

25th March 2014

Agenda Item No.

Review of Voluntary Sector Support

Report by: Michael Enston, Executive Director, Corporate Services

Wards Affected: All Fife wards

Purpose

This report aims to set out the terms of reference for the proposed review of voluntary sector support. The report sets out the purpose of the review and the main themes that will be considered as part of the review as well as proposals for how the third sector and partners will be engaged and consulted on the work being taken forward.

Recommendation(s)

It is recommended that Executive Committee members consider and agree the scope of the review as set out in section 2 of this report. In addition, it is recommended that consultation with the sector and reporting back to this Committee is taken forward as set out in paras. 1.4 and 1.5 respectively.

Resource Implications

Given the financial challenge facing the Council, voluntary organisations could face year on year reductions with the availability of funding potentially reducing between 5% and 10% over the next 3 years. The intention is to consider this challenge strategically through a review process and be proactive in working with the sector to identify areas for change rather than looking at this on piecemeal basis each year. The review process has to generate opportunities for savings or reinvestment and should aim to deliver options within the range of 5-10%.

Staff resources will require to be allocated to support the review from Council Services.

Legal & Risk Implications

There are no legal or risk implications from the review.

Impact Assessment

An impact assessment is not required for the review. The review process will itself consider the impact of any changes being proposed and, if appropriate, individual impact assessments will be carried out on the proposals to be implemented as a result of the review.

Consultation

Consultation with the third sector and partner organisations will be undertaken as part of the review process as set out in para. 1.4 below.

1.0 Background

- 1.1 Fife Council provides funding of over £15m annually to voluntary sector organisations to provide services in Fife, including recurring grants, support in kind and the community grants schemes.
- 1.2 The Council is committed to building on the current good relationship that exists with voluntary and community based organisations across Fife and considering new ways in which we can work together to deliver our priorities for Fife. It is recognised that voluntary organisations should also contribute to the savings required over the next few years, but that considering funding to individual voluntary groups in isolation, or imposing an arbitrary percentage cut across the board, can have a devastating impact on what are often small organisations that provide extremely valuable services. Nor would such an approach be the best way of ensuring that funding is targeted to meet the Council's key priorities or achieve best value for money.
- 1.3 It has therefore been agreed to undertake a comprehensive review of support to the voluntary sector in Fife, with the aim of identifying potential savings through shared use of premises and other resources, eliminating possible duplication and focusing activities on key areas of service delivery. This review will be carried out in partnership with voluntary sector representatives and will also look at areas where additional funding might be targeted through the third sector to enhance preventative and 'spend to save' initiatives. It will also link with developments taking place both nationally and more locally; including a similar review of voluntary sector funding that is being taken forward by NHS Fife during 2014/15.
- 1.4 It is intended that engagement with the voluntary sector will be a key component of the review. This will take the form of meeting with the sector through existing groups such as the Third Sector Strategy Group and various established third sector forums in order to set the scene for the review process. This will be followed by a consultation event to be scheduled for late May which is likely to be more workshop-based, giving greater opportunity for discussion and involvement.

- 1.5 An interim progress report will be presented to the Executive Committee in June of this year and a final report in October 2014.

2.0 Key Areas for Review

- 2.1 The Council's support for voluntary organisations covers different activities and themes which are about more than grants or funding. While the review intends to be as comprehensive as possible, it is nonetheless necessary to identify the main areas that will come under the scope of the review. The following is intended to set out the key areas for the review and briefly outline what would be covered under each. Members are asked to comment on these as the key areas and on whether there are gaps that need to be added.

Funding of the Voluntary Sector

- 2.2 As noted above, the Council provides funding of over £15m annually to voluntary sector organisations and this will obviously form the key element of the review. The recurring funding awarded for 14/15 amount to £15,212,000 to 232 organisations. In addition, the Council awards non-recurring grants and support to voluntary organisations through local community planning budgets.
- 2.3 Some of the recurring grants will be subject to review through other mechanisms such as Health and Social Care Integration. With this in mind, it is proposed that further analysis of grants is undertaken and a series of themed reviews identified to be taken forward between June and September 2014. Specifically the themed reviews will aim to consider:
- a strategic overview of each theme (including the range of services provided by the voluntary sector and those provided directly by the Council, geographical spread, any focus or prioritisation and potential gaps in provision);
 - what is being achieved? (including targets and outcomes, how these support the delivery of the Council's priorities and how they can be better articulated within SLAs, as well as in future monitoring and reporting arrangements);
 - could we achieve more by doing things differently? (including consideration of how we can work with the voluntary sector to deliver more innovative service delivery solutions through approaches such as alternative delivery models, shared services/resources, asset transfer and the development of voluntary sector hubs).
- 2.4 Initial scoping from the themed reviews will be presented as part of the interim report in June with proposals for change presented for consideration in October. The output from each theme will be a strategic statement of the outcomes the Council wants to achieve in 3 years' time with proposals for how to get there, including any savings that will be achieved.

Additional Forms of Support (leases and discretionary rating relief)

2.5 Fife Council also supports a range of voluntary and community groups with other types of support. This can range from subsidised lease arrangements or the award of discretionary rating relief to smaller ad-hoc activities such as the provision of a meeting room. This type of support has traditionally been known as support in kind and is reported retrospectively to the Executive Committee on an annual basis. The themed reviews will therefore also include support in kind arrangements, principally:

- lease arrangements - there are a number of clubs, voluntary groups and other community based organisations which are tenants of Council assets and have lease arrangements in place; many at a subsidised rate below market value. Historically different approaches have been taken in the development of these arrangements. There are around 200 leases in place which relate to premises or sites occupied by organisations that provide a Community benefit or service. However due to the lack of an agreed policy to consider these leases when they come up for renewal, many organisations end up in protracted discussions on the level of subsidy that is appropriate. It is proposed that a formal policy be developed and adopted to build on agreed priorities and supported with a rent rebate scheme that sets in place standard and transparent arrangements. The development of and consultation on a rent rebate policy will be undertaken with proposals presented to Committee in June.
- rating relief – the consideration of applications for discretionary rating relief is currently undertaken by Council Services most appropriate to support the activity of the organisation applying. This is a historic position arising from when the responsibility was transferred from Finance to individual Services around 12 years ago. While there have been service specific reviews of these procedures, there has not been an overall review of the discretionary rating relief policy. The review and updating of the policy will be undertaken with proposals presented to Committee in June.

Future Reporting of Funding Recommendations

2.6 At present, all recurring grant awards are presented to the Executive Committee for consideration and approval. Once approved the awards are monitored via the Council's Voluntary Sector Monitoring & Evaluation Framework. Elected Members are encouraged to contact the relevant officers if further information is required prior to the Committee meeting. In previous years, drop-in surgeries have also been made available before the Committee meetings. Both options have had limited take-up.

2.7 In March 2013, the above process resulted in 145 awards, across all directorates being presented to the Executive Committee. It was requested that consideration be given to how future reports can be improved and specifically related to areas. The number of awards presented rose to 220 in March 14 as a number of 3-year SLAs came to an end.

- 2.8 Members have also raised concerns related to providing an opportunity for greater discussion and involvement in decision-making on awards whilst maintaining a balance in length of time taken at any Committee meeting. It is proposed that options for future reporting are developed and presented in June as part of the interim report.

Voluntary Sector Engagement and Commissioning

- 2.9 During 2013 Fife Council took part in the Scottish Government's Partners for Change programme, which was designed to bring public sector and third sector partners together at a local level with the specific aim of enabling third sector organisations to play a greater and more meaningful role in the planning and delivery of efficient, high quality services through an earlier and deeper engagement in service design, commissioning and procurement activities.
- 2.10 As a result, improvement plan priorities were agreed including the development of a suitably resourced 'Strategic Commissioning Strategy' and implementation framework for Fife Council & its partners, the identification of potential commissioning, procurement and service redesign opportunities and the development of a quality assurance approach/framework in support of the new commissioning approach. This work should be taken forward as part of this review as it will play a key role in further developing and enhancing the relationship between the Council and its voluntary sector partners.
- 2.11 More generally, while we recognise that the relationship between the Council and the voluntary sector in Fife is positive and constructive, there is always room for improvement. There are a number of structures in place which allow the sector to engage with each other and to ensure the best representation in discussions with the Council. Support and facilitation of these is one of the key roles for Fife's Third Sector Interface – Fife Voluntary Action.
- 2.12 The Council needs to better understand and utilise these structures in developing and delivering services. This will include the role of the Third Sector Strategy Group and Fife Voluntary Action as well as other forums which already exist. It is the intention to consider ways in which engagement with and involvement of the sector can be improved and to present actions to achieve this in October 2014.

3.0 Conclusion

- 3.1 This report has presented the scope of the proposed review of voluntary sector support in relation to the following key areas:
- Funding of the voluntary sector
 - Additional forms of support
 - Future reporting of funding recommendations
 - Voluntary sector engagement and commissioning

3.2 An update and interim findings from the review will be presented to this Committee in June and the final report presented in October 2014. The review will be taken forward with the full involvement of the voluntary sector, Council services and partners such as NHS Fife.

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