

Chichester District Council

CABINET

8 March 2016

Support to the Community and Voluntary Sector

1. Contacts

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2. Recommendations

- 1) That the existing funding provided by Chichester District Council for a support service for the voluntary and community sector in Chichester is extended, by allocating base budget funding of £44,000 to Voluntary Action Arun and Chichester (VAAC) for one year from 1 April 2016.
- 2) That a specification for expected outcomes of a support service for the voluntary and community sector is agreed by officers once Partner funding is known.
- 3) That the Head of Community Services, following consultation with the Cabinet Member for Community Services, is authorised to enter into a contract from WSCC for local provision of support for the voluntary and community sector, if it is offered.

3. Background

- 3.1 At its meeting on 11 March 2013, Cabinet agreed to enter into an agreement with West Sussex County Council (WSCC) to receive their contributions to commission a support service for the Voluntary and Community Sector for 2013/14 – 2015/16.
- 3.2 At its meeting on 7 January 2014, Cabinet received a report from an Overview and Scrutiny Committee Task and Finish Group that had reviewed the Council's historic funding relationship with Voluntary Action Arun and Chichester (VAAC). VAAC are the existing local provider of infrastructure support to the Voluntary Sector in the District. Cabinet resolved to continue support via a funding agreement for the period to 31 March 2016.
- 3.3 The Grants and Concessions Panel has monitored performance against the specifications of the Funding Agreement in place, most recently at its meeting of 21 January 2016 (appendix). It was satisfied with performance over and above the Agreement, and recommend extending this Council's contribution of £42,200.

- 3.4 The Funding Agreement has, for the last two years, also included funding received from WSCC for this service. As the existing WSCC contract ceases at the end of March 2016, officers have, over the last 12 months, been seeking confirmation of their funding intentions. While WSCC state they would like to continue to support the voluntary and community sector, the level of funding available from April 2016 remains dependent on the outcome of a review of Public Health funding, which is unknown at the time of writing.
- 3.5 VAAC also receive funding from Arun District Council in respect of similar services they provide to the Voluntary and Community Sector in Arun District. While they remain supportive of the sector and the service provided by VAAC they are in the same position as this Council, and await a decision regarding funding from WSCC before committing their own funds to the continuance of the service.
- 3.6 The Council is obliged, under the commitments given in signing the West Sussex Compact (a voluntary Code of Practice which guides how the Council will work with the Voluntary and Community Sector), to provide 6 months notice of changes to the funding it provides. In the absence of a decision regarding WSCCs funding intentions, the Council wrote to VAAC in October 2015 to confirm that funding under the joint agreement could not be confirmed beyond March 2016.
- 3.7 The funding agreement negotiated in 2014 was developed following a review which included significant consultation with representatives across the voluntary and community sector. The specification included actions under the following headings: Advice and Enablement, Information and Communication, Training, Volunteering, Financial Matters, The Compact, and Quality and Good Practice. The content of the specification drew on the National Association for Voluntary and Community Action's performance standards and was endorsed by WSCC at that time.
- 3.8 In renewal periods, the Grants and Concessions Panel would make recommendations regarding the continuance of funding and the terms of any new Funding Agreement. Monitoring meetings have been able to consider and evidence performance over the last 12 months, but the uncertainty of funding into next year has hampered discussions about a new specification.
- 3.9 VAAC remains committed to the purpose of this Council's funding (to support the voluntary and community sector in Chichester District) and will deliver the best service possible with the resources available. However, a significant reduction in funding may require revisions to specific types of support. As soon as there is confirmation regarding what funding is to be provided, then officers will agree a specification with VAAC, but this may need to be after 1 April 2016.

4. Outcomes to be achieved

- 4.1 Over the last two years, in providing funding to an external organisation to support the wider voluntary and community sector, the Council has secured a range of outcomes, as detailed at the start of the Appendix.
- 4.2 It is hoped that the funding intentions of partner agencies will shortly be clarified and these outcomes can be sustained in the coming financial year. However, some proportional reduction in the level of service (or prioritisation of outcomes) will need to be agreed if the funding is significantly reduced. In the interim, it is important to

this Council to provide VAAC, as a valued partner organisation, with some level of reassurance to ensure continuity in the service they provide and to retain staff.

5. Proposal

- 5.1 As an immediate action, it is proposed that the Council confirms to VAAC the continuance of funding (£44,000 for 2016/17 as provided for in the Council's budget) through an extension to the existing Funding Agreement. At the time of writing, it seems inevitable that this will have to relate to this Council's funding only.
- 5.2 Informally, WSCC remains committed to continue funding. However, until WSCC releases details of what funding is available for infrastructure support within Chichester District, conversations between VAAC and this Council, Arun District Council and if appropriate WSCC will determine what level of service can be provided. This will result in a replacement Funding Agreement being agreed retrospectively between this Council and VAAC.
- 5.3 If WSCC does agree to fund for a further year, it has been assumed that the only practical arrangement in the time available is for them to offer a contract to this Council for a further year to commission locally appropriate services (in line with a contract which ran from April 2013 to March 2016). It is therefore recommended that the Head of Community Services, after consultation with the Cabinet Member for Community Services, be authorised to conclude such a contract.
- 5.4 It is anticipated that if funding is agreed it will be for 2016/17 only, and as a result there will need to be negotiation regarding funding available in future years. The focus on negotiations must be to ensure a way forward is determined within the first half of the coming year, in order to make more timely communications to VAAC.

6.0 Alternatives that have been considered

- 6.1 As notice has already been served to VAAC in October 2015, the Council could choose not fund VAAC at this time, deferring a decision about future funding until the intentions of other funders is known. While VAAC could meet its obligations to employees from limited reserves, this could result in staff losses. A valued partner organisation would effectively become lost, which would prove significantly harder to re-establish or replace if a decision to fund were subsequently taken.
- 6.2 The Council could choose to underwrite or replace the funding provided by WSCC (£33,815 in 2015/16) in order to sustain the current service provided by VAAC in Chichester District. Replacing WSCC funding would be challenging given the Council's reducing capacity to support discretionary activity, but critically would still not guarantee continuance of the current service. As VAAC operates across two District areas, they are also dependent on funding from Arun District Council.

7.0 Resource and Legal Implications

- 7.1 Entering into a Funding Agreement for the year 2016-17 without a detailed specification runs the risk that the level of service may not be maintained to the current level, or sustained throughout the coming financial year. While offering funding remains the best chance of securing a longer term solution, it will require

careful monitoring by officers. A report back to the Grants and Concessions Panel will be made as soon as a way forward is clear.

7.2 It has been anticipated that the only pragmatic means of securing WSCC funds is to enter into contract to receive funds and fund local services on their behalf. Assuming an extension of existing arrangements, this would have minimal implications. Were WSCC to offer a contract on different terms, this could provide some challenges in negotiating acceptable terms while seeking funding for VAAC as an urgent priority. Alternatively WSCC could choose to fund VAAC and other Councils for Voluntary Service directly, which would have no legal implications for this Council but could complicate our existing relationship with VAAC.

8.0 Consultation

8.1 The ongoing dialogue regarding future funding has involved colleagues at District and Borough Councils across West Sussex, different departments within WSCC, and both the Chief Officer and Board Members of VAAC.

8.2 A Review Report to Overview and Scrutiny Committee (17 November 2015) provided reassurance that the Grants and Concessions Panel would be reviewing the funding agreement, but the Committee expressed concern about the lack of notice regarding WSCC's funding intentions, and asked that the Leader write to the Leader of WSCC outlining their concerns. A response was received that acknowledged those concerns, but outlined that until there was greater clarity about funding from the Department for Health, they could provide no greater commitment to future funding at that time.

8.3 It is hoped that a decision regarding funding will be shared with this Council prior to the Cabinet meeting. Officers will provide an oral update of any decisions.

9.0 Community Impact and Corporate Risks

9.1 There would be significant impact to the community and small community groups if the services provided by VAAC were to cease. There are no corporate risks as the Council currently undertakes a monitoring role to ensure outcomes are being met and this would continue. However there could be reputational risk and a demand for services should the council cease to fund such a service.

10.0 Other implications

	Yes	No
Crime & Disorder:		x
Climate Change:		x
Human Rights and Equality Impact:		x
Safeguarding and Early Help - positive - provision of advice to VCS groups	x	

11 Appendix

11.1 Annual Monitoring reports to Grants and Concessions Panel Jan 15 and Jan 16

12 Background Papers

12.1 None