

MEETING:	CABINET
MEETING DATE:	23 JANUARY 2014
TITLE OF REPORT:	WITHDRAWAL OF FUNDING FOR INFRASTRUCTURE SUPPORT (VOLUNTARY AND COMMUNITY SECTOR AND PARISH COUNCILS)
REPORT BY:	SUSTAINABLE COMMUNITIES MANAGER

Classification

Open

Key Decision

This is not a key decision.

Wards Affected

County-wide

Purpose

To approve withdrawal of funding support for infrastructure support services for parish councils (provided by Herefordshire Association of Local Councils) and infrastructure support services to the Voluntary and Community Sector, (currently provided by Herefordshire Voluntary Organisations Support Services (Hvoss)).

Recommendation(s)

THAT:

- (a) **the Service Level Agreement is not renewed for Herefordshire Association of Local Councils (HALC) with effect from 1st April 2014, leading to a saving of £3,000 in 2014/15; and**
- (b) **withdrawal of dedicated funding for infrastructure support services to the Voluntary and Community Sector when current contract with Herefordshire Voluntary Organisation's Support Services (Hvoss) ceases on 31st July 2014, leading to a saving of £97,000 in 2014/5 and a further £38,500 in 2015/16.**

Alternative Options

1. The two key alternative options are to:

Further information on the subject of this report is available from
Nina Bridges, Sustainable Communities Manager on Tel (01432) 260624

Retain funding level to HALC and to resume the procurement process for voluntary sector infrastructure support.

To delay withdrawal of funding until March 2015 to enable HALC and Hvoss to further plan reduced funding.

2. For HALC the withdrawal of Council funding (£3,000 per annum) for the representation and training functions will mean that HALC either increases its membership fees, reduces its offer or finds alternative sources of funding. Herefordshire Council may consider commissioning HALC for individual items of work in the future if the need arises.
3. For infrastructure support services to the voluntary and community sector some of the outcomes seen as a priority by the council can be delivered at least in part by redesigning roles and responsibilities within the authority. Hvoss has also been the lead partner in the recent local Transforming Local Infrastructure Fund (TLIF) programme which has identified a number of actions to increase self-help and self-reliance within the Voluntary and Community Sector (VCS) itself.
4. Herefordshire Council may consider commissioning an appropriate VCS organisation for specific items of infrastructure support in the future if the need arises.

Reasons for Recommendations

5. The council's financial position is such that, to enable essential services for its most vulnerable residents to be maintained, it must reduce both the range and level of services provided to the minimum necessary whilst meeting statutory requirements, unless there are clear reasons to do otherwise. If these savings are not made, the council will have to make further reductions elsewhere in its service provision.
6. To make savings of £100,000 in 2014/15 and a further £38,500 in 2015/16 to support the corporate financial strategy and enable council resources to be focussed on priority services.
7. The financial allocation under consideration is funds towards support services commissioned to external providers to support voluntary sector organisations and parish councils. Herefordshire Council will continue to enable voluntary groups more directly and in more targeted ways.

Key Considerations

8. Herefordshire Council has paid £3,000 in 2013/14 to HALC to support the following: provision of information to parish and town councillors and clerks, which includes information from Herefordshire Council; advice and support for people interested in becoming parish councillors/clerks and training to parish councillors to promote the powers of local councils, effective community engagement and best practice. The 2013/14 figure is less than 1/3rd of the funding received in 2012/13.
9. The council also had an 18 month contract (ending 31.10.13) with Hvoss to deliver support services to the VCS including governance, access to funding, business planning, project development, training, supporting market development and the personalisation agenda as well as volunteering brokerage and support, community development and supporting community asset transfer. This contract was extended to July 2014 to enable a full tendering exercise was due to take in readiness for a longer

term contract and test the wider market to deliver services. (See appendix 1 for revised outcomes). Hvoss is also delivering the youth participation and voice element, funded by Children's Well-Being, with the latter to lead on how this will continue to be delivered.

10. The council has seconded its Project Development Officer to Hvoss who supports voluntary and community groups for the period up to end July 2014. This post is not included in the savings identified. However, it is proposed that the focus of this officer's role should be reviewed to ensure that it is targeted on supporting the Council's priorities.
11. Herefordshire's TLIF Programme (the aim of which is to transform local support services to the VCS) has been focussed on 'doing things differently', rationalising the number of support services and developing innovative, low or no cost ways of capacity building for frontline VCS organisations including exploring 'charged for services' to bring greater sustainability. A number of initiatives and service areas have already been identified, such as a self assessment of needs for frontline organisations through an online diagnostic; the development of peer to peer networks and a mentoring scheme; development of a business offer from the VCS to the private sector. A co-production action plan has been developed with Hvoss as the identified lead for a number of the initiatives.

Community Impact

12. Local councils and the voluntary and community sector are key partners in supporting communities and local residents. Over a third of residents volunteer on a regular basis (at least once a month). As the local authority is able to deliver less, there is an expectation that local communities take on more responsibility for helping each other and delivering the services that the council no longer provides. In order to do this, communities and their local councils will need the capacity, capability and confidence to take more on. The services provided by HALC and Hvoss support this approach with the risk of reduced number of support services provided to frontline organisations in the voluntary and community sector when the Hvoss contract comes to an end. Delivering face to face support is particularly valued by frontline organisations, but this is likely to be reduced with more services delivered online and via the telephone. Hvoss is developing an approach to minimise the impact on voluntary and community organisations.
13. As the role of the local authority changes, so has the relationship with the voluntary sector. This means more targeted and direct support drawn from across the local authority to meet priority areas, which impact at a local level, including:
 - Community asset transfers – supporting and enabling local groups to manage assets for the public value of the community.
 - Devolved services – transfer of services to be run and operated more locally.
 - Sourcing funding – giving advice and expertise of local groups acquiring funding to run their own activity.
 - Social enterprise – support the establishment and best practice management of setting up and running locally run social enterprises.
 - Support for VCS organisations to adapt their business practices to better meet the challenge of personalisation.
 - Support for communities and professionals to work together to enable vulnerable people to live safe, healthy and independent lives.
 - Development of a skills bank to target voluntary action to fill skills gaps in VCS

organisations to enable them to both improve and remain sustainable.

- Bespoke programmes and partnerships – to include areas of neighbourhood development plans, lengthsman scheme, community libraries, working in partnership with the local authority or its contractors to provide services valued in the community
- Procurement guidance – supporting the development of the voluntary sector market to bid for contracts.

Equality and Human Rights

14. The council must be able to show that it has paid due regard to the public sector quality duty as contained in section 149 of the Equality Act 2010 i.e. the need to:
 - a. Eliminate discrimination, harassment and victimisation
 - b. Advance equality of opportunity between those who have a protected characteristic (including a disability) and those who do not
 - c. Promote good relations between those who have a protected characteristic and those who do not.
15. Specifically the council needs to have considered the impact of the proposal to terminate the contracts and then further considered whether that impact is consistent with the public sector equality duty. This consideration should be undertaken prior to the decision being made and there should be made with “rigour and an open mind” i.e. there must be no pre-determination of the issue.
16. Although there is no legal duty to carry out an equality impact assessment the council should be able to provide documentary evidence that it has paid due regard to its sector equality duty, either by reference to an appropriate policy and/or a specific record of the consideration given to the duty.
17. The funding for Hvoss provides support services for Voluntary and Community organisations many of which provide services and activities for individuals with protected characteristics, including age, gender and disability. The monitoring information provided by Hvoss highlights that it provides support to a number of organisations that advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it as well as foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
18. Hvoss also delivers the youth participation and voice element, funded by Children’s Directorate, with the latter to lead on how this will be continued to be delivered.
19. The cross sector Volunteering Development Group, facilitated by Herefordshire Council, is assessing the likely impact, and will evaluate alternative mechanisms and options to ensure effective volunteering support which is sustainable.

Financial Implications

20. The current annual budget is £138,500 and if the above recommendations are approved, Herefordshire Council will save £100,000 in 2014/15 and a further £38,500 in 2015/16 in line with the directorate savings plan.

Legal Implications

21. A contract has been signed and agreed with HALC for services to 31st March 2014. A waiver and subsequent contract extension to the Hvoss contract has been signed and agreed until 31st July 2014. The contract will then be terminated in accordance with the terms of the contract. It was envisaged that any further contract for such services would be awarded through an open tender process, but due to budget constraints this was not progressed.

Risk Management

22. The majority of risks to the Council are indirect in that reduced local infrastructure support to the VCS may impact on the level and effectiveness of volunteering and community action in the county. However there could be secondary risks particularly to assistance in the delivery of the Council's priorities.
23. Particular consideration should be given to the role of the volunteering services currently provided through the Hvoss contract which aims to increase the number of people volunteering, the quality and variety of volunteering activities and the support volunteers can expect from organisations they help.

Risk No.	Risk	Mitigation	Likely rating	Impact rating
1	Reduced infrastructure support to voluntary and community groups leading to reduced capacity for community action and reduced support to VCS providers.	Functions maintained, although on a reduced basis through redesigning services provided through Hvoss and other VCS infrastructure services. Council works directly with those organisations which support future HC priorities, including project development support.	4	3
2	Negative media coverage affecting reputation.	Explain rationale of decisions and reasons for the changes with VCS organisations and community representatives.	3	3
3	Reduced support for volunteering support services leading to reduction in opportunities and effectiveness.	Cross sector working group to assess the likely impact, evaluate alternative mechanisms and options.	4	3

Key

LIKELIHOOD	IMPACT
5 Certain	5 Catastrophic
4 Likely	4 Major
3 Possible	3 Moderate
2 Unlikely	2 Minor
1 Rare	1 Insignificant

Consultees

24. Consultation has been via the Budget Consultation 2014/15. Hvoss submitted a response to the budget consultation on behalf of the Voluntary and Community Sector. The overriding concern expressed was the expectation being placed on communities and voluntary organisations to replace public sector services and the lack of capacity and resources to support this. It is the role of Hvoss to support and increase capacity within the VCS as it is HALC's role to do the same within the parish council sector.

Appendices

HALC – service outcomes

Hvoss – service outcomes

Hvoss – Equality Impact Assessment

Background Papers

None