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| At its meeting on 1st June 2011, the Research and Development Committee identified support to the Voluntary Sector for inclusion on the Committee’s work programme as a Task and Finish Group |
| The Task and Finish Group met on six occasions and consisted of Councillors Soans (Chair), Bayes, Bain, Brown and Corazzo. The scrutiny was undertaken between January 2012 and May 2012They took evidence from officers from Kettering Borough Council and Northamptonshire County Council, from Job Centre Plus, the University of Northampton and a wide range of voluntary sector service providers and recipients of small grants. During this period:- * the county council was continuing to consult on its Prevention Strategy ‘Helping you to help yourself: shaping prevention and demand management in Northamptonshire 2011- 2016’,
* the Health and Well Being Boards were being established and
* the Welfare Reform Bill received Royal Assent and became an Act on 8th March.

The Task and Finish Group kept abreast of all these developments.  |
|  | **Aims**The aim of the task and finish group is to identify ways that the Voluntary Sector can be supported and encouraged during times of pressure on public sector funding.  |
|  | **Objectives**To ensure that the Voluntary Sector in the Borough of Kettering is able to provide a sustainable service to those most in need five specific objectives were agreed. These are to:-.1. Understand the present situation with regard to KBC and NCC funding agreements
2. Identify other sources of support / funding available to the voluntary sector now and in the future
3. Establish and capture what is known about current needs within the borough – both of the sector and their customers
4. Investigate how other areas support the voluntary sector
5. Develop options for sustainable service delivery for future years
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| **Objective 1: Understand the present situation with regard to KBC & NCC funding agreements** |
| 1. | Kettering Borough Council |
| 1.1 | Services commissioned by Kettering Borough Council from the voluntary sector and support to the sectorAt the Executive on 23rd July 2008 it was decided that the affordability envelope for voluntary sector funding for 2009-2013 would be in the range of £250,000 to £300,000 a year. The actual spend has been close to £300,000. Kettering Borough Council commissions services from the Voluntary Sector for a number of services for a four year period by using Service Level Agreements and award of grant. During the current period two service providers have terminated their Agreements and the contingency fund has been used to commission for a shorter fixed period an additional service for benefit advice following a Credit Crunch Summit. The value of these Service level Agreements and the service providers are shown in **Appendix A.**In addition to these grants there is also other financial support to voluntary and community groups through core grant, a small grants scheme, mandatory and discretionary rate relief, peppercorn rent, in kind support when organisations are doing sessional work in the customer services centre, an extra grant towards the parking costs of volunteers, and Members Ward Initiative funding. These are also listed in **Appendix A**.The total financial support to the voluntary sector is £1,500,000 annually.Service Level Agreements are monitored and reports showing quarterly performance against key outcomes and outputs are reported to Monitoring and Audit Committee. |
| 1.2 | Process for commissioning from the voluntary sector |
| 1.2.1 | Service level agreements |
|  | The process for commissioning services in return for an award of grant and the signing of a Service Level Agreement (SLAs) is described in **Appendix B**. It is a four stage process which takes about six months with an additional three month lead in for the service providers before they have to start delivering the service. Grants are paid in advance in two stages during the year with provision for claw-back. Service providers have told the task and finish group that they continue to commend the process because:-* It provides four years certainty of funding allowing recruitment and retention of staff and more time to be spent on service delivery rather than chasing funding.
* they can evidence a track record and sustainability when seeking other contracts
* The monitoring is proportionate and done by council officers who are also delivering complimentary services to similar customers. For example the Housing Options Service Level Agreement is monitored by Council housing officers
* Direction-setting provides routine contact with council officers who can provide information about Council priorities to which they can add value by working with Council Officers. For example the additional holiday activities for young people being provided by Youth Works.
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| 1.2.2 | Process for Small Grants |
|  | Voluntary and Community groups can also apply for small grants. The maximum grant is £500. The annual budget of £20,000 is always fully spent. A copy of the application form and guidance notes for small grants is attached as **Appendix C**. It can be completed on line or down loaded. Decisions are made within 6 weeks from the completed application. In 2011/12 63 organisations were awarded grants totalling £20,000.Community groups have told the task and finish group that: -* Small grants are really beneficial
* The amount awarded is about right
* The form can be daunting
* The face to face support from Council officers in giving information and eligibility and assistance with form filling is essential
* Monitoring by the Council is proportionate
* They like to attend the annual celebration event for recipients of small grants
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|  | **Recommendations:** |
| **Increase the Small Grants budget. Options include:-** |
| * **allowing councillors to put some or all of their Ward Initiative Funds into the programme**
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| * **not allowing rollover of Ward Initiative but put any annual under-spend into the Small grants programme**
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| **Revise the form to make self help easier** |
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| 2. | Northamptonshire County Council |
|  | A new Prevention and Demand Management Strategy was agreed by the County Council in May 2012. It represents a radical change in the way prevention services are delivered in the county.The new strategy will address the challenges of increasing demands on services and reductions in government funding.  By reducing duplication and inefficiency and also finding ways to help more people help themselves so that they ultimately become less reliant on more specialist services, the council will save £15 million over the next four years. It has been developed over the past ten months and has been subject to extensive research and consultation to ensure local communities and organisations had an opportunity to be involved in the process. As part of the strategy a new fair and equitable funding model has been developed to help plan where resources should be focused. The funding model then informs an area-based approach to commissioning services which will see a lead partner procured for each area. The scale of the change, the model, and the reduced level of funding, have two key consequences: firstly, that potential bidders (and their partners, subcontractors and/or consortia) need to devote considerable time in-year to preparing realistic, well thought through and carefully costed bids; and secondly, that clarity on exactly which current services will continue in some form in the new model will only emerge as lead providers are appointed and begin to implement the new service model. They will work in partnership with the county council to manage the demand locally, concentrating support on those people who are likely to escalate into higher cost, specialist services. The current proposed funding allocation for Kettering is £2,972,842 (13.27%). However, the final core funding available for the locality will be determined by the overall resource allocated through the Fair and Equitable Funding model. The funding allocations may be adjusted for Census projections. Some prevention services are outside of the model at present and will be commissioned on a county-wide basis. These services could include: Interpersonal Violence (IPV) services; the Youth Small Grants programme; Voluntary Sector Small grants; Voluntary sector infrastructure support; and Accommodation and parenting support to young offenders.The Task and Finish Group noted the good work that had been done by KBC to influence the criteria used by the County Council to arrive at an allocation between districts and was pleased that the County Council had demonstrated its open-ness in listening to points made in its consultation.  |
| **Objective 2: Identify other sources of support / funding available to the voluntary sector now and in the future** |
| 2.1 | Best Value Statutory Guidance |
|  | On 2nd September 2011, the Communities and Local Government department published new statutory guidance on the Best Value Duty setting out some reasonable expectations of the way authorities should work with voluntary and community groups when facing difficult funding decisions. This requires local authorities to: -* Consider overall value, including economic, environmental and social value, when reviewing service provision. As a concept, social value is about seeking to maximise the additional benefit that can be created by procuring or commissioning goods and services, above and beyond the benefit of merely the goods and services themselves.
* Consult with representatives of a wide range of local persons at all stages of the commissioning cycle, including when considering the decommissioning of services
* Seek to avoid passing on disproportionate reductions - by not passing on larger reductions to the voluntary and community sector and small businesses as a whole, than they take on themselves
* Give at least three months notice of funding reductions
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|  | **Key point: Kettering Borough Council is already compliant** |
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| 2.2 | Support and development organisations |
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| 2.2.1 | Local Support & Development Agencies (LIOs) |
|  | These provide services to support the Voluntary and Community Sector in terms of information, advice and assistance, advocacy and representation, partnership building and brokerage, policy and research, promoting and developing volunteering. The organisation currently contracted to provide this service in Kettering and Corby is Groundwork North Northamptonshire and in Kettering Borough it is delivered through the project Kettering Voluntary Network. The contract has been jointly commissioned and funded by Kettering Borough Council, Corby Borough council and Northamptonshire County council. |
| 2.2.2 | Countywide Support and Development Agency |
|  | The Northamptonshire County Council countywide support and development contract has been awarded to Northampton Volunteering Centre (NVC). This work provides strategic support to the four local Support and Development agencies across the county, who together support over 2000 organisations and over 120,000 volunteers in Northamptonshire. It provides leadership to the sector as a whole and helps identify the gaps in the voluntary sector, support other organisations fill those gaps and support new emerging organisations. The County Council has allocated £400,000 for this work. The Task and Finish Group felt that there was little point in duplicating support work of this kind at district and county wide levels and felt that discussions with the County Council about the nature of the county wide contract should be undertaken.  |
| 2.3 | Discretionary and mandatory rate relief |
|  | There is a level of uncertainty about the future regime and what the options and implications are for the Council, and until this is clear then it is recommended that we continue with the current policy. |
| 2.4 | In kind support |
|  | Kettering Borough council already provides in kind support in the form of leasehold properties on peppercorn rents and free use of office space, telephones and promotional material when organisations are doing sessional work in the Customer Service Centre. Where service providers work closely with partnerships, such as the Community Safety Partnership, they benefit from statistical trend analysis and proactive support from the relevant partnership. |
|  | Key ideas that have been suggested to the task and finish group: -* Subsidised or free services, such as waste and environmental services, car-parking
* Support from those with specialist knowledge at Kettering Borough Council providing back office functions such as legal, IT, HR, finance and accounting, payroll
* Kettering Borough Council makes available officer time for training and advice, including shadowing or job swaps
* Shared use of Kettering Borough’s customer services space in the libraries in the market towns
* Shared procurement of utilities or office supplies
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|  | **Recommendation: Investigate all those suggestions that are practical and can make a difference as long as they don’t have an adverse impact on the medium term financial strategy (MTFS).**  |
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| 2.5 | Use of Council Buildings |
|  | While the Task and Finish Group has been meeting, part of the ground floor of the Municipal Offices has been converted to provide a dedicated reception and office suite for the Citizens Advice Bureau, which will be moving from its current location. Council officers have also been asked to support ‘Somewhereto’, which is a nationwide project to help young people find the space they need to do the things they love, within sport, culture and the arts. ‘Somewhereto’ is run by Livity, a social enterprise, in media partnership with Channel 4 Education. The project is funded by Legacy Trust UK, an independent charity set up to help build a lasting cultural and sporting legacy from the London 2012 Olympic and Paralympic Games.  |
|  | **Recommendation: Continue to respond to opportunities for co- location and use of council buildings for where there is a business case** |
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| **Objective 3: Establish and capture what is known about current needs within the borough – both of the sector and their customers** |
| 3 | Legislative changes |
| 3.1 | The Welfare Reform Act 2012 allows for a range of measures which include: -* a Universal Credit to replace the current system of multiple benefits and tax credits
* Disability Living Allowance to be replaced by Personal Independence Payments, entitlement to which will be subject to a new assessment
* the restriction of Housing Benefit entitlement for social housing tenants whose accommodation is larger than they need
* a cap to be placed on the total amount of benefit that can be claimed
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| 3.1.2 | Local Government Finance Bill |
|  | This will amend the 1988 Local Government Finance Act and is likely to receive Royal assent in July 2012.The Local Government Finance Bill sets out the legislative foundations to devolve greater financial powers and freedoms to councils. In particular, the bill contains provisions to reform the funding of councils, primarily through: -* returning the revenue from business rates, which have been a national tax since 1987, to local councils; and
* replacing council tax benefit, the existing national support for council tax, with locally-decided schemes for helping people pay their council tax

At the same time as localising decisions about council tax reliefs, the Government is going to cut 10 per cent – or £500 million – from the funding for council tax benefit, and is only granting limited local discretion for new local relief schemes. That means councils will either have to cut benefits for many residents who are least able to pay, or decide the amount of its budget to put into the locally- decided scheme. |
| 3.2 | Changing demographic |
|  | Kettering Borough has higher than average numbers of older people. 16,900 (that is nearly 1 in 5 of the population) are older people (women aged over 60 and men aged over 65). Northamptonshire Age UK has highlighted the increasing numbers of older people in the county who have dementia: at present this is 7,089 and is predicted to increase to 11,829 by 2025. In addition 10,400 (11.4%) of the Borough’s population has a disability. |
| 3.3 | Unemployment / Economic Well Being |
|  | Personal Insolvency, Bankruptcy orders and IVAs (individual voluntary arrangements) in Kettering Borough are all higher than the county average. In 2009 the figures for Kettering were: -* Personal insolvency - 42.8 per 10,000 population (county 38.7)
* Bankruptcy orders - 23.1 per 10,000 population (county 20.1)
* IVAs - 16 per 10,000 population (county 14.8)

According to the Experian report for the Financial Inclusion Taskforce in November 2007, it is estimated that 768 households in Kettering do not have access to a bank account. Kettering has an AMBER priority for access to affordable and responsible credit. There are two wards in the top 10% of national ranking of wards that require access to credit.Since January 2011 the JSA claimant count in the county has continued to rise. In January 2012 the county wide figure was just over 15,000 people of which 2,296 were in Kettering Borough. The main concern expressed by the Job Centre Plus is that 31% of the register is 18 – 24 year olds and there are an increasing number of redundancies. Clearly, businesses located in other districts employ people who live in Kettering Borough. Three work clubs exist, including one for young people.  |
| 3.4 | Priority of Services for Future Commissioning |
|  | The Task and Finish Group concluded from the evidence they had taken was that the impact of the welfare reform agenda, at least for the next four years, would be to put significant strain on the voluntary and public sectors, as people adjusted to new circumstances and expectations. At the same time, the national and local economies were continuing to struggle and there was a continuing problems of youth unemployment, difficult trading conditions and an absence of advice for business start ups compared to the recent past. This led the Task and Finish Group to conclude that a new emphasis needed to be placed on supporting enterprise and new business start ups. The various areas of activity for future commissioning are set out in the attached table, with an outline description of what each covers. **The Group recommends that these descriptions are adopted.** The Group therefore graded each area of voluntary sector activity in order of importance as follows:-Grade One –Needing a significant increase in resource * debt and money advice and financial inclusion
* housing support

(In relation to housing support, members felt that there were potential gains in tying the furniture recycling project more closely with wider housing support services and that this option should be explored in the commissioning process). Grade Two – New areas * employment and enterprise

Grade Three – maintenance of service * independent living
* community safety
* inter-personal violence
* access and equality

Grade Four – no longer a relative priority * local infrastructure
* access to green services
* core grants and specialist advice

The Task and Finish Group have also attempted to put a range of values on each area of activity in order to demonstrate that it is possible to fund the priorities within the budget in a coherent way. It will be for the Executive Committee to determine exact sums for each activity. **The attached table sets out these recommendations in full (**Appendix D).Equality Impact Assessment process will need to be applied on those new and changed services if the recommendations proceed to the next stage. An equality impact assessment involves assessing the likely or actual effects of policies or services on people in respect of disability, gender and racial equality. It helps us to make sure the needs of people are taken into account when we develop and implement a new policy or service or when we make a change to a current policy or service. |
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| **Objective 4: Investigate how other areas support the voluntary sector** |
|  | Members were provided with information on other local authorities (both from around Northamptonshire and within the CIPFA member group) which included details of the organisations receiving funding and the length & type of contract. Local practice still represents the preferred method as detailed in 2.1 above. |
| **Objective 5: Develop options for sustainable service delivery for future years** |
|  | A sustainable service is one which is effective, efficient and less reliant on grant. This is not a new definition. It has been described in the ‘The future role of the third sector in social and economic regeneration’ Cabinet Office July 2007.Sustainability of service delivery can be promoted in the detailed terms of the Agreements. For example by:-* ensuring that specific partnerships are for a sufficiently long period
* enabling a growth in income generation by third sector organisations
* support organisations to use local authority grants for leverage of other funding
* reduce reliance on grant funding through developing enterprise and trading strategies where appropriate
* organisations focussing on clear objectives, ensuring best value for money, and having highly motivated staff
* small grants to community organisations
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**SUMMARY OF RECOMMENDATIONS**

The recommendations that are made within the report are listed below. When considering the Best Value Guidance it was noted that Kettering Borough Council is already compliant.

1. Increase the Small Grants budget by considering options including the following:-

* + allowing councillors to put some or all of their Ward Initiative Funds into the programme
	+ not allowing rollover of Ward Initiative but put any annual under-spend into the Small Grants programme

2. Revise the Small Grants form to make self help easier

3. Continue with the current policy for mandatory and discretionary rate relief until there is greater certainty about the future regime and what the options and implications are for the Council.

4. Investigate all those suggestions for In Kind Support that are practical and can make a difference as long as they don’t have an adverse impact on the medium term financial strategy (MTFS).

5. Continue to respond to opportunities for co- location and use of council buildings for where there is a business case.

6. Set the budget for affordability of Service Level Agreement grants at a maximum of £300,000.

7. Adopt the descriptions for future commissioning as set out in the attached table (Appendix D).

1. Endorse the four grades
2. Agree to the key outcomes described