

# HEREFORDSHIRE COUNCIL SUPPORT TO THE COMMUNITY AND VOLUNTARY SECTOR

## PROGRAMME AREA RESPONSIBILITY: COMMUNITY AND SOCIAL DEVELOPMENT

CABINET

17TH FEBRUARY, 2005

---

### Wards Affected

County-wide

### Purpose

To receive a report on the review of Herefordshire Council support to the Community and Voluntary Sector (CVS), and to consider approving the report's recommendations.

### Key Decision

This is not a key decision.

### Recommendation

**THAT Cabinet approves the review recommendations taking into account the amendments proposed by Strategic Monitoring Committee.**

### Reasons

To seek to ensure that the Council is securing best value for money from its support to the voluntary sector and that its arrangements for funding support represent best practice.

### Considerations

1. On 9th February, 2004 the Strategic Monitoring Committee requested that a review be undertaken of Herefordshire Council support to the CVS. Terms of reference were subsequently agreed for the cross-cutting review, and a team was pulled together to undertake the work. In summary the Review Team looked at:
  - The services provided by the key Infrastructure Organisations
  - The use of Grants and a comparison with Service Level Agreements (SLAs)
  - The operation of the Voluntary Sector Grants scheme.
2. This took the form of a Service Improvement Review, which covered most of the elements of a Best Value exercise in terms of Consultation, Comparison and Challenge, but did not undertake Competitive tendering activities.
3. The work took place over an eight month period and involved a large benchmarking exercise, the use of questionnaires and a series of semi-structured interviews. The Review Team report was considered by the Strategic Monitoring Committee on 12th January, 2005. The Strategic Monitoring Committee subsequently approved the majority of the report's 32 recommendations. The executive summary from the report is attached at Appendix 1 and the recommendations of the Strategic

Monitoring Committee at Appendix 2. The full report is available in the Members' Room, on the Council's website and on request.

4. The Review Team was able to demonstrate that Herefordshire Council was fairly generous in its support to the CVS, but was not securing best value for money from current arrangements. Amongst the key issues identified were:
  - The need to draw up a Council CVS Support Strategy
  - Existing Grants Review and Monitoring systems were inadequate
  - The need for a radical overhaul of the Voluntary Sector Grants scheme
  - SLAs were inconsistent and not robust.

## **Risk Management**

When the Review began it was not in the context of the funding challenges that Herefordshire Council is currently facing. The Review Team undertook its work on the assumption that the current levels of CVS funding would probably continue to be available in the future. The recommendations in the report would lead to the more effective and efficient use of this funding.

There is considerable scope for improving and revising the Council's SLAs. Within the Review report a Council's Legal Adviser drew up a suggested template on which future SLAs could be based. Further work will be needed to develop this.

The Review Team went beyond its Terms of Reference and outlined areas where funding might be reduced if the Council decided the CVS should not be exempt from the cost reduction exercise. The key proposal was that funding cuts should be targeted at specific areas, rather than imposed on an across-the-board basis. It was suggested the first area for making savings could be achieved by suspending the Voluntary Sector Grants scheme. This could in theory produce savings of around £160,000 per annum. The situation is however more complicated. Closer historical examination of the grants awarded over the last three years shows that the same organisations by and large receive on-going grant support year on year. In the current financial year only £27,500 was allocated in the form of one off grants, which could be saved in 2005/2006 without the need to give notice to recipient organisations.

The Review Team report was completed in November 2004. At that stage there would have been enough time to give notice of the intention to suspend funding, to take effect from 1<sup>st</sup> April 2005. This is no longer practical. Some CVS organisations have compiled their business plans and identified match funding on the assumption of receiving Herefordshire Council grant support for 2005/2006. The Council will need to provide some on-going support over the next 12 months. The funding requirement could amount to something between £100,000 to £150,000, which would be subject to more detailed analysis. Cabinet has already proposed that the reduction required could be managed over the forthcoming financial year.

There should be some scope for staff savings should the Voluntary Sector Grants scheme be suspended. This can be properly assessed during 2005/2006.

The Policy & Community Directorate is shortly to be restructured and for immediate purposes it is proposed that a small team be formed to address actions arising from the review of the CVS. It could take up to a year to work through the review's recommendations and to fully implement them.

The coming financial year should be used to fully engage with the CVS to agree the most appropriate means of fully implementing the recommendations of the review. It provides time to undertake key actions such as drawing up and implementing a Council voluntary sector support strategy, to introduce revised SLAs, and to clarify arrangements that will make designated Council managers accountable for performance monitoring of grant support.

The detailed evidence in terms of financial costings and benchmarking data in the report has not been challenged, but some CVS organisations have since commented on aspects of the review. As an example, Herefordshire Association of Local Councils has indicated they do not accept all the views expressed by a Council Officer over SLA compliance. It will be possible to explore these concerns over the coming twelve months and to take up specific queries with the individual organisations.

## **Alternative Options**

The alternative option would be to do nothing.

## **Consultees**

The Review undertook a very significant amount of consultation. This included 42 semi-structured interviews with Council Directors, Heads of Service, managers and officers. Infrastructure organisation representatives were also interviewed, and key stakeholders from other bodies which were identified during the review process.

The three elected members on the Review Team (Councillors Mrs. Sylvia Daniels, Rees Mills and John Stone) were actively involved and provided a regular input.

## **Background Papers**

None identified.