



Haringey Council

delivering health and well-being; empowering communities; and working with young people to lead effective valued lives.

It is important to acknowledge that Haringey Council highly values the work of its Voluntary Sector and I, with Cabinet responsibility for this portfolio, am very passionate about the Voluntary Sector and its role in delivering better services and outcomes for Haringey's residents. It is vital that the Council encourages and supports the sector to become a strong strategic delivery partner; one that is able to deliver high quality, effective services against our key priorities.

The Voluntary Sector Strategy 2011-16 sets out the Council's key priorities in working with the voluntary sector in Haringey so that they are able to be effective partners in identifying solutions to the shared challenges in maintaining services within a reduced public resourced envelope. The Funding Framework provides the mechanism for the Council to deliver our key priorities and outcomes, with added value for money and high quality, effective services for residents.

3. Recommendations

Overview and Scrutiny Committee are asked to note the development of the Council's Voluntary Sector Strategy 2011-2016.

4. Other options considered

The Council has not previously had a strategy for the voluntary sector. The Voluntary Sector Strategy is intended to transform the way the Council works with the voluntary sector, to maximise delivery in accordance with the Council's key priorities and outcomes, achieving added value for money and high quality, effective services for residents. The existence of a Voluntary Sector Strategy will strengthen the ways voluntary sector services are funded and provide a proportionate and consistent approach across the Council.

5. Background information

The Voluntary and Community Sector is defined as non-governmental organisations that are value driven and which principally reinvest their surpluses to further social, environmental or cultural objectives. It includes Voluntary and Community Organisations, charities, social enterprises, co-operatives and mutuals.



In 2010/11 the Council funded Voluntary Sector organisations to a value of approximately £15 million. Historically, funding of the voluntary sector has not always been consistent across the Council leading to, for example, duplication in funding for similar services. The Voluntary Sector Strategy will strengthen the ways voluntary sector services are funded and provide a proportionate and consistent approach. The Council is committed to ensuring that performance management is proportionate to the size of the organisation.

The Council has developed a five year Voluntary Sector Strategy for the period 2011-2016 following a period of consultation on the outcomes of the Strategy from November 2010 to February 2011. The development of the Strategy has been steered and overseen by the Voluntary Sector Review Board, chaired by the Cabinet Member for Adult and Community Services and involving voluntary sector members and other key stakeholders. A further six week consultation exercise took place during July & August 2011 on the draft Voluntary Sector Funding Framework. The Framework will set out how the Council proposes to deliver on the Strategy, in order to achieve the best possible outcomes for residents of Haringey within a challenging financial climate.

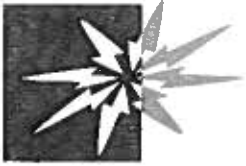
5.1 Voluntary Sector Strategy

The Voluntary Sector Strategy 2011 - 16 (attached at appendix 1) will support the Council to meet the challenges and opportunities that are emerging rapidly from fundamental changes to the public sector. By establishing the right funding mechanisms, the Council will be able to empower and strengthen the voluntary sector so they are better able to deliver effective services in areas of highest need and to address local inequalities to achieve improved outcomes for the residents of Haringey. The Voluntary Sector Strategy highlights the contribution that Voluntary Sector organisations can make to deliver the priorities for our borough, against the five key outputs of the Strategy. These outputs were consulted on from November 2010 to February 2011, and have been agreed as:

Outcome 1: A commissioning and funding framework that is needs-led and offers value for money: by establishing a robust financial relationship alongside innovative ways of funding services, supported by quality assurance and monitoring

Outcome 2: A strong Voluntary Sector infrastructure: by developing a strategic structure that supports the work of the Voluntary Sector

Outcome 3: An effective Voluntary Sector voice: by ensuring that the needs and views of the Voluntary Sector are effectively championed



Outcome 4: People and communities empowered to take control of their lives: To support the development of valuable social networks, recognising the key role the Voluntary Sector has to play, to deliver high quality support and services

Outcome 5: Fairer access to assets and community spaces: by providing support to enable Voluntary Sector organisations to access and to share high quality premises

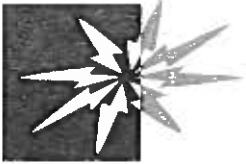
5.2 Voluntary Sector Funding Framework

Outcome 1 of the Voluntary Sector Strategy requires the Council to put in place a Funding Framework (a draft of which is attached at Appendix 2) which sets out the core principles for how the Council will support and work with the Voluntary Sector, including how the Council propose to fund its voluntary sector services in the future. Such a framework is critical to successful delivery of the Strategy.

The Funding Framework is informed by the following guiding principles:

- **Contribution to priorities:** Funding should contribute towards achievement of Council priorities, fulfil a legislative requirement or build capacity in the Voluntary Sector
- **Service/Outcome basis:** Funding should relate to an activity or service to be provided. Monitoring and evaluation should be based on delivery of quantifiable outcomes, established at the start of funding. Funded activities will be expected to deliver those specified outcomes
- **Fair, open and transparent process:** The funding process should be open, fair and transparent
- **Proportionate funding arrangements:** The funding process should involve an element of proportionality with less onerous processes and requirements for low values of funding, to reflect the lower risk involved

Building on the principles already contained in the Haringey Compact and following consideration of the practice adopted in other authorities, funding will be split between strategic commissioning and small grants. It is proposed that each Council Directorate uses this framework for all future commissioning from the voluntary sector, clearly demonstrating links to Council priorities.



- **Commissioning** will be Directorate-led following the development of Directorate Commissioning Briefs. Where necessary, joint commissioning could take place. When setting out commissioning intentions, there will be an emphasis on working with local organisations in Haringey.
- **Small grants scheme (up to £5,000):** In order to continue to support small organisations, a small grants scheme will accompany the commissioning process. The grants will be allocated to new innovative projects, one-off purchases or development investment. Bids will be invited for small funding allocations with proportionate application requirements and monitoring arrangements
- **Longer term funding:** In order to promote stability and certainty, funding should be agreed for longer time periods where it represents good value for money to do so. There is an expectation that commissioning will result in funding being agreed for three years. However, the length of funding will ultimately be determined by the needs of the service or outcome, as set out in the Directorate Commissioning Brief
- **Full cost recovery:** When appropriate Voluntary Sector organisations should aim to recover the full cost of their funded activities by including a proportion of their overheads. This should eventually eliminate the need for 'core cost' funding and encourage sustainability
- **Reserves:** Voluntary Sector organisations are expected to comply with Charity Commission guidelines, and should have written policies on their minimum level of reserves.
- **Partnership working:** A dynamic and innovative response is needed to the challenges faced in providing both public and voluntary services. Opportunities for collaborative projects, sharing of resources or partnership working should be developed where possible in order to make best use of limited resources
- **Value for money:** Funded organisations should demonstrate that good value for money is offered. This could be demonstrated through developing a clear strategy for maximising income from other sources and reducing the reliance on Council funding. Equally, value for money could effectively be built into contracts funding agreements as it should be assumed that no inflationary increments will be available during the life of the contract

6. Comments of the Chief Financial Officer and Financial Implications

The recommendations within the report are to be contained within existing resource allocations. Delivering value for money services will need to be a key consideration in the future funding of services from voluntary sector



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organisations, including ensuring robust and relevant activity information that demonstrates good outcomes to Haringey residents are being delivered.

7. Head of Legal Services and Legal Implications

The Head of Legal Services notes the contents of this report. Legal Services is working with the Director of Adult and Housing Services in the preparation of the Voluntary Sector Strategy and the Commissioning and Funding Framework. Both the Strategy and the Framework will be assessed for their equalities impact, in accordance with the Council's Public Sector Equality duty pursuant to the Equality Act 2010, to enable members to make an informed decision on the same at their meeting on 20 December 2011.

8. Equalities and Community Cohesion Comments

The strategy and commissioning and funding framework is due to be considered at Cabinet on 20th December 2011. It will be supported by a completed Equalities Impact Assessment (which will be available on the Council website one week before Cabinet – i.e. by 13th December 2011). The Equalities Impact Assessment is looking examining how the strategy and framework will ensure equality of access to Council support and funding, across protected groups who use services provided by voluntary sector organisations. The Equalities Impact Assessment will have an accompanying action plan.

9. Head of Procurement Comments

Not applicable

10. Policy Implications

As stated in the strategy, this is ostensibly a shift from grant giving to a commissioning approach.

11. Use of Appendices

Appendix 1 – Voluntary Sector Strategy – 2011-2016

Appendix 2 – Commissioning and Funding Framework

12. Local Government (Access to Information) Act 1985

12.1 No reason for confidentiality or exemption

