

Agenda item:

[No.]

VOLUNTARY SECTOR COMMITTEE

On 2ND December 2008

Report Title. Review of Core Grant Funding for Infrastructure and Client Specific Voluntary Organisations

Report of **Sharon Kemp, Assistant Chief Executive – PPP&C**

Signed :



Contact Officer : Jean Croot - Head of Safer Communities – 0208 489 6934

Wards(s) affected: **All**

Report for: **Non-Key Decision**

1. Purpose of the report

- 1.1. To report on the findings of the review of the Infrastructure and Client Specific organisations
- 1.2. to request a decision on the recommendations in respect of the continuation of core funding for 19 Infrastructure and Client specific organisations

2. Introduction by Cabinet Member (if necessary)

- 2.1. Voluntary organisations in Haringey play a key role in providing services, especially to our most disadvantaged and vulnerable groups. They provide a voice for community representation and consultation and add value through the use of volunteers and building social capital. They are an essential partner in assisting the Council meet its strategic priorities.
- 2.2. Through the Corporate Voluntary Sector team the Council provides over £3m worth of grant aid to the voluntary sector each year. Additional funding is also provided by other departments and totals over £18m pa. This is a substantial investment and we need to ensure the money is well spent. Many organisations approach us for help with funding but we are only able to assist a limited number of them. In fairness to those organisations we cannot help it is important we monitor and evaluate those we do to ensure they are adding value though their work in our communities.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

- 3.1. Haringey Local Area agreement/Haringey Community Strategy
- 3.2. Achieving Excellent Services
- 3.3. Building Safer & Stronger Communities
- 3.4. Better Haringey
- 3.5. Putting People First
- 3.6. Raising Education Achievement

4. Recommendations

- 4.1. The VSC note the key findings of the Infrastructure and Client Specific Organisations review
- 4.2. The VSC agree the continuation of core funding, commencing 1st April 2009 to 31st March 2012, for the nineteen (19) Infrastructure and Client Specific organisations, listed in appendix 1, subject to the conditions(s) set out therein.

5. Reason for recommendation(s)

- 5.1. Voluntary Sector Committee at the meeting of 10 July 2008 agreed an independent review of twenty (20) Infrastructure and Client Specific (ICS) voluntary organisations whose core funding ends on 31st March 2009. It was intended that the review would inform decisions on whether to provide continuing financial support to these organisations for a further three-year period from 1st April 2009-31st March 2012.
- 5.2. The level of core funding allocated to the 20 organisations in 2008-09 totalled £971,800 as contributions to these organisations core costs.
- 5.3. the organisations were assessed against the criteria outlined in point 17 of report
- 5.4. The ICS voluntary organisations recommended for continuation of funding support are listed in Appendix 1 These ICS organisations have all been assessed as meeting the criteria for funding: fit for purpose, provide quality services that meet identified need; satisfactory financial assessment/solvency score, the following 19 organisations receive continuation of core funding, provide value for money and work in partnership with the Council and other stakeholders to promote community cohesion. Collectively, these agencies contribute towards a significant number of the Council's LAA and Community Strategy priorities.
- 5.5. The Council is keen to create a thriving environment for the third sector and the continuation of these core grants will be seen as a significant commitment as all the ICS voluntary organisations have indicated during this review that the Council core funding represents a vital funding stream for their strategic and policy development work.

6. Other options considered

6.1. No other options were considered

7. Summary

7.1. The budget has been maintained at the 2006-2009 levels in recognition of the important role that the ICS voluntary organisations play in delivering infrastructure support to local voluntary community groups, and high quality, value for money services to Haringey residents

7.2. Successful organisations will enter a new 3 year funding agreement from the 1st April 2009 and will be monitored under the Terms and Conditions of Revenue Grant Aid.

7.3. 19 of the 20 organisations reviewed are recommended for the continuation of core funding

8. Chief Financial Officer Comments

8.1. The Chief Financial Officer notes that budget is available within the Voluntary Sector team to meet the proposed grant allocations outlined in the report for the period 1.4.2009 – 31.3.2012. If the grant aid is agreed as recommended each organisation will be monitored under the Terms and Conditions of Revenue Grant Aid and audited accounts will be reviewed annually by finance staff to ensure they remain solvent and financially viable

9. Head of Legal Services Comments

9.1. The Head of Legal Services notes the contents of the report.

9.2. The Voluntary Sector Committee has power under Part 3, Section D, Para 2.2 (a) of the Council's Constitution to consider officer recommendations for funding and agree the awarding of grant aid to the voluntary and community sector.

9.3. Should the Voluntary Sector Committee agree the recommendations contained in para 5 of this report, the Corporate Voluntary Sector Team will need to ensure that Conditions of Grant Aid approved by the Corporate Legal Service are put in place with organisations for which funding has been approved.

9.4. The Head of Legal Services confirms that there are no reasons preventing Members from approving the recommendations in this report.

10. Head of Procurement Comments –[Required for Procurement Committee]

10.1. Not Applicable

11. Equalities &Community Cohesion Comments

11.1. The Equalities and Diversity Team has been consulted in the preparation of the report and comment that the review on which the recommendations of this report were based was fair, in terms of both process and the criteria used. In terms of outcome, allowing for a general umbrella body (HAVCO) and specific client group (HAGA), an equalities breakdown of the successful organisations shows that they include age groups (older people, children and young people), disability groups, including physical and mental disability, women's groups, lesbians, gays, bi-sexual and trans-sexual group (LGBT) and race and ethnic minority groups. This reflects a good outcome from equalities stand point.

12. Consultation

- 12.1. All of the 20 ICS voluntary organisations were notified of the review in writing in June 2008. These agencies also had ongoing contact with their monitoring officers and were kept informed of progress on an informal basis
- 12.2. The assessor contacted the organisations following the dissemination of the self-assessment and application forms to ensure understanding of the review process
- 12.3. Officers in other departments were invited to provide comments/observations as appropriate

13. Service Financial Comments

13.1. The budget is available to meet the financial commitment to all recommended organisations for 2009-2012.

14. Use of appendices /Tables and photographs

14.1. Appendix 1 - (Exempt from this section of the report see point 15.2)

15. Local Government (Access to Information) Act 1985

- 15.1. [List background documents]
- 15.2. Appendix 1 this report is exempt for the following reason: **information**

**relating to the financial or business affairs of any particular person
(including the authority holding that information)**

16. REPORT

16.1 Background

- 16.2 Voluntary Sector Committee at the meeting on 10 July 2008 agreed an independent review of the twenty (20) Infrastructure and Client Specific Voluntary Organisations whose three-year (2006-09) core funding agreements expire on 31 March 2009.
- 16.3 As per the eligibility criteria for core funding, Infrastructure and Client Specific (ICS) voluntary organisations are defined as voluntary and community organisations that play a supporting, coordinating, representation, policy-making and development role for other voluntary and community organisations and/or their clients who live in Haringey

16.4 The twenty ICS organisations are:

Organisations
Infrastructure organisations
1. Age Concern
2. Haringey Voluntary and Community Organisation (HAVCO)
3. Haringey Play Association
4. Haringey Racial Equality Council

5. Haringey Womens Forum
Client Specific Organisations
6. Bangladeshi Womens Association
7. Cara Housing Association
8. Caris
9. Collage Art
10.Exposure
11. Greek Cypriot Womens Organisation
12. Haringey (HAGA)
13. Home Start
14. Jan Trust
15. Markfield Project
16. MIND in Haringey
17. Northumberland Park Women & Children's Centren
18. Turkish Cypriot Women Project
19. Wise Thoughts
20.YMCA

16.5 The purpose of the review was to establish whether the above organisations are still fit for purpose and financially viable for the continuation of core funding for another three-year period from 1 April 2009 to 31 March 2012.

17 Review Process

17.1 Key elements of the review process were:

- a) All 20 ICS voluntary organisations were notified of the review in June 2008
- b) All twenty were invited to complete and return a self-assessment and application form (issued on 1 July 2008 with a closing date of 8 August 2008)
- c) Following the dissemination of forms, the assessor contacted the organisations to ensure that the review process was understood
- d) All completed applications were assessed against a set criteria, which took account of:
 - The performance of the organisations over the three-year (2006-09) funding period
 - Whether or not the organisations still represent 'value for money' and are 'fit for purpose' in terms of the quality and impact of service delivery both as a funded organisation and in how their services meet the needs of the local community and contribute to community cohesion
 - Whether or not they still meet the strategic objectives of the Council
 - Identify any added value of continuing funding to the organisations
 - Assessor made follow-up visits, where appropriate
- e) In addition, the organisations must also meet the eligibility criteria for funding, as follows:
 - Be based in the Borough of Haringey, with at least 50% (and preferably up to 75%) of users living and/or working in the Borough of Haringey
 - Be a registered charity or demonstrate that active steps are being made to become a registered charity, and preferably be a company limited by guarantee
 - Comply with legal and regulatory requirements in line with the services undertaken (e.g. entertainment licenses, appropriate CRB checks on staff etc)
 - Have a functioning management committee and appropriate governance arrangements including sound financial processes and accountability
- f) Consideration was given to previous monitoring reports undertaken by the Corporate Voluntary Team (CVST) and comments from other departments, where supplied

g) Organisations were given feedback post assessment.

h) All organisations were requested to submit audited accounts for the year ended March 2008 for assessment by the Council's Corporate Finance section.

18 Review Findings

18.1 This section of the report sets out the overall findings which focus on the key assessment areas.

- **Performance against business plan objectives 2006-09**

Overall, the organisations have performed well over the last 3 years; with over performance by 2 of them, and the other 18 organisations meeting all or most of their 2006-09 business plan objectives.

Type of Organisation	Performance to date (Targets Set)				
	Above (Exceeded set targets)	All (100%)	Most (80%)	Some (Less than 50%)	None (No set targets met)
Number of infrastructure	0	2	3	0	0
Number of Client Specific	2	10	3	0	0

The following were quoted by the organisations concerned as some of main reasons for the under-performance:

- Difficulty in raising the necessary funds for the project, activity or service development
- Lack of capacity – original work plan was too ambitious resulting in the organisation being over-stretched
- Planning & Timing – delayed input from key partners/ stakeholders
- Capital funding/ premises unavailable for service expansion

There was indication that some of the organisations would use their current round of business planning to reflect on these issues and identify ways of addressing them.

None of the 20 organisations were underperforming on areas that would cause significant concerns to the Council.

- **Value for money**

It was difficult to establish if the organisations offered value for money on the basis of cost or price. This was due to the lack of robust costs data that would enable cost benchmarking between the services provided by these organisations and those provided by the Council or services commissioned from the private sector.

Further, benchmarks are complex as there is often no certainty that all unit costs are being calculated on a consistent basis.

Instead of cost or price, this review used 'performance against plan' as a measure of value for money where value is described by the objectives achieved within the agreed financial targets¹. Based by this measure, the twenty ICS organisations were assessed as value for money providers, all having met most or all of their planned objectives. It should be noted that the Council's core funding represented less than 50% of the overall core costs of these ICS organisations. All indicated that they had used their core funding to lever in funds from various sources, e.g. charitable trusts, Haringey PCT, other council departments, etc to support direct services and activities.

- **Fit for Purpose**

The review found that the 20 organisations remain fit for purpose, delivering services and activities that are relevant to the needs of Haringey residents. All were able to:

- a) Evidence needs for their services/ activities
- b) Involve users to plan and evaluate services
- c) Show that there are policies and systems in place (e.g. financial probity, equalities, user involvement, self-evaluation, training, volunteering, complaints and quality assurance) to ensure that services are of high quality.
- d) Demonstrate their ability to deliver business plan objectives.
- e) Demonstrate their ability to work in partnership
- f) Demonstrate that their work contributes towards the Haringey Community Strategy and LAA priorities, as well as national policy agendas such as Community Cohesion, Promoting Independence, Every Child Matters, Choosing Health, etc.

¹ From 'Measuring Value for Money' by David Mason, 2006

18.2 Infrastructure Organisations

The 5 infrastructure organisations continue to play a vital role in representing the interests of the local voluntary and community sector, building capacity, facilitating and co-ordinating consultations and forums. 3 of the 5 (Haringey Women's Forum, Haringey Play Association and Age Concern) are second tier umbrella organisations, which means they deliver services to individual service users in addition to providing infrastructure support to VCS that work with their specific client groups.

All 5 infrastructure organisations are actively engaged in strategic partnerships, sitting on key planning forums and theme boards. Age Concern and HAVCO are lead partners for a number of the LAA and Community Strategy indicators and targets.

18.3 Client specific organisations

These organisations provide a wide range of support services to individual users, many of whom are hard to reach groups. Client specific organisations also undertake advocacy and representation work to ensure that disadvantaged and vulnerable residents access mainstream services, take-up benefits, etc.

Several of the client specific organisations reported a rising demand for their services as evidenced by an increase in the number of referrals received.

19 Added value

All 20 ICS voluntary organisations were able to demonstrate value in the following ways:

- a) Using their understanding and knowledge to engage hard to reach communities, faith groups, people from all equalities groups, bringing people from different groups together thereby promoting community cohesion
- b) Creating and supporting opportunities for volunteering
- c) Using their specialist skills and experience to assist individuals to take up benefits to which they are entitled, thereby maximising income
- d) Core funding has enabled these organisations to generate income to invest in services in the borough

20 Financial viability

Financial assessments are still ongoing due to the fact that half of the agencies have not yet submitted signed accounts (because their AGMs do not take place nearer the end of the year).

Based on the previous year's assessment, no serious financial viability issues are expected. However, it is prudent for all the recommendation of core funding continuation to be subject to a satisfactory financial assessment/ solvency score. Should there be any subsequent financial viability issues, a report separate from this will be prepared for an extra ordinary meeting with the VSC.

21 Key Challenges

As part of the review, organisations were asked to what challenges they would expect to face in the next 3 years.

List below are some of the challenges identified by most of the majority of the organisations:

- Sustainability of funding – difficult to obtain longer term funding
- Capacity and the ability to meet rising demand for services; unmet need
- Above market rent increases
- Implication of new wide-ranging policy agendas, e.g. Personalisation, Health and Social Care Procurement practices, and the associated opportunities and threats to the local voluntary and community sector, in especially the small community groups
- Lack of a level playing field between statutory agencies and voluntary community organisations in relation to the access to government grants (some cited the recent round of ABG as an example of this)

Many of the organisations reviewed were confident of the ability to meet these challenges.

The infrastructure organisations highlighted the need to develop a more in-depth understanding of the local VSC sector, in particular the needs of the

smaller community groups in order for them to better support these groups' development.

22 Conclusion

The importance of the core funding provided by the Council was emphasised by all the ICS voluntary organisations who believed that without this funding they would find it difficult to fulfil their representation role, or to undertake strategic work such as partnership and policy development.

Core funding constitutes a vital income stream for these organisations because it both contributes towards their core costs (which charitable trusts, service commissioners, etc are reluctant to fund), and provides leverage for external funding to support direct services and/or projects.

Over the last 3 years, the core funding provided to the 20 ICS voluntary agencies have enabled them to meet their business objectives, delivering infrastructure support to local voluntary and community groups, and direct services to disadvantaged residents.

Haringey is a vibrant borough with a diverse population. The 20 ICS voluntary organisations are very much an integral part of the wider community; bringing different sections together; promoting community cohesion and assisting the Council and its partners to deliver key strategic objectives.

24. Recommendation

- 24.1 It is recommended that, subject to a satisfactory financial assessment/ financial solvency score, the following 19 organisations receive continuation of core funding,

Infrastructure Organisations

- Age Concern
- Haringey Voluntary and Community Organisation (HAVCO)
- Haringey Play Association
- Haringey Racial Equality Council
- Haringey Womens Forum

Client Specific Organisations

- Bangladeshi Womens Association
- Caris
- Collage Art
- Exposure
- Greek Cypriot Womens Organisation
- Haringey (HAGA)
- Home Start
- Jan Trust
- Markfield Project
- MIND in Haringey
- Northumberland Park Women & Children's Centre
- Turkish Cypriot Women Project
- Wise Thoughts
- YMCA