

## Cheltenham Borough Council

### Social and Community Overview and Scrutiny Committee - 13th September 2004

#### 2004-2005 Annual Review of Conditional Offers of Grant (SLAs)

#### Report of the Assistant Director Community Services

#### 1. Executive Summary and recommendation

1.1 In response to the review undertaken by the Social and Community Overview and Scrutiny Committee in 2003, which looked at the council's funding of external organisations, the Committee is now requested to nominate three elected Committee members (cross-party) to join the council's funding review panel that will be responsible for reviewing all voluntary and community organisations which receive conditional offers of grant funding (SLA) from the Social and Community Group

1.2 The formation of the corporate funding panel, and the request for the Committee to nominate three Committee members to join this panel, is in response to the recommendations proposed by the Overview and Scrutiny Committee which were approved by the Cabinet on 21 October 2003 (These recommendations included ~ see item 2.1)

1.3 I therefore recommend that:

1.3.1 **The Overview and Scrutiny Committee nominate three elected Committee members to join the council's funding review panel which will review all voluntary and community organisations receiving conditional offers of grant (SLA) funding from the Social and Community Group**

1.3.2 **The Committee agree the proposed make up of the council's funding review panel as detailed in paragraph 2.3**

1.4 **Summary of implications:**

1.4.1 **Financial** The current value of funding agreements (valued over £10,000) paid to the ten voluntary sector organisations funded by the Social and Community Group is £653,714

There is a commitment from the council to increase the majority of funding agreements in line with inflation on an annual basis, as part of its annual budget setting process each February. This commitment is specified within the conditional offer of grant where applicable

- 1.4.2 Legal** None as a direct result of this report
- 1.4.3 Human Resources** None as a direct result of this report
- 1.4.4 Equal opportunities, social justice and anti-poverty** The services and provisions which result from the funding provided through these agreements contribute to four of the council corporate priorities (see item 1.5.1)
- Funding is to voluntary and community organisations, many of whom work with the most vulnerable people within the community, and often in areas with the highest deprivation within the borough
- Specific equal opportunity issues will be addressed through the individual voluntary sector organisations and their work programmes or business plans.
- 1.4.5 Environmental** None as a direct result of this report

## **1.5 Links to Business Plan and Corporate Objectives**

- 1.5.1** The funding of voluntary sector organisations through the council's conditional offers of grant will assist the Council in delivering four of the council's six corporate priorities as set out in 'Our Business Plan 2004-2007'
- we will increase the provision of affordable housing, particularly in the social rented sector, and work towards a balanced housing market;
  - we will reduce crime and disorder and the fear of crime in our communities;
  - we will re-dress the imbalances in our communities and build strong healthy geographical communities and communities of interest;
  - we will enhance the town's reputation as a national and international culture centre, promote a healthy and sustainable economy and provide opportunities to broaden and enrich sport, play and cultural experiences

## **1.6 Statement on Risk**

### **1.6.1 Community Services – Service risks**

- F1 – Increasingly fewer external funding streams are available to contribute to the ongoing revenue costs of new and existing projects, including special needs projects
- O5 – partnerships supported by the community services team are vital to delivering core objectives
- O6 – developing and rolling out a corporate conditional offer of grant (SLA) are being led by the community development manager with limited resources

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## 2. Introduction

**2.1** Following the Overview and Scrutiny Committees review of the funding of external organisations that was undertaken in 2003, the Committee presented its recommendations to the Cabinet on 21 October 2003. These recommendations included the following:

- The funding review group proposed that a robust annual monitoring and evaluation process must be introduced by the council to ensure that organisations receiving funding support are able to demonstrate both good value for money and best practice as the priorities specified in the community plan which the Council has endorsed. This annual review will ensure that services provided by the voluntary sector organisations are effectively monitored against the organisation's own business and development plans, as well as against the council's own corporate priorities.
- The funding review group recommended that with effect from 1 April 2004, the introduction of a corporate review panel which will be required to review each voluntary sector organisation being funded on an annual basis, and which should consist of members and officers. The corporate review panel will be responsible for ensuring corporately that organisations are meeting the obligations of their conditional offers of grant (previously known as service level agreements SLAs).

**2.2** In response to these recommendations, council officers propose the establishment of a corporate review panel, which will be responsible for reviewing each of the organisations currently being funded by the Social and Community Group (see item 2.6) and which will ensure that the Overview and Scrutiny Committee's recommendations for a robust and effective review and monitoring process is implemented.

**2.3** It is proposed that the make up of the corporate funding panel should be as follows:

- three elected members nominated by the Social and Community Overview and Scrutiny Committee
- The appropriate Cabinet Deputy
- the Assistant Director Business Support (representing audit and business improvement functions)
- the Social and Community Group Accountant (representing financial management control functions)
- the Community Development Manager (representing voluntary and community sector functions)
- the Manager/ Officer responsible for co-ordinating and monitoring the conditional offer of grant

**2.4** The review of the conditional offers of grant is due to commence from the start of October 2004, the final timetable is still to be agreed, with each voluntary sector organisation being required under the terms of their funding agreement to supply monitoring and supporting information to the council by the end of September 2004.

- 2.5** Following the review process, the corporate funding panels recommendations will be presented to the Social and Community Overview and Scrutiny Committee for its consideration at its December meeting, whose recommendation will subsequently be presented to Cabinet
- 2.6** The Social and Community Group currently has ten conditional offers of grant in operation during the current financial year under the following key divisions, these include:

**Community Services divisions:**

- Cheltenham Citizens Advice Bureau - £133,000 (which includes of £39,000 rent-in-kind)
- Cheltenham Community Support Centre (previously known as CCUP) - £69,700
- Hesters Way Neighbourhood Project - £33,000
- Whaddon, Lynworth & Priors Neighbourhood Project - £33,000
- Cheltenham Community and Voluntary Action (Previously known as the Cheltenham CVS) - £32,600
- Cheltenham Community Projects - £39,576
- Cheltenham Housing Aid Centre - £42,738
- Care and Repair (Cheltenham) - £33,300
- Cheltenham Federation of Tenants and Leaseholders - £80,300

**Health and Well-being division:**

- The Everyman Theatre - £156,500 (Net of rent)
- 2.7** As a direct consequence of the Overview and Scrutiny funding review and its recommendations, a number of council officers worked closely with the Legal Services division, to develop a more robust and effective funding agreement which is know as a 'conditional offer of grant'. The new funding formats have taken over from the previous service level agreements (SLA) and were introduced from 1 April 2004. The new funding format is more robust than the previous SLA agreement, and highlights both the council's funding expectations and the monitoring information that it expects to receive in order that the funding agreements can be effectively reviewed and monitored.

### **3. Background**

**3.1** The review of funding that was undertaken by the Social and Community Overview and Scrutiny Committee was instigated in light of the recommendations which came out of the council's best value review which looked at the funding of external bodies, which was led by the council's best value division during 2001-2002, and which reported its findings to the Cabinet on 28 May 2002.

**3.2** The terms of reference for the Overview and Scrutiny Committees review of the

council's 2003-2004 funding agreements was approved by Cabinet on 24 June 2002

## 4. Consultation

- 4.1 Consultation took place with officers affected by the proposed establishment the new corporate funding panel following the Overview and Scrutiny Committee making its recommendation to implement more robust and effective annual monitoring procedures, and the Cabinets approval of these recommendations.

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<b>Background Papers</b>	<i>Social and Community O+S Report – Funding of External Organisations – 5 March 2003</i>  <i>Cabinet Report - Funding of External Organisations – report from the Social and Community Overview and Scrutiny Committee – 18 March 2003</i>  <i>Cabinet Report – Funding of External Organisations – 21 October 2003</i>
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<b>Scrutiny Function</b>	Social and Community Overview and Scrutiny Committee

**A copy of the consultation checklist is held in Democratic Services and is available on request**