

Voluntary Sector Grants CommitteeOn 20th June 2006

Report title: Annual Report on Voluntary Sector Grants 2005-2006
Report of: David Hennings - Assistant Chief Executive (Strategy)
<p>Introduction by Executive Member: The Council provides over £3m worth of grant aid to the voluntary sector each year. This is a substantial investment and it is important that we are able to ensure the money is well spent. From 2002 we have made an annual report to the Committee on progress in improving the administration of the grants programme and other key developments in our work with the voluntary sector.</p> <p>Key developments over the year have included:</p> <ul style="list-style-type: none">• greater partnership working both across Council services and externally;• the completion of the Voluntary Sector Compact (due to be formally launched on 21st June);• commissioning the Council of Ethnic Minority Organisations to undertake capacity building work with some 15 local organisations;• making recommendations to achieve a consistent approach in addressing the allocation, administration and maintenance of community buildings, including work with Property Services on a draft 'model lease' <p>Finally, we have just taken over as the accountable body for HARCEN and are drawing up a Service Level Agreement with them so we can monitor and evaluate their effectiveness and overall value for money in providing a community empowerment network in the borough.</p>
<p>1. Purpose</p> <p>1.1 This report updates the Committee on the administration of voluntary sector grants through the Chief Executives Corporate Voluntary Sector Team (CVST).</p>
<p>2. Recommendations</p> <p>2.1 The Committee note the Report</p>
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3.1 Executive summary

This report updates VSGC on the progress of improving the administration of voluntary sector grants. Considerable progress has been made in implementing the recommendations of the Best Value Review and District Audit recommendations.

These include:

- Clarification and rationale for the purpose of awarding grant aid
- Development of the Supporting People project
- Partnership working across the Council and with the Voluntary Sector
- Introduction of a grants management package 'Benefactor' and J4B – funding information web site
- Funding reviews and Strategy development
- Establishment of the Voluntary Sector COMPACT and capacity building partnerships with the voluntary sector.
- Review of community buildings

4. Access to information: Local Government (Access to Information) Act 1985

5. BACKGROUND

5.1 Following the District Audit report and the Voluntary Sector Best Value Review, in 2002 the Council agreed a package of improvements to the support provided to the voluntary sector and to the way in which voluntary sector grants are administered. One of the recommendations in the District Audit report was that an annual report is presented to Members showing the progress of improvements in policy, procedures and performance towards the voluntary sector. This is the third Report to the Committee.

5.2 Funding administered through the Corporate Voluntary Sector Team (CVST):

The Council's mainstream grant funding for 2005/06 from the Corporate Voluntary Sector Team totals £3,078,499. This funding is distributed through the main grants programme and the New Initiative Development Fund.

5.2.1 **Main Grant Programme** - The main grants programme provides up to 3 year funding to for:

1. **Grant Aid for Core Funding:**

Grant aids a contribution towards the management costs that support the central running costs of the organisation. Core funding is provided to those organisations who have demonstrated their ability to:

- Play a strategic role in voluntary sector activity and development,
- Be a key partners with the Council in supporting the delivery of the Community Strategy;
- Support voluntary sector sustainability and development.

2. **Commissioning for Direct Services Provision:**

Project cost that relates to specific services will be commissioned either by a lead Directorate service commissioner or in the case of strategic, cross-sector borough services (e.g. Advice) grant aided through the CVST. It has been agreed that grants that have traditionally provided by grant aid, which should be commissioned by services, are transferred to the appropriate service for future administration (Appendix 1).

Appendix 1 provides a breakdown of those organisations that are currently in receipt of grant aid through a 3 year funding agreement.

5.2.2 **New Initiative Development Fund (NIDF)** – 'One-off' grants up to £3,000.

Approximately 32 organisations have benefited from the NIDF over the last year (See Appendix 2). The Corporate Voluntary Sector Team reviewed the monitoring procedures for organisations receiving NIDF. The aim is to implement more effective robust monitoring procedures that identified opportunities for capacity building and development support.

5.3 External Funding Stream

5.3.1 **Supporting People Project**

The Supporting People (SP) Grant to the Voluntary Sector of £811,624 per annum administered and monitored to the voluntary sector by the CVST. Twelve organisations currently benefit from this funding stream (See Appendix 2). This funding is in addition to the mainstream grants programme.

- 5.3.2 The Team also provides capacity building and support for organisations in readiness for Review from the Supporting People Team and support the development of potential SP providers of the future. This has enable the organisations to manage and deliver contract effectively and efficiently and to achieve level C or above in the review.
- 5.3.3 The CVST has set up and supports a Small Providers Network which brings together small providers for mutual support, information exchange, discussion and helps facilitate effective partnership working. Haringey's method of working with a voluntary sector supporting people programme has been acknowledged at government level and by the wider Supporting People arena and Haringey as a 'Model of Good Practice'.

6. IMPROVEMENTS AND DEVELOPMENTS

6.1 Voluntary Sector Grants Committee (VSGC)

The VSGC is a decision making Committee and is made up of those Lead Members whose services have links with the Voluntary Sector. The Committee has overviewed issues that affect the voluntary sector, reviewed the grant making process and approved 3 year grants funding programmes.

6.2 Local Partnership Working

6.2.1 **Corporate Grants Officers Group (CGOG)** Lead Officers from each service working with the voluntary sector meet quarterly to share good practice and exchange information on issues and funding, which affect the voluntary sector.

6.2.2 **2nd Tier Organisations Partnership (2TOP)** Lead officers from voluntary sector Infrastructure organisations and the CVST meet quarterly to share good practice, exchange information and when required provide support and mentoring to organisations who are experiencing difficulties within their management or governance.

6.2.3 Haringey Community Legal Services Partnership (CLSP)

On an initiative lead by the Legal Services Commission the CLSP was established in Haringey in 2001 with support of the CVST who continues to administered, service and support the partnership. The CLSP bring together legal and advice agencies from the Voluntary and Community sector, private solicitors and statutory agencies to provide a place where issues that affect the sector can be addressed strategically. In 2005/06 the CLSP commissioned Advice UK to set up a quality mark training project in HAVCO and initiated and provided support to an Advice Providers Network.

6.3 Audit Service

6.3.1 From time to time Officers have major concerns regarding the management, in particularly the financial management, of organisations who are receiving grants for which the Council has accountability. The CVST works in partnership with the Audit Services to look at the financial procedure and governance , should there be

cause for concern. The auditor provides the CVST of their findings and recommendations which informs the appropriate action to be taken by the monitoring officer.

- 6.3.2 At the request of the CVST Internal Audit method of auditing the work of the CVST now includes a random selection of organisations that receive a Council grant. The purpose is to independently check organisations compliance with the Terms and Conditions of Revenue Grant Aid by those who have a particular expertise around financial matters. A Report on the findings is provided to the CVST and to the organisation that has been audited. This has been very beneficial to both the CVST and the organisations as it provides management at all levels either with assurance that controls are in place to ensure effective and efficient administration of grant or a monitoring tool against which organisations can improve their performance. Although there is a risk that failure within a voluntary organisation could effect the scoring of the CVST it does provide assurance of a mutually open and accountable process.

6.4 Grants Management

- 6.4.1 In addition to the Council's main stream funding there is a variety of funding streams available to the voluntary sector for which the Council is the accountable body. It is important to co-ordinate these funding streams to ensure that the potential for duplication of funding is minimised and that each funding stream compliments and works together to maximise impact.
- 6.4.2 Benefactor, a grant management programme, was installed in March 2004 to provide a mechanism to do this. It is services by the CVST. The information on the programme relies heavily on information provided from other services and this is being achieved in most part though the Corporate Grants Officer Group. However building up the database is time intensive and there is still more to do to ensure the programme meets its full potential.
- 6.4.3 A website of funding opportunities as also been put in place. This is supported and promoted to the sector through the CVST. J4B is the external agency that provides the website and ensures that information on the website is kept update and relevant to Haringey. www.open4community.info/haringey1

6.5 Funding Reviews

- 6.5.1 In 2005/06 the Michael Bell Consultants undertook an independent review of organisations that provide dedicated legal and advice services funded through the mainstream grants programme. This involved an evaluation of the quality of services, effectiveness of their work and the value for money of the investment in complimenting and enhancing the Council's own services. This financial year will see the implementation the review including exploring the

recommendation of the need to develop a Council wide Advice Strategy.

- 6.5.2 An evaluation of the community organisations element of the mainstream grant programme will be commissioned this year. This will involve evaluating the success of the organisations that are in receipt of grant funding for the delivery of a range of community activities and services. The outcome of this evaluation will inform the awarding of new 3 year funding agreements from April 2007.

6.6 Voluntary Sector COMPACT

- 6.6.1 The 2 year process to develop Haringey's Compact will finish with an official launch on the 21st June 2006 at the Cypriot Centre. This has been a positive partnership with HAVCO as the lead agency for the voluntary sector and the CVST servicing the work of the COMPACT for the Council

- 6.6.2 The Compact now moves from its developmental stage to implementation. A three work plan will accompany the agreement and it will set out clear objectives and targets. To support the implementation of the Compact, Compact link officers will be appointed across the directorates. The aim of the Compact link officer is to build awareness, ownership, involvement, use and accountability of the Compact and partnership working. The effectiveness of the Compact will be reviewed by a Compact Evaluation Group reporting annually to Haringey's HSP.

6.7 A.L.G.

The Council has Member representation on the ALG Grants Committee and the Corporate Voluntary Sector Team provide support to the designated Member to make certain that issues relevant to the voluntary sector in Haringey are appropriately raised, discuss and considered when the ALG Grants Committee are making funding decisions.

6.8 Council of Ethnic Minority Organisations (CEMVO)

Through NRF funding the Corporate Voluntary Sector Team, in partnership with HAVCO, commissioned the Council of Ethnic Minority Organisations (CEMVO) to undertake a capacity building programme with 15 organisations in the Borough. The post is based at HAVCO. As necessary some referrals are made to CEMVO by the CVST for capacity building work. The programme includes an audit of the organisations internal management process and provides support and guidance in establishing a 3 year Business Plan.

6.9 HarCEN - (Haringey's Community Empowerment Network) - 2006/07

- 6.9.1 The purpose of the Community Empowerment Network is to engage and develop local representation on the LSP. HarCEN was developed in Haringey 2 years ago by the Government Office for London (GOL) with the Scarman Trust as accountable body for the funding.
- 6.9.2 In 2006/07 the funding to HarCEN has been transferred from GOL to the local authority through the Safer and Stronger Communities Fund (SSCF). There is only one years dedicated funding of this work on the understanding that, if it is considered by the authority to be worthwhile and effective mechanism for community engagement, the funding in subsequent years will be identified by the Council.
- 6.9.3 The responsibility for administering, monitoring and evaluating the effectiveness of HarCEN to deliver this role into the future will be undertaken by the CVST. This will include consultation with the community and voluntary sector and statutory agencies on the merits of continuing to funding both HAVCO and HarCEN as separate entities is the best use of public funds within a value for money framework.

6.10 Community Building

- 6.10.1 A Report was presented to the VSGC on the 6th September 2005. The Report outlined the current difficulties in the allocation, administration and maintenance of community buildings and made recommendations for a consistent approach in the future.
- 6.10.2 It was agreed a draft 'model lease' would be prepared by Property Services and presented to VCGC for agreement. The model lease is in the final stages of consultation with officers but been delayed due to the recent loss of key staff within Property Services.
- 6.10.3 There is resource implication within the agreed recommendations which were not met within the Council's budget setting process. To address this and find a way forward a Project Group with Property Services and the CVST is to be established to look at the how to take forward the recommendations.

7. FUTURE DEVELOPMENTS

7.1 Future Reviews

Currently all grants awarded by the CVST for the main grants programme are for a 3 year period. Towards the end of the 3 year cycle an independent evaluation against the reason the grant was provided takes place. This is an ongoing rolling process which reports to the Voluntary Sector Grants Committee.

Currently an evaluation is underway to review the dedicated legal and advice agencies. This will be followed in 2006/7 with a review of the community organisation.

7.2 Business Planning

The last few years has seen the work of the CVST expand from its original remit to take on more of a strategic role. In order to define the strategic and operational functions of the CVST more clearly and to

enable members of the team to work towards a longer term vision a business plan will be developed. This will set out a series of strategic objectives and related performance indicators together with a 3 year action plan. The business plan will be an evolving document which will be updated annually.

7.3 Procurement Strategy

Best practice suggests that councils should adopt a corporate approach to commissioning services from the voluntary sector. To this effect a Procurement Strategy is being developed which will set out measures that can be implemented in order to move from the current approach of administering funding to an approach which will involve commissioning of services. This will apply to business units in the Council that fund organisations to deliver specific services. As the CVST fund an organisations core costs in order to maintain the organisational capacity to deliver, this approach will not be applicable for the Corporate Grants programme.

7.4 Voluntary sector strategy

Consultants have been engaged to scope out terms of reference for a voluntary sector strategy. This will set out the strategic issues which face the sector and the approach the Council needs to take, corporately in order to address these. One example is the absence of a strategic approach to the delivery of advice provision in the borough. This would enable the long term commissioning of advice services in the borough based on need and local strategic priorities.

8. COMMENTS

8.1 Legal Services Comments

The Head of Legal Services notes the contents of the report and does not have any comments but should be consulted on the specific projects/initiatives which result from the report

8.2 Financial comments

Although this report is largely to update the Committee on the work of the CVST it does raise a number of policy issues and future work plans which may have financial implications for the authority in the future such as funding for and role of HarCEN after 2006/07 and work around maintenance of community buildings. At this stage it is difficult to quantify likely impact and it is expected that separate reports will be written when there is greater clarity.