage to the District Council and a lack of trust for our communities.

6. TIMETABLE FOR IMPLEMENTATION

- 6.1 Advertising of the contract, with tender submission by end September.
- 6.2 Review of tenders October, with award of contract by end October 2016.
- 6.3 Commencement of new contract 1st April 2017.

7. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES

- 7.1 The Council's approved Corporate Plan 2016-18 makes specific referenced to:-
 - 7.1.1 Enabling Communities – particularly, supporting people to improve their health and well-being, and developing stronger and more resilient communities to enable people to help themselves. The plan also provides for two specific Corporate Indicators, the reduction in the number of people accessing the advice services, and the number of volunteer hours worked within Huntingdonshire.
 - 7.1.2 Becoming a more Efficient and Effective Council – particularly becoming more efficient in the way we deliver services providing value for money services, and becoming a customer focussed organisation

8. CONSULTATION

- 8.1 Three meetings of Working Group involved obtaining information from representatives of the voluntary and community sectors, as detailed in the background papers.

9. LEGAL IMPLICATIONS

- 9.1 In advertising, and awarding the proposed contracts the Council must have regards to the Council's Code of Procurement.

10. RESOURCE IMPLICATIONS

- 10.1 In February, the Council approved a VCS Grant scheme through to 2020/21 totalling £0.912m. When this is compared to the VCS Grant scheme proposed by O&S, as shown in the table below, there would be an additional cost to the Council of £69k over the period of the Medium Term Financial Strategy

	Council approved VCS Grant	O&S proposed VCS Grant	Variance
	£000	£000	£000
2016/17	225	225	0
2017/18	201	189	(13)
2018/19	178	189	11
2019/20	154	189	35
2020/21	154	189	35
Total	912	981	69

To balance the overall grants budget, Cabinet could either:

1. Reduce the VCS Grant scheme to £172k per annum from 2017/18.
2. Reduce the current Community Chest budget to meet the net shortfall.
3. Agree a growth item of £69k

11. OTHER IMPLICATIONS

- 11.1 None

12. REASONS FOR THE RECOMMENDED DECISIONS

- 12.1 The proposal for a four-year contract award will provide continued stability for the voluntary and community sector serving Huntingdonshire.
- 12.2 The proposal demonstrates the continued support from the Council to the residents of Huntingdonshire and demonstration of the council's commitment to ensuring the development and enhancement of resilient communities.
- 12.3 The proposal supports the delivery of the Council's corporate objectives

BACKGROUND PAPERS

- Cabinet report January 2016, Report No. 77 (<http://modern.gov.huntsdc.gov.uk:8070/ieListDocuments.aspx?CId=256&MId=5684&Ver=4>)
- Voluntary Sector Task & Finish Group meeting notes – 25th February 2016, 14th March 2016, 12th April 2016, 26th April 2016, 19th May 2016

CONTACT OFFICER

Chris Stopford, Head of Community
Tel No: 01480 388280
Email: chris.stopford@huntingdonshire.gov.uk