

Update on the Voluntary and Community Sector

1 Purpose of Report

A review of the Council's Voluntary and Community (VCS) Strategy, including funding, went to Overview and Scrutiny in March 2010 when an update was requested for March 2011. On 24th May 2010 Cabinet approved the funding framework which governs council and voluntary sector funding arrangements. This report therefore seeks to make Committee aware of the current funding situation, set in the context of a changing national agenda that is highly relevant to the VCS.

2 National Context

On the 1st March 2011, at the Annual Conference of the National Council for Voluntary Organisations (NCVO), the address was made by the Rt Hon Eric Pickles, Secretary of State for Communities and Local Government. During that address five councils were noted as having "chosen to recognise the immensely important role of the voluntary and community sector.....these councils know what they are doing. They didn't wait to be told. They didn't ask for instructions. They just got on with the job". Wiltshire was mentioned by name as one of those councils: (www.communities.gov.uk/speeches/corporate/ncvoannualconf11). Eric Pickles went on to describe central government views on how councils should work responsibly with the VCS. If there is evidence that this is not happening, the "reasonable expectations" will be given statutory force. It is expected, even by the NCVO, that the VCS must share some of the reductions in funding that have to be found by local authorities, but that the affect on the VCS will not be "disproportional".

3 Wiltshire Context

Councillors and staff of Wiltshire Council have stated publicly and often how much they value the contribution that is made by the voluntary and community sector to the quality of life for Wiltshire residents.

The amount spent in the voluntary sector is outlined later in the report but it has been agreed by Wiltshire Council that broadly the same amount of money will be spent in the VCS in 2011/12 as in 2010/11, even though the money will in some cases be spent on different things. For example paragraph 5 outlines identified savings in VCS funding. Those savings contribute to new initiatives which will help the council to meet some of its aspirations for more resilient communities.

It was recognized that the strategic review of VCS funding, undertaken as a result of the unitary council process, would lead to a necessity for collaborations, mergers and revised funding decisions for the VCS in Wiltshire (which pre-dated change in central government policy). Recent mergers include Wiltshire Citizens Advice (from 4 to 1 Bureau), VCS external Support Service (from 4 to 1 provider and now the GROW service) and Carers Support (from 4 to 1 provider). Collaborations include Wiltshire Good Neighbour Scheme (2 providers and a range of partners) also Age UK Wiltshire sharing back office functions with Wiltshire Blind Association and MIND. All of these arrangements have resulted in either freeing up funding for other initiatives or new innovative schemes of benefit to the council and to communities.

The council's VCS Support Unit takes the overall lead in the relationship with the VCS, including chairing the Corporate VCS Working Group, collates funding information and liaises with external partners on voluntary sector issues. It can advise within the council, but has no authority over decisions relating to the VCS that are taken by departments other than DCS.

4 Commissioning and contracting

The VCS Support Unit is taking the lead in identifying ways in which the council can engage in a more effective and timely way with the voluntary sector on its procurement plans so that the sector is better able and prepared to tender for council contracts. This includes exploring ways in which the council's medium term procurement plans can be publicised to the sector giving them time to collaborate and develop bidding partnerships and consortia.

Staff are also working with the VCS Infrastructure support service GROW, with colleagues in contracts roles contributing to 'hot topic' briefing sessions for the sector on commissioning and contracting. If required, this will be followed up with more comprehensive training, particularly on preparing successful tenders.

5 Recording spend in the VCS

As well as efficiency savings and new initiatives from within the VCS it is recognized that cash savings need to be made.

A significant accomplishment of the VCS Support Unit has been the creation of a single database on which all council spend in the Voluntary & Community Sector, whether grants or commissioned services, is now recorded. Data for the 2009/10 and 2010/11 financial years is now available. This places Wiltshire Council in a very strong position in relation to the proposed new *Code of Recommended Practice* for local authorities on the publication of data on VCS spending.

The value of the database has been clearly demonstrated when dealing with an increasing number of Freedom of Information requests about the council's voluntary sector funding activities from across the council.

In 2010/11, overall funding to the VCS was broadly at 2009/10 levels. Figures for 2010/11 are being finalised but are approximately £26m (excluding care home spend, individual family placements, Area Board grants and Performance Reward

Grants). The total spent with the VCS includes both grants and commissioned services. Grants could be funding towards core costs of a group/organisation to enable them to exist and provide their service or sometimes just the cost of a specific project. Commissioned services are when the council specifies what it wants delivered and are normally subject to a tender process. Of the £26m the council spends with the VCS, grants equal approximately 10% of the total spent. As part of the council-wide requirement, £150,000 in savings will be made from VCS Unit budgets in 2011/12. This is made up as follows:

VCS Unit £150,000 savings in 2011/12 (for spending elsewhere in VCS)

Organisation	Funding	Comments
Community First	Reduction of £15,500	£4,000 credit union development (which will be funded elsewhere through Wiltshire Money Partnership) £11,500 Wiltshire Association of Local Councils (grant ceasing)
Wiltshire Citizens Advice	Reduction of £19,000 towards black and ethnic minority (BME) project	Time expired on grant. Generic service is accessible to black and ethnic minority clients and Equal Chances Better Lives (ECBL) service is available for specific expertise
VCS Development budget	£50,000	This was also unallocated in 2010/11
Vacant post	£30,000	
Groups supported to receive grants from other funders	£12,972	
Infrastructure support organisations efficiency savings	£22,528	as detailed in 7 below
Total	£150,000	

Additional savings in funding to the VCS will be made through procurement savings across the Council and both savings and investment are outlined in the Wiltshire Council Business and Financial Plans.

The £150,000 VCS savings outlined above are part of the identified new investment of £200,000 in the voluntary sector in 2011/12, on new initiatives and projects, additional to £1m grant funding through Area Boards.

The council is also working with other funders in Wiltshire to ensure a more strategic approach to grant making across Wiltshire through an External Funding Network that

includes the Community Foundation for Wiltshire and Swindon, Community First and the Charities Information Bureau.

6 VCS Organisations where grant reduced in 2010/11

Organisation	Funding	Comments
Wiltshire Racial Equality Council	100% reduction in core funding of £71,542	Re-allocated to Equal Chances Better Lives service covering all strands of equality
Anchor Staying Put	100% reduction of £56,000 funding	Now part of commissioned Home Improvement Service provided by Ridgeway
ASK	Reduction of £700	Ex West Wilts District Council grant, honoured in 2009/10 only
Bradford on Avon Arts Festival	£500	Reduced from £650
Bridge House Community Trust	100% reduction of £54,971 funding	Reallocated to GROW contract providing countywide service
Alabare	Reduction of £2,000 for money advice service	Service available through CAB
Community First	Reduction of £75,191 from core service contract	Was £115,691 in 2009/10 £40,500 in 10/11
Community First	Reduction of £1,951 to minibus sharing scheme grant	Small reduction in existing grant agreed by PTU with Community First
Community First	Reduction of £420 to 'wheels to learning' scheme grant	Small reduction in existing grant agreed by PTU with Community First
Corsham Area Development Board	Reduction of £7,500 for provision of Tourist Information Centres	Decision made by Economy & Enterprise in DNP
Morning Star	Reduction of £17,040	By mutual agreement
Voluntary Action Kennet	Reduction of £43,971	Reallocated to GROW contract providing countywide service (in which VAK were a provider)
Wessex Community Action	Reduction of £61,971	Reallocated to GROW contract providing countywide service
Age UK Wiltshire	Planned reduction of £43,014 due to phasing out of Home Support Service	Reallocated to Wiltshire Good Neighbour Scheme in which Age UK are a partner

Wiltshire Wildlife Trust	100% reduction in World Changers funding £37,000	Project brought in-house
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7 VCS Organisations where grant is reducing in 2011/12

As detailed above, savings in the VCS budgets of £150k were largely identified without cutting major direct funding for 2011/12. However there remained a shortfall of £22,528 and this was identified as best met from infrastructure costs (VCS support organisation) to minimise impact on front line services. It was therefore sought from 5 Voluntary Sector Support Organisations who are members of the Wiltshire Infrastructure Consortium. Following consultation with them, the group themselves allocated proportions. This is a good illustration of partnership in action since it demonstrates a commitment to treating partners as equals. The organisations are aware that any reductions are expected to come from efficiency savings, e.g. from pooling expertise and sharing back-office functions.

The organisations affected are:-

Organisation	Funding	Comments
Wiltshire Citizens Advice	£8,508 (1.47%)	4 organisations merged to one in 2010
Develop (managing the GROW service)	£6,000 (2.65%)	
Age UK Wiltshire	£3,689 (2.5%)	
Age UK Salisbury & District	£2,396 (2.5%)	Both Age UKs are being encouraged to work together and potentially merge
Charities Information Bureau	£1,935 (2.5%)	
Total	£22,528	

Councillors should note that what VCS organisations often refer to as a “cut” in their funding, is actually the known end of a contract or grant period, so whilst their income may reduce, they would have normally known of this either from the outset or for some considerable time.

8 VCS Organisations where grant is reducing in 2012/13

Staff from the Council's VCS Support Unit will be working with the VCS during 2011 to assess the impact of potential funding changes and agree targets going forward into 2012/13.

Council funding to the VCS has been subject to ongoing strategic review to identify those services which assist the council to achieve its objectives in communities and support those appropriately or reroute them to alternative sources of advice and funding. One example is the VCS Unit work with other grant funders such as the Community Foundation for Wiltshire and Swindon. Following completion of the lunch club review, the daytime opportunities review has begun. Those day centres and social clubs funded by Wiltshire Council grant are being consulted. Some are

requesting professional assistance in modernizing to meet present-day need and will be supported in this by the council funded VCS support service known as GROW (<http://developepcs.ning.com/>). All will be supported to become sustainable for the longer term where this is their wish. This review of grant funded day centres is complementary to a wider review of daytime opportunities currently underway within DCS.

9 Planned reduced funding 2012/13:

As part of the VCS funding strategic review the Council has a partnership agreement with The Community Foundation for Wiltshire and Swindon to identify other donor funds that are available and more appropriate than council funding. For example the 3 year contracts with 17 Lunch Clubs will come to an end on 31st March 2012 and are not being renewed. However, the Foundation will be working with these lunch clubs during 2011/12 to identify sustainable practice (e.g. some charge for meals, some don't; some charge for transport, some don't). Various donor funds are available through the Foundation where grant aid still proves a necessity for 2012/13.

All of the following clubs' **council** grant funding will cease under this arrangement on 31st March 2011:

Organisation	Funding
Central Methodist Church Luncheon Club	£810
Chippenham Luncheon Club	£857
Christian Malford & Foxham Luncheon Club	£273
Colerne Luncheon Club	£782
Holt Luncheon Club	£933
Horningsham Luncheon Club	£715
Lakeside Thursday Luncheon Club (Warminster Park Community Centre)	£651
Lansdowne Luncheon Club	£208
Lydiard Millicent Luncheon Club	£1,026
Malmesbury Luncheon Club	£871
Purton Luncheon Club	£1,594
Ramsbury Lunch Club	£286
Ridge Luncheon Club (The)	£453
Springtime Luncheon Club	£864
St George's Luncheon Club	£391
Swallowcliffe Wednesday Lunch Club	£282
West Wiltshire Community Club	£700

10 The Overall Future for VCS Funding

Having a strong voluntary sector in the county means that we can nurture local jobs, volunteering activity and economic prosperity; not only is this achieved by direct contracting but by attracting match funding from other sources. The VCS can access

funds that the statutory sector cannot – and government policy is set to expand this trend.

Attached at **appendix 1** is the latest update on funding cuts to the VCS across the UK. This information comes with some caution, since it is derived from a national website and is not always comparing like with like, however it does give a picture of the present national context regarding the VCS. As detailed in **5** above, reduction in grant spent on existing services in Wiltshire for 2011/12 will be £150,000. Wiltshire therefore falls within the government parameters of “reasonable” given the savings needed across council budgets.

New council investment in communities for 2011/12 is £200,000 as detailed in **7** above, and will include the voluntary sector. For 2012/13 new provision and initiatives will be in the region of £800,000, (as described in the Wiltshire Council Business and Financial Plans). The VCS will attract other match funding to complement this. There are currently 2,675 registered charities in Wiltshire of a total of around 7,800 voluntary groups in the county. The Charities Information estimate of their annual income is over £2billion (which includes a proportion for national organisations with a local presence in Wiltshire) and so the VCS is significant for the wealth of the county as well as the well-being of Wiltshire residents.

Sandie Lewis
Head of Community Strategy
and Voluntary Sector Support
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