

Cheltenham Borough Council

Social and Community Overview and Scrutiny Committee - 15th October 2007

Final review of the council's 2005-2008 conditional offers of grant

Report of the Social and Community Overview and Scrutiny Committee's Conditional Offer of Grant Review Group

1. Executive Summary and recommendation

1.1 The issue

1.1.1 The following report details the findings and recommendations of the Social and Community Overview and Scrutiny Committee's conditional offer of grant review group which was tasked by the Committee with the responsibility of reviewing the current round of conditional offers of grant awarded by the council's Social and Community group.

1.1.2 The aim of the final review, which was a backward looking review, was to establish the following principles:

- (1) to consider the overall performance and achievements of the organisations being funded over the three year period
- (2) to gauge whether the organisations satisfactorily achieved the aims and objectives which are set out in their conditional offers of grant
- (3) to gauge how problems or issues, which may have been encountered by the organisations during the three year period, were overcome or addressed and to consider how the organisations' services may have developed in order to meet changing demands and/or users needs and aspirations
- (4) to determine how the organisations and their services / provisions were developed or expanded over the three year period,
- and importantly (5) to present their findings and recommendations to the O+S Committee and subsequently to Cabinet

1.1.3 The O+S review group recommends that the O+S Committee endorse the findings of the O+S review group as detailed in Section 4 of this report, and agree to submit these findings to the Cabinet for their due consideration

1.2 Summary of implications

1.2.1 Financial

Funding for the next financial year is built into the base budget, and while there is agreement in principle to award three year cycles, this will always be subject to the budget round and satisfactory performance.

As part of the Council's annual budget setting process, Cabinet will recommend which grants are subject to inflationary increases based on the agreements outlined in the conditional offer of grant.

Contact officer: Paul Jones
E-mail: paul.jones@cheltenham.gov.uk
Tel no: 01242 775154

1.2.2 Legal

New forms of agreements are being devised to replace conditional offers of grant. Any new agreements with the organisations mentioned in this report will need to be in the appropriate new format, either grant agreements or contracts.

The COGs with Cheltenham Regeneration Partnership and Cheltenham Federation of Tenants and Leaseholders will expire through lapse of time, so no formal notice needs to be given. However, under the Compact, the service of a notice of termination should be done as a matter of courtesy and good practice.

Contact Officer: Nicolas Wheatley
Email Nicolas.wheatley@cheltenham.gov.uk
Tel no: 01242 775207

1.2.3 Human Resources

No implications arising from this report

Contact officer: Julie McCarthy
E-mail: Julie.mccarthy@cheltenham.gov.uk
Tel no: 01242 264355

1.3 Implications on corporate and community plan priorities

1.3.1 The funding allocated through the council's conditional offers of grant assists the council in delivering many of its corporate priorities as set out in our business plan

1.4 Statement on Risk

1.4.1 Issues of risk are centred on the potential that:

- (1) the final reviews may recommend that future funding of individual organisations for a further funding term should not be agreed by the council;
- (2) future funding arrangements are ultimately dependent upon the recommendations of the Cabinet and the 2008-2009 budget setting process;
- (3) the loss of grants and/or potential reductions in grant funding will impact upon the delivery of services and provisions offered by the organisations and/or the long-term

sustainability of many of the organisations currently being funded by the council, and it is unlikely that council officers would be able to fill any gaps in service provision

2. Introduction

- 2.1 The council's three year funded conditional offers of grant, awarded by the Social and Community group are now in their final year, having been in place for three years (2005-2008) and are therefore subject to final review, by the Social and Community Overview and Scrutiny Committee.
- 2.2 The review process was agreed by the O+S Committee and Cabinet, as detailed in the Cabinet's report dated 24 January 2005.
- 2.3 On 9 July 2007 the O+S Committee agreed the membership of the final review group and also its timetable for undertaking these reviews and agreed that it would only review seven of the eleven organisations which are currently funded by the Social and Community group. The four outstanding organisations are all part of the on-going single housing and advice contract tendering round, and as a result of the development of this contract, it was agreed that these organisations would not form part of the final review process.
- 2.4 The following table details the final reviews which were undertaken by the review group and also provides information about the level of funding which has been awarded to these organisations by the council:

Organisation	Current 2007-2008 funding	Total funding awarded 2005-2008
(i) Hesters Way Neighbourhood Project	£35,000	£102,900
(ii) Whaddon, Lynworth and Priors Neighbourhood Project	£35,000	£102,900
(iii) Cheltenham Council for Voluntary Services (Cheltenham VCA)	£34,000	£99,900
(iv) Stronger Communities Partnership (Cheltenham)	£25,000	£50,000 (two year period only)
(v) Care and Repair Cheltenham	£35,400	£103,100
(vi) Cheltenham Federation of Tenants and Leaseholders	£86,000	£250,614
(vii) The Everyman Theatre	£148,800 + £25,000 one-off payment and £36,500 grant towards notional rateable value	£620,900 (includes three years of notional rateable value)
Total level of funding	£460,700	£1,330,314

3. Background

- 3.1 In accordance with the conditional offer of grant review process, agreed by the O+S Committee and Cabinet, in the Cabinet's report dated 24 January 2005, the O+S Committee established a review group to co-ordinate the final review of the current round of conditional offers of grant which are co-ordinated by the Social and Community group.
- 3.2 Review meetings were held during the first two weeks of September and involved the following councillors Cllr. Barbara Driver, Cllr. Penny Hall, Cllr. John Morris, Cllr. John Webster, the Cabinet members for Quality of Life (Cllr. Christine Ryder) and Arts and Culture (Cllr. Diggory Seacome). The review group was also assisted by appropriate council officers and the managers who are individually responsible for co-ordinating these conditional offers of grant
- 3.3 To assist the review group in its review, the review group utilised a performance monitoring pro-forma along with the assessment of performance and monitoring information which was submitted by each of the organisations, this being a requirement of their grant.
- 3.4 The review group held one and half to two hour interviews (reviews) with each of the organisations being funded, where presentations were made by each of the organisations and questions and queries were raised by the review group's members in response to both the presentation and the submission of the organisation's monitoring and performance information

4. Findings and recommendations

- 4.1 The following recommendations were proposed by the O+S Committee review group as part of their final review of the council's conditional offers of grant and the outcome of the individual and collective review process.
- 4.2 **Recommendation (1)** – the O+S Committee review group believe that the following organisations have met the terms and conditions of the council's conditional offers of grant, and were assessed as having provided a satisfactory level of performance and development throughout the term of the funding period (2005-2008). In light of this, the review group recommends that these organisations should be considered for possible future funding by the council, in line with the stipulations proposed by the review group, as detailed in this report, subject to the Cabinet's review of these recommendations and the annual budget setting process for 2008-2009
 - (1) Hesters Way Neighbourhood Project
 - (2) Whaddon, Lynworth and Priors Neighbourhood Project
 - (3) Cheltenham Council for Voluntary Services
 - (4) Care and Repair Cheltenham (on a formal contractual arrangement basis see Section 5.5.4)
 - (5) The Everyman Theatre
- 4.3 **Recommendation (2)** – the O+S Committee review group believe that the Cheltenham Regeneration Partnership met the terms and conditions of the council's conditional offers of grant, and provided a satisfactory level of performance and development throughout the term of the funding period (2006-2008). However, it is the view of the review group that the Cheltenham Regeneration Partnership has completed its two year pump-priming role, and in light of a number of concerns and issues which were raised by the review group regarding the future role and work of this partnership, the review group recommends that the Cheltenham Regeneration Partnership should not be considered for future funding by the council, subject to the Cabinet's review of these recommendations

- 4.4 Recommendation (3)** – the O+S Committee review group concluded that the Cheltenham Federation of Tenants and Leaseholders was unable to demonstrate that it was delivering the core objectives of the conditional offer of grant and that in the interests of the wider body of tenants of Cheltenham should recommend to cease funding the Federation. It also recommended ring fencing an appropriate level of funding to ensure that the core objectives of the conditional offer of grant are met by an alternative provider.
- 4.5** In their support of the final review process, the review group wished to thank all of the organisations which it reviewed for providing not only a wide range of detailed and informative performance and monitoring information, but for their frank and informative presentations regarding their work and developments over the three year funding term.
- 4.6** The review group recognised that the review process will not necessarily be seen as either a pleasant or easy element of the council's funding process, however all of the organisations reviewed, understood the importance of the council conducting a transparent and thorough review
- 4.7 Possible future developments – long-term future of funding arrangements**
- 4.7.1** At the end of the review process, the review group highlighted their concerns with regard to the content of some of the existing conditional offers of grant
- 4.7.2** The review group also discussed the overall level of funding which the council awards through its conditional offers of grants corporately and other grant awarding formats i.e. its property grants, service level agreements, annual grants, one-off grants and discretionary rate relief, as a recent exercise undertaken by officers has highlighted that the council currently (2007-2008) awards almost £2 million in grant support across the Council. In light of this discussion, the review group proposes that all of these grant funding agreements should be reviewed corporately. They also suggested that all performance and monitoring reviews undertaken by the council should be carried out on the basis of an agreed corporate review format, so that all agreements are treated the same.
- 4.7.3** The review group recommends that in future all review groups should receive a briefing before any interview is undertaken, to ensure that the review group and its members are clear as to the purpose and structure of the review, and to ensure that they are fully briefed about any potential issues or concerns with regard to the performance of the organisation concerned. It is suggested that this briefing should be given by one person who co-ordinates with all those involved i.e. members, officers and the organisations due to be interviewed. In this way everyone will know what to expect, how the interviews will be run and what is expected of them.
- 4.7.4** The review group also proposed that all corporate funding agreements should be tightened up in the future, and in the specific case to the agreements which were reviewed by this review group, this must be done before 1 April 2008 when any new agreements will come into effect.

This will ensure that they are more prescriptive when detailing the actual services and provisions which the council requires from each of these organisations, as this would:

- (1) make clear what is actually being expected from the organisations;
- (2) remove any potential issues for these agreements to be misinterpreted;
- (3) ensure that the council is clear about what the council's funding is being targeted at; and

(4) ensure that a common approach is adopted corporately with regard to all future funding arrangements.

4.7.5 The review group also discussed the role played by the council's nominated representatives on the management committees of voluntary and community groups, and in particular the management committees of organisations which are being funded by the council. It was suggested that the council should consider reviewing this role and look at opportunities to engage these representatives in both monitoring the performance of these organisations and possibly in the overall review process.

4.7.6 Recommendation (4) - the O+S Committee review group requested that their suggestions (4.7.2 to 4.7.5) should be submitted to the Cabinet to support their review which is looking at the long-term future of the council's funding arrangements with voluntary and community organisations.

5. Summary of key points and issues raised during the final review process with the individual organisations

5.1 Hesters Way Neighbourhood Project (HWNP)

5.1.1 The review group was impressed by the efforts and work which had been undertaken by the project during the last three years, in particular with their efforts in getting over their major financial problems, which ultimately could have seen the closure of this project.

5.1.2 The project is continuing to focus its efforts on its delivery of local services and in managing the Hesters Way community resource centre, and is getting ready for when the project takes on the additional management role for the Springbank community resource centre which will it open later this Autumn.

5.1.3 Stipulations to receiving possible future grant funding – it was suggested that HWNP should:

5.1.4 Learn from the issues which arose from running and co-ordinating the Hesters Way community resource centre, that HWNP should pay closer attention to implementing their business plan for the new Springbank community resource centre

5.1.5 Consider improving its partnership working with organisations such as the Cheltenham Volunteer Centre and Cheltenham VCA

5.1.6 Continue to develop their ISO 9000 quality assurance programme to help ensure on-going improvements with the project's business performance and management

5.1.7 Consider re-negotiate the Hesters Way community resource centre management agreement fee with the Hesters Way Partnership

5.1.8 Ensure that greater consultation and feedback is sought with local residents and users of the project and centre to ensure that local needs and demands are being adequately met.

5.2 Whaddon, Lynworth and Priors Neighbourhood Project (WLPNP)

5.2.1 The review group congratulated the project on its achievements and successes during the three year period. The group was impressed by the overall performance of the project and its dedication to providing quality based services and provisions,

aimed at meeting a wide and growing range of local need and demands.

5.2.2 The review group wished the project every success with their future and their imminent move into the new Oakley community resource centre, which will provide a new and much needed home for the project, which has been one of the project's core aims and objectives.

5.2.3 Stipulations to receiving possible future grant funding – it was suggested that WLPNP should:

5.2.4 Look closely at how it's current level of reserves are to be utilised by the project and ensure that this is included within their financial projections and business plan.

5.3 Cheltenham Council for Voluntary Services (Cheltenham VCA)

5.3.1 The review group were impressed by work of the Cheltenham VCA and the role that this organisation plays in supporting and representing the town's voluntary and community sectors.

5.3.2 Cheltenham VCA, which is a subsidiary of the Gloucestershire Association for Voluntary and Community Action (GAVCA), has been in existence for only two years, having taken over this role from the struggling Cheltenham CAVA , and continues to offer a growing and much needed advice and support service to the town's voluntary and community organisations.

5.3.3 Stipulations to receiving possible future grant funding – it was suggested that Cheltenham VCA should:

5.3.4 Look carefully at minimising possible duplication with organisations such as the Cheltenham Volunteer Centre and the council's own community development team

5.3.5 Work more pro-actively toward attracting increased levels of external funding in order to support Cheltenham VCA and its core running costs.

5.4 The Cheltenham Regeneration Partnership

5.4.1 The Cheltenham Regeneration Partnership which was pump-primed by the council for a two year period (2006-2008) with matched funding being awarded by the Cheltenham Strategic Partnership (CSP) using its Second Homes funding and by the Cheltenham and Tewkesbury Primary Care Trust (PCT) was established as a thematic partnership of the CSP, having been given the remit of co-ordinating the regeneration of Cheltenham and its communities and establishing greater collaborative working between the CSP partners and other key agencies and organisations involved in the long-term regeneration of the town.

5.4.2 The review group recognised the work and developments of the Cheltenham Regeneration Partnership over the two year pump-priming period and agreed that the partnership should be congratulated on what had been achieved, including its role in endeavouring to establish a Single Regeneration Company for Cheltenham, which would have seen the merger of the town's three regeneration partnerships and the two neighbourhood projects. However the review group expressed a number of concerns regarding any possible continuation of funding for the partnership in the future.

5.4.3 Reasoning behind the recommendation that this organisation should not

receive possible future grant funding.

5.4.4 Whilst the review group recognised that the Cheltenham Regeneration Partnership had achieved the aims and objectives of their conditional offer of grant, it was felt that the remit and focus of the Cheltenham Regeneration Partnership, following the initial two year pump-priming period, had substantially changed in light of the partnership taking on the new agenda set out in Cheltenham's Community Strategy and as specified by the Cheltenham Strategic Partnership, and as such the review group felt that the Cheltenham Regeneration Partnership's original focus, for which it had received funding, had now come to an end. The review group are not in a position to make a recommendation on the long-term future of the Stronger Communities Partnership and on any on-going funding

5.5 Care and Repair Cheltenham

5.5.1 The review group congratulated Care and Repair on its achievements and successes during the three year period. The group was impressed by the overall performance of the project and its dedication to providing quality based services and provisions, aimed at supporting vulnerable people to sustain independent living. The review group recognised that the Home Improvement Agency was highly regarded and valued by both customers and stakeholders alike and that the organisation had complied with, and met fully, the conditions and service level requirements of their conditional offer of grant.

5.5.2 The review group was disappointed to learn that following Government legislation requiring employees to meet pension shortfalls Care and Repair could no longer operate as an independent limited company under Hanover Housing Association. The only viable option for Care and Repair to continue to deliver services was for it to become a subsidiary to Hanover with Hanover taking over the pension liability, on the condition that funding secured via Cheltenham Borough Council be ring fenced for delivery of services to Cheltenham residents only.

5.5.3 Stipulations to receiving possible future grant funding

5.5.4 It is the recommendation of the review group that the council should continue to fund the services of a Home Improvement Agency as previously secured under the conditional offer of grant awarded to Care and Repair, but that the council should enter into a formal contractual arrangement to secure a detailed specification for the services to be commissioned through the funding. The review group noted that the County Supporting People Partnership had been working towards a county wide contract which would complement the approach taken by Cheltenham Borough Council.

5.6 Cheltenham Federation of Tenants and Leaseholders

5.6.1 The review group recognised that the work of the Federation was dependent on the commitment and capacity of its volunteer members and employed staff. The review group were able to acknowledge the success of some individual projects and activities which had been achieved through the efforts of these volunteers, however the review group concluded that these individual projects and activities collectively did not deliver the key objectives of the Federation's conditional offer of grant which are to:

- be an independent organisation which will promote tenants' rights to consultation and involvement in the decision making processes surrounding the management

of their homes and

- provide tenants with a forum which will represent their interests with regard to their community concerns enabling tenants, residents and leaseholders to be involved in the decision making processes of the council, CBH and community regeneration projects

5.6.2 The review group recognised the importance of tenant and resident involvement in the decision making process and the value that the model of a Federation could have as an independent organisation; however despite in depth questioning by the review group the Cheltenham Federation were unable to evidence that they were an effective organisation, and had failed to meet the requirements of their conditional offer of grant.

5.6.3 Reasoning behind the recommendation that this organisation should not receive possible future grant funding:

5.6.4 The Federation had established only limited contact with a small number of tenants and residents. The Federation had not taken the lead in establishing tenant and resident associations, but where involved, had played a supportive role to organisations who had taken the lead.

5.6.5 The Federation during their review identified a number of operational and governance challenges that they had faced and that had been reported during previous reviews and evaluations. The Federation reported how they had undertaken work in the last few months seeking to address some of these issues, however there was little evidence of such directed work in the previous two and a half years, and the Federation was unable to demonstrate that it had acquired the skills and capacity to deliver the level of improvement required to sustain a satisfactory level of performance in the future.

5.6.6 The Federation recognised that they had not been able to deliver to their commitments made in their business plan 2004-2007 due to a skills shortage, lack of capacity and clear direction. The Federation reported it was about to commence its first formal review of their business plan with support from another agency, but at this time had not identified its strategy and resources necessary.

5.7 The Everyman Theatre

5.7.1 The review group noted the overall performance of the Everyman Theatre during the last three years.

5.7.2 The review group focused on the theatre's community programme, Reachout, in line with the understanding of the review's pro-forma, as presented by the theatre.

5.7.3 The review group noted that 35% of the audience for the theatre's main events came from Cheltenham, and they were concerned that the theatre's Reachout programme was unclear about the actual activities and performances being undertaken by the theatre.

5.7.4 On the basis of the performance and supporting information submitted by the theatre, and the review group's understanding of this, it believes the Everyman Theatre had achieved the aims and objectives of their conditional offer of grant.

5.7.5 Stipulations to receiving possible future grant funding

- 5.7.6** The review group investigated the theatre's funding streams, which from this council amounts to £210,300, and advises that in any deliberations for future funding, all of the council's financial funding streams should be taken into consideration e.g. the grant paid which is paid by the council to support their notional rateable value
- 5.7.7** The review group recommended that the council should ensure that clear measurable targets are incorporated within any future funding agreement, to avoid any confusion with regard to monitoring this grant.

6. Consultation

- 6.1** The final review process for the 2005-2008 conditional offers of grant was agreed by members of the Cabinet and the Social and Community Overview and Scrutiny Committee
- 6.2** The final review process and interviews included representation from the relevant Cabinet members for Quality of Life (Cllr. Christine Ryder) and Arts and Culture (Cllr. Diggory Seacome)

Background Papers	<p>O+S report 9 July 2007 – Update three year review of the 2005-2008 conditional offers of grant</p> <p>Cabinet report 27 March 2007 - Annual review of the council's conditional offers of grant 2006-2007</p> <p>Cabinet report 24 January 2006 - Annual review of the council's conditional offers of grant 2005-2006</p> <p>Cabinet report 24 January 2005 - Annual review of the council's conditional offers of grant</p>
Contact Officer	<p>Organisations (i) Hesters Way Neighbourhood Project, (ii) Whaddon, Lynworth and Priors Neighbourhood Project, (iii) Cheltenham Council for Voluntary Services and (iv) Stronger Communities Partnership (Cheltenham) Geoff Sloman, Community development service manager, 01242 775213, Geoff.Sloman@cheltenham.gov.uk</p> <p>Organisations (v) Care and Repair Cheltenham, (vi) Cheltenham Federation of Tenants and Leaseholders Kathryn Chamberlain, Community services service manager, 01242 775205 Kathryn.Chamberlain@cheltenham.gov.uk</p> <p>Organisation (vii) The Everyman Theatre Jane Lillystone, Museum and arts manager, 01242 775706 Jane.Lillystone@cheltenham.gov.uk</p>
Accountability	<p>Cabinet member for Quality of life ~ organisations (i) to (vi) Cabinet member for Arts and culture ~ organisation (vii)</p>
Scrutiny Function	<p>Social and Community Overview and Scrutiny Committee</p>