

## **For publication**

### **Funding to Voluntary and Community Organisations 2017/18 - Service Level Agreements (CC000)**

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Meeting:	Cabinet
Date:	4 April, 2017
Cabinet portfolio:	Customers and Communities Health and Wellbeing
Report by:	Health and Wellbeing Manager

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## **For publication**

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### **1.0 Purpose of report**

- 1.1 To update members on the achievements of the voluntary sector organisations funded via Service Level Agreements and to seek approval for Service Level Agreements for 2017/18.

### **2.0 Recommendations**

- 2.1 The level of funding for Service Level Agreements (SLAs) to remain at £239,544 for 2017/18.
- 2.2 The SLA Schedule 1 table for each organisation, attached at Appendix 2 to the report, to be approved for inclusion within the SLAs for 2017/18.
- 2.3 That Members agree as outlined in the Council Plan that a review of the funding provided to voluntary and community organisations by Chesterfield Borough, the Clinical Commissioning Group (CCG) and Derbyshire County Council is undertaken in 2017/18 to ensure that the funding is prioritised towards existing and emerging

community needs and Council priorities and contributes towards achieving a balanced budget for the Council in future years.

### **3.0 Background**

- 3.1 Since 2007, funding allocated to community and voluntary groups has been allocated via Service Level Agreements (SLAs). This process enables an annual review of the delivery of services to which the Council contributes, without the need for organisations to complete full application forms. Schedule 1 of the SLAs provides details of the activities to be delivered with clear outputs and milestones identified against which the service can be monitored. The SLAs highlights how activities to be undertaken link to the Council's Corporate Plan objectives.
- 3.2 In April 2016, following a review of the level of funding to voluntary organisations, Members agreed to reduce the level of funding by 10% for the period 2016/17 onwards. On-going discussions with CCG and County Council colleagues have identified that there is an opportunity before March 2018 to review the total funding across Chesterfield and consider rationalisation or co-commissioning of services from the voluntary and community organisations against the health, wellbeing and inequalities needs. Members have previously agreed that a re-prioritisation exercise should take place to ensure that the funding provided by the Council supports existing and emerging Council priorities and delivers value for money. This re-prioritisation would take effect from 2018/19.
- 3.3 All recipients have submitted an Annual Progress Report outlining achievements during 2016/17 and attended an annual review meeting to discuss the years progress, achievements and any issues they face with delivery of the SLA (see Appendix 2). Each organisation was asked to complete the Schedule 1 proforma which forms part of the SLA in advance of the review meeting. The Schedule 1 proformas are attached for consideration at Appendix 1.
- 3.4 Each organisation has provided copies of their latest audited accounts and failure by any organisation to pass the financial test conducted by the Chief Accountant, or future ability to fulfil their

SLA, will be considered within the annual review in late autumn of each year.

- 3.5 It is proposed that the overall level of funding for SLAs remains the same as 2016/17, as detailed below:

Table 1

<b>SLAs</b>	<b>16/17 Actual</b>	<b>17/18 Proposed</b>
CAB	120,375	120,375
Law Centre	41,697	41,697
Shopmobility	21,789	21,789
DUWC	39,681	39,681
Links	16,002	16,002
<b>Total</b>	<b>£239,544</b>	<b>£239,544</b>

## 4.0 Risk management

### 4.1

Description of the Risk	Impact	Likelihood	Mitigating Action	Resultant likelihood	Resultant Impact
Maintaining funding to voluntary and community organisations in 2016/17 could impact on other Council services given the limited financial flexibility the Council faces.	H	M	A 10% saving on funding was made for 2016/17 onwards and a further review of priorities and funding will take place during 2017/18.	M	L
There is a risk that there may be disagreement regarding the content of the SLAs with individual organisations	M	L	Annual review meetings and regular monitoring mean that a good dialogue exists between the Council and the organisations funded the Schedule 1 tables are a result of	L	L

			negotiations that have already taken place. The remaining sections of the SLA remain unchanged from previous years pending a full review in 2017/18.		
The level of funding following a reduction in funding in 2016/17 may be insufficient to meet the demand for advice, this could lead to long waiting times for residents to receive the advice they need.	M	H	This is a risk for the organisations as well as the Council. There has always been demand in excess of supply and the groups have worked well in mitigating against this by being clear in terms of the services they can provide, sources external funding, exploring savings from other budgets to continue service provision.	M	L

## 5.0 Financial considerations

5.1 The financial implications are set out within the report. The existing budget for SLAs to the voluntary and community sector of £239,544 is recommended to remain the same for 2017/18. The recommendation to review funding was agreed following consideration of the Cabinet report in April 2016 and a key activity has been included in the Council Plan to consider re-prioritisation and co-commissioning of these services to ensure they are co-ordinated and delivered to improve health and wellbeing outcomes

and address the wider social determinants of health. This review will take place during 2017/18.

- 5.2 Service Level Agreements have been subject to the Council's financial test. All organisations have passed the test with the exception of Links CVS. Links have reserves in their accounts that would cover one years of operation. The Council's financial test only allows for 6 months of annual spend in reserves. However, in line with Charities Commission guidance, this is considered to be good practice in terms of financial management for third sector organisations.

## **6.0 Public relations and media considerations**

- 6.1 Despite ongoing reductions in the Council's budget over recent years, funding for SLAs with the voluntary sector remained at the same level between 2008 and 2016. The reduction in funding in 2016/17 did not lead to negative media coverage, the organisations concerned were fully aware of the Council's financial position and appreciated the stability of funding throughout the previous 9 years. It is not anticipated that there will be a negative reaction to the proposed funding for 2017/18 as no cuts are proposed for this financial year. The recommendation to reprioritise the SLAs in future years was discussed with the organisations at their review meetings in order to provide sufficient notice that changes would be implemented in subsequent years.

## **7.0 Equalities considerations**

- 7.1 A preliminary Equality Impact Assessment (EIA) has been undertaken however; as funding and delivery remain consistent it concluded that there is unlikely to be an adverse impact on any specific group. A full EIA will be undertaken and ongoing equality analysis during the re-prioritisation exercise. It is not felt that a full EIA is required at this time as there is no proposal to change policy for 2017/18.

## **8.0 Recommendations**

- 8.1 The level of funding for Service Level Agreements (SLAs) to remain at £239,544 for 2017/18.

- 8.2 The SLA Schedule 1 table for each organisation, attached at Appendix 2 to the report, to be approved for inclusion within the SLAs for 2017/18.
- 8.3 That Members agree as outlined in the Council Plan that a review of the funding provided to voluntary and community organisations by Chesterfield Borough, the Clinical Commissioning Group (CCG) and Derbyshire County Council is undertaken in 2017/18 to ensure that the funding is prioritised towards existing and emerging community needs and Council priorities and contributes towards achieving a balanced budget for the Council in future years.

## 9.0 Reason for recommendations

- 9.1 To ensure that the future delivery of funding to Voluntary and Community Groups meets the priorities of the Council and the needs of the residents of Chesterfield within a realistic and sustainable budget.

### Decision information

<b>Key decision number</b>	<b>708</b>
<b>Wards affected</b>	<b>ALL</b>
<b>Links to Council Plan priorities</b>	To provide value for money services To make Chesterfield a thriving borough

### Document information

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<b>Background documents</b>	
These are unpublished works which have been relied on to a material extent when the report was prepared.	
None	
<b>Appendices to the report</b>	
Appendix 1	Service Level Agreements
Appendix B	Annual Reports

