

## FOR PUBLICATION

### FUNDING TO VOLUNTARY AND COMMUNITY ORGANISATIONS 2014/15 - SERVICE LEVEL AGREEMENTS (S000)

MEETING:	1. CABINET 2. EXECUTIVE MEMBER FOR CUSTOMERS AND COMMUNITIES.
DATE:	1. 20 <sup>TH</sup> MAY 2014 2. 6 <sup>TH</sup> MAY 2014
REPORT BY:	HEAD OF REGENERATION
WARD:	ALL
COMMUNITY FORUM:	ALL
KEY DECISION REFERENCE	409

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FOR PUBLICATION

BACKGROUND PAPERS FOR PUBLIC REPORTS: n/a

#### 1.0 PURPOSE OF REPORT

1.1 To seek members' agreement to Service Level Agreements contained within the report.

#### 2.0 RECOMMENDATIONS

2.1 The level of funding for Service Level Agreements (SLAs) be maintained at the 2013/14 level to all organisations. A total fund of £266,160 for 2014/15.

2.2 The SLA Schedule 1 table, for each organisation, attached at Appendix 2 to the report, be approved for inclusion within the SLAs for 2014/15.

2.3 That a review be undertaken on funding awarded to groups via SLAs, and outcomes to be reported back to Cabinet by the end of 2014.

### **3.0 BACKGROUND**

- 3.1 In previous years funding has been available to voluntary and community organisations in the form of Small Grants, i.e. less than £5,000, and the delivery of services through Service Level Agreements (formerly Large Grants).
- 3.2 The 2013/14 small grant programme was administered through an application process and the entire budget committed.
- 3.3 Since 2007 the small grants programme has been maintained with total available funding of £22,370 and a maximum grant rate of £5,000. The small grants fund will no longer be available from 2014/15 onwards, resulting in a saving of £22,370 as agreed as part of the budget setting exercise approved by full Council on 27<sup>th</sup> February 2014. All applicants have been notified and directed towards LINKS for advice regarding opportunities for alternative funding. Advice was also available regarding the application process for two new CBC funding sources – Community Assembly Minor Grants and the Community Chest.
- 3.4 Organisations holding SLAs with CBC for 2013/14 attended an annual review meeting in early 2014 as specified in their Service Level Agreement, to check their progress against schedule 1 of the SLA. Each organisation has completed an annual review report – see appendix 1. In addition, six monthly monitoring has been undertaken.
- 3.5 With the next annual review, due in late autumn 2014, organisations holding SLAs with CBC will be required to ensure their activities match the CBC Corporate Plan.

### **4.0 SERVICE LEVEL AGREEMENTS**

- 4.1 Members agreed in November 2007 that large grant funding should be delivered through Service Level Agreements. This format 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 SLA provides details of the activities to be delivered with clear outputs and milestones identified against which the service can be monitored.
- 4.2 The Schedule 1 for each SLA was updated in time for the January 2014 review meetings and as such does not reflect the recently agreed Corporate Plan but refers directly to the Council's Corporate Plan 2012-15. Each organisation has identified those outcomes, measures and targets to which they can contribute and have also provided a bespoke list of measures and targets appropriate to the activity of their organisation but which also contribute towards the Council's overall

aims. It is proposed that the review of funding awarded to groups via SLAs planned for 2014/15 will at the same time review the Schedule 1 template and make the necessary amendments to bring it into line with the CBC Corporate Plan.

- 4.3 All recipients have submitted an Annual Progress Report outlining achievements during 2013/14 and attended an annual review meeting which has helped to inform the SLAs for 2014/15. Annual Progress Reports are attached at Appendix 1. As previously stated, for the coming financial year each organisation has completed a revised schedule 1 to reflect activities planned, attached at Appendix 2.
- 4.4 Any failure by any organisation to pass the financial test, or future ability to fulfil their SLA, will be considered within the annual review in late autumn 2014
- 4.5 It is proposed that the overall level of funding for SLAs be maintained, for all organisations for the period 2014/15 as detailed below.

Table 1

SLAs	13/14 Actual	14/15 Proposed
CAB	133,750	133,750
Law Centre	46,330	46,330
Shopmobility	24,210	24,210
DUWC	44,090	44,090
Links	17,780	17,780
<b>Total</b>	<b>£266,160</b>	<b>£266,160</b>

## 5.0 RISK MANAGEMENT

### 5.1 Risk Management

Description of the Risk	Impact	Likelihood	Mitigating Action	Resultant likelihood	Resultant Impact
Funding to voluntary and community organisations could impact on other Council services given the limited financial flexibility the Council faces.	H	M	This funding is considered in the context of the Council's budget setting process and has been approved within the 2014/15 budget; however, a review will take place during the financial year to determine	M	L

			availability of funding for future years as pressure on Council finances grows.		
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 monitor mean that a good dialogue exists between the Council and the organisations funded and agreement on targets can be reached satisfactorily.	L	L
The level of funding may not be sufficient to meet the increased demand for advice in the current economic climate. This will lead to long waiting times for residents to receive the advice they need.	M	M	This is a risk for the organisations as well as the Council and has been managed well by the advice agencies. Measures such as relocating to the Town Hall will help to mitigate this risk by provide economies of scale to the organisations involved.	M	L

## 6.0 **FINANCIAL CONSIDERATIONS**

- 6.1 The financial implications are set out within the report. The proposed budget for SLAs to the voluntary and community sector of £266,160 was incorporated within the overall Council budget report approved in February.
- 6.2 As a result of the ongoing financial pressures placed on the Council, a review of all funding allocated to groups via SLAs will be undertaken during 2014/15 to inform future year's budgets.
- 6.3 All applicants, with the exception of Links, have passed the Council's financial test. Links have more than 50% of their average 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.

## **7.0 PUBLIC RELATIONS AND MEDIA CONSIDERATIONS**

7.1 The review of funding to the voluntary and community sector will need to be managed sensitively as there will undoubtedly be concerns from the organisations currently receiving funding. A strategy for communicating with current funding recipients will be prepared as part of the review process.

## **8.0 EQUALITIES CONSIDERATIONS**

8.1 An Equality Impact Assessment (EIA) was prepared as part of the previous review of Grants to Voluntary and Community Groups and has been refreshed to take into account the changes in funding available as described in this report.

8.2 The EIA will be reviewed again as part of the planned review of funding to voluntary and community organisations to take place during 2014/15 and where possible mitigating action taken to reduce any negative impact.

## **9.0 RECOMMENDATIONS**

9.1 The level of funding for Service Level Agreements (SLAs) be maintained at the 2013/14 level to all organisations. A total fund of £266,160 for 2014/15.

9.2 The SLA Schedule 1 table, for each organisation, attached at Appendix 2 to the report, be approved for inclusion within the SLAs for 2014/15.

9.3 That a review be undertaken on funding awarded to groups via SLAs, and outcomes to be reported back to Cabinet by the end of 2014.

## **10.0 REASON FOR RECOMMENDATIONS**

10.1 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.

M. HAYDEN  
HEAD OF REGENERATION

Further information on this matter can be obtained from Laurie Thomas/Lynda Sharp (Ext. 5256).

Officer recommendation supported/not supported/modified as below or Executive Member's recommendation/comments if no officer recommendation.

S.L. Blank.

Signed

Executive Member

Date 6.5.14

Consultee Executive Member/Assistant Executive Member comments (if applicable)/ declaration of interests