

**Cheltenham Borough Council**  
**Social and Community Overview and Scrutiny Committee**  
**5 March 2003**  
**Funding of External Organisations**  
**Report of the Chair of the Working Group**

**1. Summary and recommendation**

- 1.1 The council is taking forward a wide-ranging review of the funding it provides to external bodies. It has tasked the Social and Community and the Economic and Business Improvement Overview and Scrutiny committees to look at the funding provided to 15 organisations that have a social/community or economic remit. They are:
1. Everyman Theatre
  2. Care and Repair
  3. Cheltenham Centre for Unemployed People
  4. Cheltenham Citizens Advice Bureau
  5. Cheltenham Community Projects
  6. Cheltenham Community Transport
  7. Cheltenham Council for Voluntary Services
  8. Cheltenham Housing Aid Centre
  9. Gloucestershire Race Equality Council
  10. Hesters Way Neighbourhood Project
  11. Severn Wye Energy Agency
  12. Whaddon, Lynworth and Priors Neighbourhood Project
  13. Business Link Gloucestershire
  14. Cheltenham Arts Festival Ltd.
  15. Gloucestershire First
- 1.2 It has been agreed that the Everyman Theatre will be the subject of a joint review between both working groups.
- 1.3 On the 24<sup>th</sup> June 2002, this committee agreed the terms of reference (attached) for the review into the funding for the 11 organisations that have a social and community remit. (Nos. 2 through to 12 in the above list). A working group was elected comprising of Cllr Mrs Driver, Cllr. Mrs Regan, Cllr. Mrs Hale and myself who was elected chair of the group. The Economic and Business Improvement Overview and Scrutiny committee has also elected a working group.
- 1.4 The working group has met regularly to progress the review. A common methodology has been agreed with members from Economy and Business Improvement Overview and Scrutiny working group, and a pro-forma was sent to the 11 organisations being reviewed by this committee. To date, the review group has reviewed all the returned forms and supporting information and scrutinised the funding of six organisations as detailed in this report. This report summarises our findings to date.

**1.5 I therefore recommend that:**

**1.5.1 The committee recommends that cabinet award three year service level agreements from 1<sup>st</sup> April 2003 to the following three organisations:**

- **Cheltenham Community Support Centre - formerly known as Cheltenham Centre for Unemployed People (£67,600 for 2003/04 then inflation-matched increased thereafter)**
- **Hesters Way Neighbourhood Project (£32,300 for 2003/04 then inflation-matched increased thereafter)**
- **Whaddon, Lynworth and Priors Neighbourhood Project (£32,300 for 2003/04 then inflation-matched increased thereafter)**

**1.5.2 The committee recommends that the council does not enter into a new service level agreement with Gloucestershire Race Equality Council and instead, re-directs the funding (£10,600) to better meet the needs of Cheltenham's black and minority ethnic communities.**

**1.5.3 The committee recommends that cabinet notes the excellent work being undertaken by Care and Repair, our local home improvement agency, and awards the agency only a one year service level agreement, worth £33,300, due to present uncertainties governing the core funding of the organisation through the county's supporting people programme.**

**1.5.4 In the light of the concerns of the working group in relation to Cheltenham CVS, the committee recommends that cabinet awards only a one year service level agreement, worth £32,000, to the organisation, and that cabinet explores other options to provide an improved service to the voluntary sector as part of a full review of progress by the end of September 2003.**

**1.5.5 The committee supports the working group in carrying out more detailed reviews with the following organisations:**

- **Cheltenham Housing Aid Centre**
- **Cheltenham Community Projects**
- **Citizens Advice Bureau**
- **Cheltenham Community Transport (Cheltenham Volunteer Bureau)**
- **Severn Wye Energy Agency**

**1.5.6 As the reviews will not be complete by April 2003, committee asks cabinet to approve rolling one year service level agreements for those detailed in 1.5.5 to ensure continuity of funding and that these be at the same funding level as this year. The review group will continue to meet and will carry out the remaining reviews in the forthcoming months.**

**1.5.7 The committee recognises the importance of creating a robust monitoring structure in order that members and officers can continually review the progress of our voluntary sector partners. The working group will develop a monitoring system in conjunction with officers for implementation from April 2003 onwards.**

## **2. Cheltenham Community Support Centre**

- 2.1 The working group is pleased to recommend that Cheltenham Community Support Centre be awarded three year service level agreements from April 2003.
- 2.2 Cheltenham Community Support Centre (formerly known as Cheltenham Centre for Unemployed People) provides valuable advice, welfare and training services for people who are unemployed or who are on low incomes or who are at risk of social exclusion. The organisation also runs a drop-in café, a UK On-line IT training centre, and supports credit union development in the town.
- 2.3 As part of the SLA review process in 2000, the council's Audit and Assurance team concluded that the organisation was part of the council as at the time, it did not have a legal structure nor financial procedures of its own.
- 2.4 Since then, policies and procedures have been put in place and a new legal entity was established in March 2001, called Cheltenham Community Support Centre, which will be registered as a charity when appropriate. The council agreed on 10<sup>th</sup> September 2001 to transfer responsibility to this new entity. However, the transfer of responsibility from the Council to the new entity has not yet happened as the council has been unable to provide a longer-term funding commitment through a three year SLA. Understandably, trustees are reluctant to assume responsibility for staff without this longer term commitment. To enable this transfer to happen, the working group identified that it is crucial that a three year agreement is put in place from April 2003 onwards.

## **3. Hesters Way Neighbourhood Project and Whaddon, Lynworth and Priors Neighbourhood Project**

- 3.1 The working group is pleased to recommend Hesters Way Neighbourhood Project and Whaddon, Lynworth and Priors Neighbourhood Project be awarded three year service level agreements from April 2003.
- 3.2 Both neighbourhood projects continue to provide valuable services to their local communities. Whaddon, Lynworth and Priors Neighbourhood Project is focused on providing training, health and child-care support and are active in the local regeneration partnership. The organisation uses council funding to lever in an additional £170,000 into the town. Hesters Way Neighbourhood Project has a broader remit and provides advice, training, community enterprise development, women's outreach, child-care, health support as well as community involvement. The organisation uses council funding to lever in an additional £520,000 into the town. (Please note the Overview and Scrutiny Committee is recommending that Whaddon, Lynworth and Priors Neighbourhood Project receives an uplift to ensure there is parity with the amount that Hesters Way Neighbourhood Project receives.)
- 3.3 The group has inspected all the paperwork and has concluded that the council gets excellent value for money from the two organisations, both in terms of financial leverage, but also in the quality of services provided.

## **4. Gloucestershire Race Equality Council**

- 4.1 The review group has met four times to discuss the performance of Gloucestershire Race Equality Council, who received £10,300 in 2002/03 to support the council in the following areas:
  - support and advice

- employment and economic development
  - racial harassment
  - racial equality and racism
  - policy development and education.
- 4.2 However, despite several requests, the organisation has been unable to satisfy the review group that it is meeting the terms of its service level agreement and has been unable to provide reliable figures for the level of activity in Cheltenham.
- 4.3 The review group were also concerned that GlosREC is not being pro-active in its approach to supporting our communities in Cheltenham and that residents and businesses are not fully aware of the organisation and the services it can provide.
- 4.4 It has also become clear that GlosREC is operating with only one full-time professional officer. The review group has asked for reassurance from the management committee that it is going to resolve the recruitment and retention problem GlosREC has in order that it has the capacity to deliver effective services in Cheltenham. These reassurances were not forthcoming.
- 4.5 It must be noted that as GlosREC receives county funding and Commission for Race Equality funding, it is therefore obligated to provide a service across the whole county, including Cheltenham. The £10,300 should in theory have been used to provide additional support and services, which it is clear are not being provided. With this background, the review group has concluded that Cheltenham does not receive an effective service from Gloucestershire Race Equality Council. We have discussed the matter in length and wish to recommend that the council does not enter into a service level agreement with GlosREC from 1<sup>st</sup> April 2003 onwards.
- 4.6 The review group also recommends that the funding is re-directed to better meet the needs of Cheltenham's black and minority ethnic communities and notes that the Race Relations (Amendment) Act 2000, introduced a new positive duty to promote race equality. This requires authorities to have due regard to the need to:
- tackle racial discrimination
  - promote equality of opportunity
  - promote good relations between people from different racial groups.
- 4.7 The act states the need for authorities to ensure that race equality is at the heart of all planning and delivery of services. The legislative requirements of the act have been further developed in guidance from the Home Office on community cohesion, which is defined as a common vision and a sense of belonging for all communities and where diversity is appreciated and strong relationships are developed between people from different backgrounds.
- 4.8 The working group's aspiration therefore is to use the funding to meet the needs of our minority ethnic communities and promote community cohesion throughout the town. We have identified the following specific areas:
- providing advice and support for individuals and communities.
  - co-ordinating and promoting statutory sector services including housing, education, health and employment
  - supporting community capacity building within the communities to enable them to be self-sufficient

- 4.9 With these aspirations in mind, we have considered a number of options for how this money might be used. Our recommendation is to use the funding to appoint a consultant to carry out research into the best ways of meeting the aspirations of our minority ethnic communities. We would also like the worker to deliver a programme of capacity building and training within the communities and the public sector and to raise funding to support this work in the future.
- 4.10 The review group would encourage the careful management of this project to ensure that our communities are receiving benefits from the funding and would suggest that the overview and scrutiny committee receive a report from the consultant towards the end of 2003 in order that a decision can be made about the use of funding in the longer-term.
- 4.11 Cheltenham can be proud of the work already undertaken to support minority ethnic communities, particularly through the work of the minority ethnic forum and the Cheltenham and Tewkesbury Racist Incidents Group. But the council cannot be complacent about racism and its impact on our communities. We feel that due to the operational failings of GlosREC, we must be pro-active in our support for our black and minority ethnic communities. Through re-directing funding, we hope to achieve significant improvements in support and community cohesion.

## **5. Care and Repair**

- 5.1 Care and Repair provide home improvement services for vulnerable people, particularly elderly and disabled people. The review group were impressed by the standards of performance achieved by our local agency and note it is recognised as one of best performing agencies in the country.
- 5.2 The funding terrain is changing with funding previously directed through the Office of the Deputy Prime Minister now being channelled through the county council's supporting people programme. The impact on Care and Repair is uncertain and we recognise the importance of providing support through this difficult time. We are therefore recommending a one year service level agreement, worth £33,000, which will be reviewed once the funding terrain is more stable.

## **6. Cheltenham CVS**

- 6.1 The review group was disappointed to note that despite the appointment of a new development worker in October 2002, the CVS had made little progress since a report was brought to cabinet in February 2002.
- 6.2 Their under-performance is of great concern and the review group agreed at a meeting in October with Andrew Banfield, who provides managerial support for the CVS, that significant improvements in service delivery would have to have been achieved before February 2003 in the following areas if the council was to continue its support for the organisation:
- the impact of its training programme on demonstrably supporting the voluntary sector, as well as an identification of future needs
  - its proposed fundraising plans and its potential income streams, in order that the organisation becomes more sustainable
  - the status of its business plan in providing a framework for future development of the organisation
  - how it will represent and consult with the voluntary sector in order that it can deliver its representation role
  - plans for the future including an identification of its own needs, as well as the needs of its users / members

- the CVS's role in supporting the corporate aims and objectives of the council, and those identified by the Cheltenham Strategic Partnership through the community planning process
- and most importantly, demonstrable evidence that the CVS has supported the community and voluntary sector in Cheltenham.

6.3 It is with some regret that the review group notes that the CVS has failed to make substantive progress in the above areas and also note that the recent resignation of its development worker will set the organisation back even further. However, the review group was pleased to hear that small scale advances are being made; seven training courses were put on between October and January, a newsletter was distributed in October and the CVS now represents the voluntary sector on the Cheltenham Strategic Partnership.

6.4 The review group is conscious that this is the third year in a row that the council has considered a report about the failings of the organisation and how best it can be managed in the future. In the light of this, the review group has considered three options for the future:

- renewing the service level agreement on a one year basis with a review in six months time
- transfer management responsibility for the organisation to another voluntary sector provider
- use the funding to appoint a council employed voluntary sector liaison officer, that would act as a point of contact in line with recommendation B in the best value review of the funding of external bodies.

6.5 After giving the matter considerable thought, the review group has concluded that the CVS should be given one last chance to prove that the voluntary sector can manage its own affairs. To date, the CVS has consumed £150,000 of taxpayers money with very little to show for it. Its performance has been woeful in comparison to other voluntary sector organisations that receive a similar level of funding. But we have been persuaded that the organisation has turned a corner and that the small scale advances made in the last few months will continue to be built on and that it is only right that they be given one more opportunity.

## **7. Outstanding Reviews**

7.1 The group acknowledges the tremendous contribution made by the other five organisations to the well-being of the town. It wishes to look at these organisations in more detail but regrets that the timescales are too short to be confident in making any recommendations about longer term service level agreements in this financial year. It is therefore asking for the committee to seek cabinet's approval to enter into one year service level agreements with the five organisations to ensure continuity of funding and that these be at the same funding level as this year, with any inflationary increase as appropriate.

## **8. Implications**

8.1 **Financial** The funding arrangements proposed are to be met from existing budgets for 2003/04

- 8.2 **Legal** A new grant funding agreement format has been developed with advice from legal services and will; be used to condition the proposed funding agreements. No other specific issues were identified pending completion of the review process.
- 8.3 **Personnel** The proposed transfer of the six staff currently employed by the borough council to the new entity described in s.2.4 will be subject to TUPE regulations
- The terms under which the proposed use of a consultant (as referred to in s.4.9) is appointed needs to be clearly defined under a “contract for service”, as opposed to any form of contract of employment. This will ensure that the nature of the relationship is clear and will ultimately protect the council from inadvertently falling into an unwanted employment relationship which may have potential redundancy cost implications at the end of the contract period. Hence it is critical that the nature of the relationship is clearly understood and agreed by both parties at the outset.
- 8.4 **Equal opportunities, social justice and anti-poverty** Funding given to the organisations supports the work of the council in promoting equal opportunities and social justice.
- 8.5 **Environmental** None identified

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**Background Papers** “best value review of the funding of external bodies” - report to cabinet on 28<sup>th</sup> May 2002

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# **SOCIAL AND COMMUNITY OVERVIEW AND SCRUTINY COMMITTEE REVIEW OF THE FUNDING OF EXTERNAL BODIES**

## **TERMS OF REFERENCE**

### **Background**

The first phase of the best value review of the funding of external bodies is now complete. The findings and action plan were approved by cabinet on 28<sup>th</sup> May. The improvement points are:

1. the council should facilitate the development of a proper community plan
2. the council should establish a central point of contact
3. the council should seek to achieve greater transparency and consistency in the allocation, monitoring and evaluation of grants
4. the council should strengthen and standardise its funding agreements
5. the council should provide secure, long term funding to its partners
6. the council should consider streamlining its external funding
7. the council should measure more effectively what it is achieving for local people through the allocation of grants
8. the council should use management information to influence the nature of its funding relationships
9. the council should ensure that the amount of management information it demands is proportionate to the amount of money it provides
10. the council should seek to minimise the amount of officer time spent allocating small grants

The social and community overview and scrutiny committee wishes to support the best value process by instigating a review of those council funded voluntary sector partners that have a social and community focus. This will enable the council to enter into appropriate long term service level agreements from April 2003 onwards.

This review will not include those bodies that have a economic nor environmental brief. For this reason, additional work needs to be undertaken by the council to develop the corporate approach to funding all external bodies. This review will inform that process.

### **Progress to date**

During the period of the review a new format for service level agreements has been produced. In addition, the annual grants to small voluntary organisations' process has been revised and this year's round is to be launched soon.

### **Aims and Objectives**

The intention of this review is that it provides a mutually supportive process that will lead to improvements in the way that the council and partners manage funding. As such, the aim of this review is two-fold:

1. to help the council make the right decisions about the funding it provides to voluntary sector partners that have a social and community focus
2. to provide a supportive process for partners to implement improvements in their organisations in order that they better meet the funding aspiration as set out in the best value review

In the first stage, it is proposed to review those organisations in receipt of funding of £10,000 or more.

The objectives are as follows:

1. to determine the extent of council support for partner organisations; through service level agreements, one-off payments, subsidies and officer support
2. to determine what the council and the wider community receives for this funding in terms of leverage, outputs and outcomes



3. to determine how partner organisations currently meet the strategic aims of the emerging community plan
4. to determine how well partner organisations meet the council's funding expectations, as set out in the BV action plan
5. to identify the specific steps that each partner agency needs to take over the next few months to meet these aspirations
6. to recommend to cabinet a framework for the future funding of partner organisations

### Timetable

Due to the ongoing best value review, the council has been unable to enter into long term funding agreements with partner organisations for some time. This financial year is the third year running that annual holding agreements have provided the funding framework. This is undesirable for both parties and the intention of this review will be to put the framework in place for longer term funding arrangements from April 2003 onwards.

With this in mind, the review will split into two phases:

Phase 1 - the review will provide an initial assessment against the six objectives outlined above. This will be carried out by February 2003 in order that the council can enter into SLAs from April onwards.

Phase 2 - as the best value review is an ongoing process, the O+S review will continue to monitor, evaluate and support the council and partners in the management of funding.

### Methodology

The review will comprise both desk-top work, together with individual sessions with partners. This will culminate in presentations to committee by individual partners. A small review group could be established to support the work and to meet with partners.

| Objective   | Methodology   | Responsibility   |
|---|---|--|
| agree terms of reference  |   | O+S committee  |
| identify those council funded bodies that meet the criteria of the review   |   | O+S committee  |
| to determine the extent of council support for partner organisations; through service level agreements, one-off payments, subsidies and officer support | desk-top review and written report to committee (partly done through best value review) | Community development team co-ordinator                |
| to determine what the council and the wider community receives for this funding in terms of leverage, outputs and outcomes                              | through working group sessions with partners or presentation to committee               | Community development team co-ordinator / review group |
| to determine how partner organisations currently meet the strategic aims of the emerging community plan   | through working group sessions with partners or presentation to committee               | Community development team co-ordinator / review group |
| to determine how well partner organisations meet the council's funding expectations, as set out in the BV action plan                                   | through working group sessions with partners or presentation to committee               | Community development team co-ordinator / review group |
| to identify the specific steps that each partner agency needs to take over the next few months to meet these aspirations                                | through working group sessions with partners or presentation to committee               | Community development team co-ordinator / review group |
| to recommend to cabinet a framework for the future funding of partner organisations   | presentation by partners and the review group   | O+S committee  |

### Proposed List of organisations to be included in the review

| Name   | purpose  | amount of direct funding (2002/03) and responsible division | contact                            |
|--|--|---|------------------------------------|
| Care and Repair                                    | Care & Repair makes life easier for elderly people and other vulnerable people who wish to remain in their own homes but are worried about maintenance and repairs.  | £33,300<br>Housing  | Stuart Hobbs<br>01242 512280       |
| Cheltenham Centre for Unemployed People            | To be a community resource that delivers advice, welfare and training services for people who are unemployed, on low incomes or who are at risk of social exclusion  | £65,900<br>Community and Project Services                   | Sue Larkman<br>01242 584853        |
| Cheltenham Citizens Advice Bureau                  | To provide independent, confidential, impartial and free advice to everybody who seeks it.   | £66,000 + £18,000<br>Community and Project Services         | Andrew Banfield<br>01242 531313    |
| Cheltenham Community Projects                      | to support young people and their families through providing; suitable accommodation, practical and emotional support, advocacy work and access to employment and training   | £28,800<br>Housing  | Sylvia Salmon<br>01242 228999      |
| Cheltenham Community Transport                     | To provide a door to door service for Cheltenham residents who cannot access conventional means of transport through limited mobility.   | £25,000<br>Community and Project Services                   | Hazel Lonsdale<br>01242 257727     |
| Cheltenham Council for Voluntary Services          | CVS works to support local voluntary organisations through providing information, advice, resources and training as well as representation.  | £31,200<br>Community and Project Services                   | Andrew Banfield<br>01242 531313    |
| Cheltenham Housing Aid Centre                      | To provide free and independent advice and information to the homeless and those in housing need.  | £34,400 + £7,500<br>Housing                                 | Vivienne Northcote<br>01242 226672 |
| Everyman Theatre                                   | To provide high quality entertainment, arts and education  | £185,500 - Health and well-being                            | Philip Bernays<br>01242 572573     |
| Gloucestershire Race Equality Council              | The Race Equality Council for Gloucestershire is working towards the elimination of racial discriminations and the promotion of equality of opportunity and good relations between persons of different racial groups in Gloucestershire.          | £10,300<br>Community and Project Services                   | Sukjinder Sangha<br>01452 301290   |
| Hesters Way Neighbourhood Project                  | A locally owned and managed community development project that provides local and accessible services as a response to needs identified by residents. These services are open to everyone. All services are offered free or at an affordable cost. | £31,500<br>Community and Project Services                   | Bernice Thomson<br>01242 521319    |
| Severn Wye - Home Energy Efficiency                | To provide energy efficiency advice for the town   | £10,000 - Housing   | Kay Welfair<br>0800 512 012        |
| Whaddon, Lynworth and Priors Neighbourhood Project | Working together to improve and enhance the neighbourhood's quality of life by creating opportunities for residents to take responsibility for their neighbourhood and the decisions that affect it.   | £30,900<br>Community and Project Services                   | Caroline Ward<br>01242 516960      |

### **Emerging strategic priorities of the community plan**

The community plan will include policies that will improve the well-being of the town under the following eight strategic priorities:

1. a thriving economy
2. a safe town
3. healthy living
4. a learning town
5. an attractive town
6. neighbourhood improvement
7. supporting people
8. the built environment