

# Report to Scrutiny Commission

Neighbourhood Services and Community  
Involvement

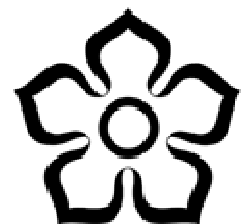
Date of Commission meeting: 8<sup>th</sup> May 2014

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## **Supporting the Voluntary and Community Sector (VCS) – outcome of consultation and future options**

Report of the Director of Delivery, Communications and  
Political Governance

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Leicester  
City Council

**Useful Information:**

- Ward(s) affected: All
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**1. Summary**

The purpose of this report is to seek scrutiny's views on the findings and proposals arising from consultation on the future model for three strands of activity:

- Strand 1 - support for the Voluntary and Community Sector (VCS);
- Strand 2 - working with the VCS to engage with key communities to support a cohesive Leicester; and
- Strand 3 - support for volunteering in the city.

A draft of the Executive decision report is appended to this report (Appendix A) which sets out in detail the recommendations being put to the City Mayor and Executive based on the consultation findings.

Appropriate and relevant reference to financial implications, legal implications, climate change and carbon reduction implications, equality impacts and the Social Value Act are included in the full Executive decision report and its appendices (appendices 1 – 5) – as well as considerably more content about the consultation findings and proposals. They are therefore not repeated in this covering report for scrutiny.

**2. Recommendation(s) to scrutiny**

The Neighbourhood Services and Community Involvement Scrutiny Commission are recommended to provide their views on the proposals arising from the consultation findings for consideration by the City Mayor and Executive.

**3. Supporting Information****3.1 Introduction and context**

The VCS is a key partner for the City Council particularly as a major service provider. The latest, most reliable figure for total budget support of the VCS across the City Council (recently published on the City Council's website) is £17,815,912 per annum.

This £17.8m budget spans all types of support for all sorts of VCS organisations, including those identifying particular groups as primary service users (e.g. asylum seekers; carers; children; disabled people, including people with learning disabilities;

drug and alcohol users; families; homeless people; offenders or those at risk of offending; older people; refugees; teenage parents; young people); those delivering services around particular themes and topics (e.g. domestic violence; events and festivals; HIV/AIDS; mental health; supported housing) and those best described as “generic”, “universal” or “open to all”. The organisations in scope of this review – as well as those which could be shown to depend on them – are therefore not the only route by which the City Council works with the VCS.

This review takes place in this context and alongside a changing picture of needs and demographics within the city which must be taken into account in the way in which we support and engage the VCS now and in the future.

The budget in scope of this particular review is £582,200 per annum which represents just over 3% from the total spend of £17.8m. Given the economic context in which local government as a whole is presently operating, there is no escaping the fact that this review also has to contribute to budget savings for the City Council, albeit relatively modest savings. The indicative maximum budget following the review is proposed to be £450,000, which would be a saving of 23% of the current budget in the scope of the review, and 0.7% of the current total spent annually with the VCS by the City Council.

The seven organisations directly in scope of this review are:

- African Caribbean Citizens Forum (ACCF)
- Federation of Muslim Organisations (FMO)
- Gujrat Hindu Association (GHA)
- Leicester Council of Faiths (LCoF)
- Somali Development Service (SDS)
- The Race Equality Centre (TREC)
- Voluntary Action LeicesterShire (VAL)

The arrangements with these existing providers have been in place for a considerable period of time. The context of the city and needs of the VCS have changed over time and we need to make sure future arrangements are reflective of those changes and meet the needs of the VCS and the city’s communities.

To make the best accommodation possible with all these existing service providers, each organisation has had its funding agreement with Leicester City Council extended: in the first instance, to the end of June 2014, then latterly, to the end of September 2014. Whilst acknowledging the work of these organisations offering infrastructure support services, representation and engagement in a variety of forms, the City Council recognises the need to identify the best model for support of this arm of the VCS – a model that has to be affordable, sustainable and which is based on a fair and transparent approach to the allocation of funding.

### **3.2 Public consultation**

For this review, proposals were developed in relation to three strands of activity:

- Strand 1 - support for the city’s VCS
- Strand 2 - engagement to support a cohesive Leicester

- Strand 3 - support for volunteering in the city.

These formed the basis of the 12-week public consultation. This was open to everyone who wished to get involved, since the review could have implications for any resident in the city, not just the VCS organisations themselves, inasmuch as the VCS provides a wide range of services in Leicester and that any citizen (or family and friends) could be a past, present or future employee or volunteer of VCS organisations and/or beneficiary of their services.

The consultation responses included:

- 136 survey responses to an online survey hosted on the City Council's consultation hub and to hard copy questionnaires,
- 78 attendees (representing 44 VCS organisations as well as individual service users and residents) at eight public briefing sessions across the city;
- meetings between the City Mayor (or other Executive members) and representatives of the seven organisations in scope of the review;
- attendance by the Project Director and/or VCS Engagement Manager at relevant meetings organised by other agencies; and
- other sources of feedback including letters and emails, posts on social media and messages of support for the VCS organisations in the scope of the review.

### **3.3 Strand 1: Support for the city's VCS**

Consultation proposals for this first strand were based on the "Changing Futures Fund" adopted by Worcestershire County Council. This approach as proposed would involve undertaking a diagnostic assessment with each organisation to identify their support needs. From a menu of support packages the appropriate package(s) for these needs would then be agreed. VCS organisations would then be able to choose a provider for each of the support packages they need, from a range of providers approved by the City Council. There would be a limit to the number of support packages an organisation could have in any given time period. There would be no provision within this for ongoing advice and guidance, policy support or representation for the VCS as a whole.

Having tested this out with those who participated in our review, there was virtual unanimity that the proposed model would not suit the needs of Leicester's VCS and that it was not sufficiently workable in terms of an efficient and effective approach. The project team kept a weather eye on how the Worcestershire model had fared in other parts of the country where it had been adopted (to which the answer has to be, that it hasn't fared well).

The concerns highlighted included:

- the proposal would be administratively costly;
- it could potentially be bureaucratic and burdensome as an approach;
- support would be difficult to access, particularly for smaller volunteer-led groups;
- potential for the approach to fragment the VCS rather than support partnership working and collaboration;
- concern over loss of collective voice for the VCS in the city;

- resources would be stretched too thinly, raising concern about whether organisations get support outside of the defined packages, and what happens once they have used up their allocation because there would be no means of ongoing advice, support and guidance for the VCS;
- doubt that robust quality control and feedback could be assured; and
- the ability and capacity of organisations to make best use of – and act on – the support.

The consultation did however help us understand what the sector needs and values, and identified local priorities as follows:

- support to enable effective partnership working and collaboration between VCS organisations in the city;
- support to ensure a collective voice for the VCS in the city that enables effective engagement with the City Council and other agencies on policy, service planning, delivery, monitoring and improvement;
- provision of best practice, general advice, guidance and a central point for communication of key messages to the city's VCS;
- provision of direct support with an emphasis on financial sustainability, fund-raising and bid writing, organisational set-up and good governance; and
- some element of choice in relation to how support is delivered.

As a result of the above it is proposed that strand 1 is separated into two specific areas in terms of commissioning:

- **Strand 1a - Supporting collaboration and a collective voice for the VCS:** A service that focuses on building and maintaining effective channels of communication and consultation between the VCS, City Council and the wider public sector. The service should promote effective partnership working and collaboration between VCS organisations in order to maximise opportunities for leveraging external funding (thereby helping organisations improve their financial sustainability) and enable the VCS to engage effectively in the planning, delivery, monitoring and improvement of services, particularly in taking forward the City Mayor's priorities for Leicester.
- **Strand 1b - Provision of guidance, advice and training to VCS organisations:** A service which effectively supports VCS organisations in the city, focusing on support in relation to: financial sustainability; business planning; new ways of working; fund raising and bidding for funding; good governance and organisational set up. In separating these out as discrete packages (the former related to connected, collective activities; the latter, support to individual VCS organisations) it is hoped that a wider range of potential providers will be encouraged to come forward.

### **3.4 Strand 2: Engagement to support a cohesive Leicester**

It is recommended that the City Council commission representative organisations to support engagement with key communities in the city. This approach will focus on VCS organisations working in the protected characteristics of race, religion or belief and on the community of identity and/or interest of Lesbian, Gay, Bisexual and Transgender (LGBT) people (as most directly relating to community cohesion and

integration in the city and not being supported in other areas of the City Council's delivery). The consultation indicated broad support for the overall approach.

Whilst there was strong support, there were some specific challenges and concerns. It was clear that some of the proposed criteria that would underpin the commissioning needed rethinking. The criterion with the least support (in fact, outright opposition in many of the hard copy responses and at the public briefing sessions) is that requiring a community to make up more than 1% of the total population of Leicester based on the 2011 census (i.e. more than 3,298 people) in order to qualify for support in terms of representation and engagement. This has been removed from the final proposed criteria.

Taking into account the consultation findings, the amended criteria will require that applicant organisations:

- can demonstrate an understanding and affiliation with communities in Leicester;
- can demonstrate that they have an established organisational purpose and objectives which relate directly to supporting community cohesion and promoting good relations among Leicester's diverse communities;
- can evidence that they have sound governance and operational structures and that they are working to clearly defined standards (especially in relation to their financial affairs);
- are signed up to the Leicester Compact and support and promote its principles;
- are able to define and demonstrate a robust and evidence-based understanding of the community of identity and/or interest which they represent within the city;
- are able to identify and evidence the needs of the community of identity and/or interest which they represent in the city and can demonstrate that they understand the nature and scale of those needs as shown by relevant data including social and economic indicators, and other appropriate evidence;
- can prove they have capacity, established mechanisms and proven ability to facilitate effective dialogue across the community they represent, and also to feedback to the community they represent;
- can demonstrate credibility and buy-in from the community of identity and/or interest which they represent;
- can demonstrate that their organisational make-up and public mission are proportionate and representative of the community they represent; and
- can prove that they provide equality of access and equality of opportunities to the people they serve.

In light of other feedback from the consultation which included concern that the approach itself may be potentially divisive, that it does not recognise the interaction between protected characteristics, and that it lacks focus on needs and key vulnerabilities, it is proposed that:

- applicants should be required to show that they can address appropriately the range of protected characteristics defined in the Equality Act 2010 in the context of their own community of identity and/or interest;
- applicants are required to show that they are willing and able to collaborate with other relevant organisations to help support appropriate engagement among different communities of identity and/or interest on matters of common interest;

- applicants should be clear about how their organisation can support the City Mayor's nine-point delivery plan for Leicester within the scope of their contract;
- applicants should be required to support the City Council in engaging with their community of identity and/or interest on relevant key issues and areas of need, particularly those on which the City Council has made specific commitments (e.g. mental health, child poverty, helping new arrivals adapt to living in the city); and
- applicants should be active, collaborative and constructive co-workers with City Council (and with each other) in helping City Council meet its Public Sector Equality Duty.

There was also some feedback which raised concerns about how other protected characteristics not included within scope of this review were taken into account by the City Council with specific reference to age and mental health. The revised proposals therefore include a number of actions:

- that the Older People's Forum reviews the extent to which it is representative of the "older old" (85+);
- that City Council takes into account how it engages with organisations working in the field of mental health including VCS organisations who work with and support individuals with mental health conditions; and
- that City Council is mindful of stressing how VCS organisations included in other streams of funding and support can contribute to fulfilment of its Public Sector Equality Duty.

Finally in relation to strand 2, concerns were also raised in relation to the services provided by SDS and TREC and the potential impact on their individual service users who receive information, advice and guidance. In particular, concerns were expressed about the impacts on new arrivals including refugees and asylum seekers.

In recognition of these concerns, it is recommended that City Council procure a service (for a period of not more than two years) to focus on engaging and working with other organisations and volunteers, to develop a sustainable network of support for new arrivals (particularly asylum seekers and refugees) and to build up expertise and knowledge among other organisations during a transition period, so that new arrivals are better able to access goods and services.

### **3.5 Strand 3: Support for volunteering in the city**

Common themes emerged from the consultation about the preferred option for supporting volunteering in the city:

- giving something back to volunteers: some form of accreditation that recognises skills and development gained from volunteering, and that also recognises transferrable skills on core common elements (e.g. health and safety, safeguarding, first aid, equal opportunities, boundaries and communications) and enables them to step into volunteering roles at other organisations quickly, smoothly and securely;
- making it easier and more efficient for organisations to recruit and manage volunteers through central provision of the common core training (e.g. health and safety, safeguarding), online versions of policies that can be adapted accordingly, and a centralised approach to DBS checks, combined with a simple online

approach to brokerage;

- acknowledging different types of volunteers and explicitly supporting recruitment of those with appropriate skills to serve as Board members and Trustees; and
- overall recognition of the importance of volunteering to meet a range of objectives, including specifically as a route into employment and also to support health and wellbeing (e.g. to help those who are more vulnerable as a result of mental health conditions).

It is proposed that the above is reflected in the City Council commissioning an organisation to deliver a one-stop-shop service, recruiting, developing, retaining and managing volunteers, matching them to appropriate opportunities and supporting the agencies, groups and organisations that use them.

### **3.6 Future funding allocations**

The current budget (excluding partner contributions) is £582,200. During the review it was made clear that savings would need to be made on this budget and it was suggested that these could be in the region of 20–25%. A total future budget of around £450,000 could be disbursed among VCS organisations delivering commissioned services resulting from this review.

In considering the outcome of the consultation it is proposed that the future funding allocations across the three strands will be in the following indicative funding ranges:

- Strand 1a Partnership working and collaboration: £40,000 - £60,000;
- Strand 1b Support for the city's VCS: £100,000 - £160,000;
- Strand 2 Engagement to support a cohesive Leicester: £150,000 - £200,000;
- Strand 3 Support for volunteering in the city: £60,000 - £100,000.

The indicative maximum funding allocation would be £450,000. The procurement stage of the review will inform the final funding allocation for each of these strands. In recognition that further flexibility may be necessary, these are indicative funding allocations; consequently the City Council will not be bound by these minimum or maximum figures.

It is proposed that future contracts will be of two years duration with the option for a further year (i.e. to end of September 2016 with the option of a further year to end of September 2017). This is considered reasonable in providing some stability and continuity whilst maintaining a degree of flexibility, given that there remain major uncertainties about the City Council's revenue funding beyond the next 12 months.

### **3.7 Next steps**

The findings will be considered further in light of comments made by the Scrutiny Commission. It is currently intended that a decision will not therefore be taken until the week commencing 26<sup>th</sup> May to allow sufficient time for those discussions.

Following the formal decision any procurement process will then commence in early June with a target date of 1<sup>st</sup> October 2014 for new contracts to commence.



## 4. Financial, legal and other implications

### 4.1 Financial implications

The current budget is £582,200. This is allocated entirely across contracts with the organisations set out in the table below, and which all run until the 30<sup>th</sup> June 2014 currently.

The nature of the contracts and scope of the services provided varies with some providing infrastructure (or group) type support to the sector and others focused more on a role relating to representation and engagement.

Contract	Budget p.a.	Contract type
African Caribbean Citizens Forum	£43,100	Funding Agreement
Federation of Muslim Organisations	£25,000	Funding Agreement
Gujarat Hindu Association	£30,000	Funding Agreement
Leicester Council of Faiths	£25,000	Funding Agreement
Somali Development Service	£45,400	Service Agreement
The Race Equality Centre	£117,800	Service Agreement
Voluntary Action Leicestershire Plus £95,312 from partners - Police ; £10k and PCT; £85,312	£295,900	Service Agreement
Total	£582,200	

See also section 5.1 of the Executive decision report.

### 4.2 Legal implications

See section 5.2 of the Executive decision report.

### 4.3. Climate Change implications

See section 5.3 of the Executive decision report.

#### 4.4 Equality Implications

See sections 3.12 and 5.4 of the Executive decision report, which are informed by the EIAs at appendices 3 and 4 of the Executive decision report.

#### **5. Summary of appendices:**

Appendix A – Executive decision report

Appendix 1 – Consultation proposals and questions

Appendix 2 – Citizen space report

Appendix 3 – EIA – support to VCS and support for volunteering

Appendix 4 – EIA – engagement to support a cohesive Leicester

Appendix 5 – List of organisations responding to the consultation