

Funding for South Somerset Voluntary and Community Action 2016/17

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Purpose of the Report

This report sets out the outcomes of a review of South Somerset Voluntary and Community Action (SSVCA), Voluntary Sector Support (VSS) service which SSDC fund, and seeks the approval of the District Executive on the level of funding to be included in the 2016-17 budget.

Forward Plan

This report appeared on the District Executive Forward Plan with an anticipated Committee date of February 2016.

Public Interest

SSDC supports SSVCA to ensure that:

- a) Voluntary, community and social enterprise organisations(VCSE) across South Somerset are able to access free, impartial and expert advice from within the sector.
- b) The voluntary community and social enterprise sector is properly represented,
- c) There is a development body that promotes the need for and ways of delivering, services in the sector, to help some of the people most in need.
- d) A range of objectives in our Council Plan are met.

Recommendation

It is recommended that District Executive:-

1. Agrees to an allocation of £74,260 for SSVCA in the 2016/17 budget.
2. Notes that funding will be reviewed annually and be subject to the implementation of a new service specification that will require a series of service improvements that will deliver improved outcomes for South Somerset's Voluntary, Community and Social Enterprise sector.

Background

At the 5 March 2015 District Executive meeting, the council approved grant funding of £74,260 for SSVCA for the financial year 2015/16.

This decision included a review of SSVCA's activity commissioned by the portfolio holder, Cllr Sylvia Seal. With increasing pressure on the council's grant budget it is more important than ever to fully consider all options going forward and to be confident that our limited resources are being spent well to deliver the best possible outcomes for the local VCSE, based on need. The review was undertaken between March and December 2015.

Set up in 1981, SSVCA is part of a national network of Councils for Voluntary Service (now commonly called Voluntary & Community Action) that traditionally have largely existed at a District level. These are civil society, development organisations whose main purpose is to support the work of other organisations in the VCSE. This type of organisation is also known as VCSE Infrastructure. It is a registered charity and company limited by guarantee.

Its role includes:

- Representing the views of members to statutory bodies and others
- Helping new initiatives to develop and new organisations to form
- Providing advice and information on all aspects of running and managing the organisations they work with, including recruiting volunteers and accessing sustainable funding or generating income
- A leadership role within the sector, encouraging organisations to work together in collaboration and partnership

Members of the council's Executive have been briefed on and supported the major and ongoing restructuring at the organisation. SSVCA has worked closely with our Financial Services team to provide evidence of the organisation's ongoing sustainability for both its core activities and its direct services.

Purpose and Value of VCSE Infrastructure Organisations

In a recent report on the future of Voluntary, Community and Social Enterprise infrastructure ('Change for Good' – Report of the Independent Commission on the future of local infrastructure Jan 2015) the purpose of local infrastructure bodies is described as follows "...to provide services, support and advice to, and promote, local charities, community groups and social enterprises that deliver social action. A good infrastructure body will offer the right mixture of support, challenge, leadership, resource, skills and knowledge. It will also help to foster relationships between the local voluntary sector, public bodies and local business. They also promote social action and make sure local communities have a voice."

Traditionally this has been carried out by local organisations called Councils of Voluntary Service (CVS) or Community Action Associations. Infrastructure support is also provided by regional and national bodies and can be specialist, sub-sector specific or generalist.

The kind of infrastructure support offered to local VCSE sector organisations comprises all or some of the following:-

- specialist expertise, information and support to develop the skills local people need to run successful organisations and groups
- spreading good practice, preventing duplication of effort and supporting joint working
- helping groups find funding and make effective use of resources
- promoting equality and diversity by fostering a wider understanding of the needs of disadvantaged and under-represented groups
- making sure policy makers understand the needs of local voluntary organisations and community groups
- helping public bodies engage effectively with local voluntary organisations and community groups
- providing a forum for local voluntary organisations and community groups
- encouraging more people to volunteer and get involved in voluntary and community action.

The services provided by SSVCA's Voluntary Sector Support service are, therefore, by definition Infrastructure Support.

This same Commission "... found a compelling case for local infrastructure. The social sector needs effective infrastructure as do other sectors. Failure to invest in development and support is short sighted and wasteful."

The Office of Civil Society has also identified that groups accessing infrastructure support had a "substantially higher likelihood of success in grant applications and bidding for contracts" (Supporting a Stronger Civil Society – OCS 2010)

Change for Good also reported that, "paradoxically, the most under-resourced areas tend to be those with high social need: **rural** where sparsely populated areas have more limited access to public services and low levels of connectivity;.....It is in these areas that infrastructure support is particularly needed to strengthen communities and generate, as much as support, social action. Funders and commissioners also benefit from strong infrastructure in the communities they most want to reach as it improves both their understanding of local need and the quality of bids and proposals..."

The largest ever charities survey (National Survey of VCSE organisations – 2010) showed that "accessing infrastructure was associated with positive outcomes, including a substantially higher likelihood of success in grant applications and bidding for contracts". The survey also found that overall 77% of users reported being very or fairly satisfied with their local infrastructure support.

Review

The purpose of the review has been to inform the council's priorities in relation to the voluntary sector's support needs and to establish how this will be funded from the 1st April 2016. In particular

- To inform the commissioning of a 'Fit for Purpose' VCSE support service in line with sector needs and council priorities.
- Deliver value for money for the council.

It has been carried out with the full co-operation of, and in close collaboration with, SSVCA's trustees and staff.

It has taken longer than expected to complete the review, due largely to unforeseen delays brought about by senior staff changes during 2015, the CEO's three month summer sabbatical, departure of the Voluntary Sector Support (VSS) job-share manager and the CEO's 10 month maternity leave which commenced in October 2015.

However, the Trustees now have a stable staffing structure in place. The acting VSS manager is an experienced practitioner and manager who is fully engaged with the review process. (Staffing Structure pre and post CEO maternity leave can be found at Appendix 1)

The review has focused on a number of concerns that have been expressed by both members and officers working with SSVCA's VSS service:-

- a) Financial sustainability**
- b) How well the organisation is delivering against the current service specification and targets**
- c) Potential overlap with SSDC in relation to community group support**
- d) Appropriateness of the future offer**
- e) Ability to demonstrate impact**
- f) Benchmarking funding against other councils**

Before going through these issues, the next section highlights the work done by SSVCA including reference to the 2 other service delivery organisations that make up the whole.

Performance headlines – how SSVCA makes a difference

SSVCA is one of the largest charities in the SW region. It has been delivering services for South Somerset communities for more than 30 years. Furnicare, the furniture recycling scheme, and Community Transport support those in need with affordable, professionally run services using the time and skills of volunteers. It also provides practical advice and guidance for community groups through the VSS service.

- SSDC only funds the VSS service, but all three services are a vital part of the parent organisation. Each service adds to the others and there are financial benefits with the ability to cross subsidise services such as the VSS that are more reliant on public or other third party financial support through the income generating businesses such as Community Transport.
- Somerset Community Transport offers a variety of transport services: community cars, Slinky buses and wheelchair accessible minibuses. The wheelchair accessible minibuses run vital services, transporting vulnerable members of the community to day care services, educational establishments and leisure activities. Last year it carried over **31,000** passengers, enabling the South Somerset Community to access hospital appointments, educational establishments and care services.
- Furnicare enables people on low incomes to purchase quality donated furniture and electrical goods to furnish their homes. It works in partnership with Yarlinton Housing Association on an Employability Project. Trainees learn new skills and obtain work experience by volunteering at Furnicare. This project commenced in October 2015.
- SSVCA has the ability to support *existing* and new social action initiatives, by directly setting up new services or through supporting the emergence of new community groups and projects.
- After the 2013/14 floods the VSS was the trusted, respected organisation that SCC turned to. It was able to step in, calm the conflict with authorities, gained the trust of the fragmented volunteer workforce, bring organisation to its resources and support the formation of a sound legacy in the form of a local volunteering group.

In the first nine months of the 2015/16 financial year the VSS service has:

- Provided one to one support to **23** organisations covering areas such as setting up a charity, constitutions, organisational policies, funding, volunteering, governance, HR, PR and marketing. New groups that have been given start-up include a mental health group, three Arts groups, Men in Sheds (tackling loneliness and isolation amongst older men), a special educational needs group and a self help group for service families.
- Delivered **4** learning events -three VCS Forums and one training event involving a total of **91** participants. Topics covered included Recruiting and retaining volunteers; European funding; writing successful funding bids and recruiting trustees.
- Held a high profile and well received VCS conference and fair involving **200** participants.
- Produced and circulated over **100** information e-bulletins to the sector comprising local, regional and national news and funding information and opportunities.
- Designed a new website. Originally planned to go live in January 2016, the launch will be put back for a few more months in order that further improvements and changes can be made to reflect the emerging takeover of Mendip Community Support. When complete, this 'online hub' for the sector in South Somerset will include; regular updates from the voluntary sector, a searchable and downloadable library of resources & information, searchable database of organisations, volunteering & job opportunities and a facility for groups to promote events/news etc. Crucially it will also provide an effective management tool so the number of times and type of help groups receive can be accurately tracked.
- Uploaded **47** new resources to the existing website.

- Improved its social media offer and profile; Facebook page 'likes' have doubled during the period and there has been a significant increase in the number of Twitter followers - now **248** - with tweets viewed **55,000+** times and the profile almost **5,000** times. On one occasion this resulted in national media coverage for a local organisation.
- Registered **296** volunteers, **99** volunteering opportunities & successfully placed **58** volunteers and registered **26** new volunteering seeking organisations. The following quotes, from volunteers and organisations recruiting volunteers, demonstrate the value of having a local brokerage service matching volunteers with volunteer using organisations.
 - *"I first began volunteering after a lengthy stint of unemployment due to poor health and found it an effective form of rehabilitation into the real world. When you've not had a good excuse to leave the house for a few weeks, it's easy to find yourself feeling a bit isolated from the community."*
 - *"The transformation I've experienced since starting still astounds me – I don't recognise myself anymore. Confidence is built on experience, and the skills I've learnt have contributed not only to my personal growth but my resume too!"*
- Held a 'Star Volunteer' competition as part of national Volunteer Week.
- Held **3** peer support Volunteer Manager forums providing opportunities to develop best Volunteering practice within the sector.
- Partnered with Yeovil College and started the process of producing a South Somerset 'State of the Sector' report.
- Secured **£6,000** worth of Big Lottery 'Big Assist' consultancy to develop a methodology to demonstrate Impact.

The Review – Issues and Findings

a) Financial Sustainability

Issues

SSVCA has operated in difficult financial circumstances over a number of years. In 2006 SSDC rescued the organisation with a £100,000 one-off grant. Since then further circumstances outside their control such as the withdrawal of all funding to VCSE infrastructure organisations by the County Council in 2011 have had a big impact. At that time SSVCA had an operating deficit of £120,000 and implemented a major restructuring. SSDC has recognised the value of having a voluntary sector development organisation operating in the district and has supported SSVCA throughout this period. The financial sustainability of the organisation and its ability to adapt is a key concern for us.

Review Findings

The organisation as a whole (VSS, Furnicare and Community Transport), has made significant headway in turning round their finances moving from a significant operating deficit in 2011 to an operating surplus of £26,000 at March 2015.

Free reserves have increased to £273,000 which represents approximately four and half months operating costs based on the 2014/15 turnover figures of £708,018.

The Community Transport and Furnicare services have been transformed under new managers having become viable businesses able to return modest surpluses.

A total of £212,000 worth of savings has also been achieved over the 2011-2015 period by reducing staffing costs, rent, office costs and volunteer expenses.

The proposed takeover of Mendip Community Support by SSVCA will strengthen their reputation, sphere of influence and financial position (subject to ongoing funding from Mendip and Sedgemoor DC's) and improve their overall resilience and ability to bid for contracts.

There is further potential for the organisation to make better use of volunteers within its VSS delivery and possibly have a paid for membership scheme to diversify its income base.

b) How well the organisation is delivering against the service specification and targets

Issues

The VSS service struggled to meet some targets set for 2014/15. Performance in other areas was difficult to measure as there were no tangible outputs or targets set. The same service spec was rolled forward into 2015/16 to allow for the review process. The disruption of staffing changes have also impacted on the service's effectiveness and ability to deliver against the council's requirements

i. Membership and Profile

We estimate there are 750 plus groups and organisations active in the District. The VSS online Directory of Groups and Organisations at March 2015 was 169, against a target of 235. The number of organisations who are members of SSVCA as a proportion of the overall size of the sector is small.

SSVCA recognises the need to have more effective marketing and promotion of its services to the sector, funders and wider stakeholders and be better able to articulate the value of the services provided and its 'unique selling points'. Together these should result in an increase in SSVCA's membership and number of users.

The organisation's digital offer is weak. Digital media plays an increasingly important role in promoting an organisation and its services, particularly the 'self-service' functions, with the organisation also lacking a presence on social media platforms such as Facebook and Twitter.

Review Findings

A new strategy of taking services out of Yeovil into the market towns has the potential to raise the service's profile across the district and increase membership and use of the VSS service. This is dependent on staff being proactive in contacting existing groups, understanding gaps and working with SSDC and other agencies to offer the right support.

A successful VCS Conference and Fair was held in October. This gave much needed exposure to the sector across the district.

There are now 247 organisations listed on the directory and it is fully expected to increase this to reach the target of 340 by the end of the financial year.

A lot of work has been done to raise the profile of the organisation through social media. The use of Facebook and Twitter has been particularly successful in extending the reach of the service. A new website has also been built and is due to go live in 2016.

ii. Leadership

One of the core functions of VSS is to exercise a leadership role to and on behalf of the sector. This would demonstrate itself in ways such as:-

- Enabling - empowering and developing social action
- Influence - convening a 'voice' for local communities to shape policy and influence decision-makers at all levels on behalf of local people. Convening a leaders' forum, bringing together chief officers of key VCSE organisations.

- Knowledge - Keeping up-to-date with developments and sharing this widely: impact assessment techniques; technology; data sharing and social finance.

Review Findings

We found the organisation has not been as strong as it could or should have been. To address this we discussed options and introduced a new requirement for 2015/16 to initiate a VCSE leaders' network, bringing together chief officers from key voluntary sector organisations to become a mechanism for voluntary sector 'voice and influence'. A number of 'in principle' discussions have been held with the CEO's of local Voluntary Sector organisations and the issue was also discussed at a strategic level at the county-wide VCS Strategic Forum on the 27th January. There is also interest from pan-Somerset funder, the Somerest Community Foundation to collaborate on the facilitation of a Leaders Network.

c) Potential overlap with SSDC in relation to community group support

Issues

There are elements of the work of the VSS service, particularly group start-up and development, that could be responded to by SSDC's Area Development Neighbourhood Development Officers. In reality there is not enough day-to-day linking up to discuss requests for help and direct them to the service best able to help.

The review has started to look in detail at this area of work to check if there is unnecessary duplication of effort, and financial inefficiencies occurring because of this.

Review Findings

Following meetings with the CEO and VSS manager we believe SSVCA do have a unique offer but this is not well understood and there is minimal referral. In order to achieve greater clarity about what each other does and to develop closer working relationships, VSS staff are meeting with Area Development teams to develop improved understanding and closer working relations. The acting VSS manager is attending Area Development Team meetings in the early part of 2016.

d) Appropriateness of the future offer

Issues

The review has been exploring if the development of the VSS service going forward will be comprehensive in its offer, will meet the actual needs of the sector and address the wider challenges it faces locally, regionally or nationally.

The following services are now being provided by the VSS service as set out in its 2015-17 Business Plan.

i. Information Services

Free access to all the information that community groups routinely need to be successful in the form of e-bulletins, downloadable factsheets, plus a programme of forums and training.

ii. Advice and Guidance

A bespoke service in response to the needs and requirements of individual groups offered in three phases:

Phase One

Groups have a free "health check" to determine the type and level of support needed.

Phase Two

Up to 10 hours of free development support provided tailored to their needs

Phase Three

Offer of longer term or more intensive help to groups to achieve a certain aim on a “paid for” basis at a competitive cost. This may either lead on from support provided in phase 2 or be completely stand-alone projects.

iii. Volunteering

This service includes working with individuals looking to volunteer and supporting groups in South Somerset who are reliant on volunteers.

iv. Voice of the Sector

SSVCA’s role is to ensure that the voice of the sector is heard (and listened to) when important decisions about funding, policy etc. are being made at a local, regional and national level. This is carried out in partnership with other organisations (public, private and voluntary).

Review Findings

Whilst the above plans reflect the core functions of a voluntary sector infrastructure service, to understand fully the scale, health and needs of the sector in South Somerset, we have requested that SSVCA research and produce a ‘Health of the Sector’ report. This will look at both the economic impact of the VCSE in South Somerset and audit the sectors health, resilience and confidence. SSVCA have commissioned Yeovil College to undertake this piece of work which will be completed by summer 2016.

The findings from this report will inform the nature of services offered and their delivery. It will also help SSDC with its future VCS Strategy and it will be updated regularly to inform future business and strategic plans.

e) Ability to demonstrate impact

Issues

Crucial to SSVCA’s future is its ability to demonstrate the impact of its work to funders, beneficiaries and other stakeholders. This learning can then be modelled to other VCSE organisations for them to carry out impact assessments. The ability to demonstrate that a service is making a difference can underpin its very survival.

Evidencing Impact is a key issue facing the sector. Projects are taking place nationwide to support this with the tools necessary to undertake impact assessment. However, it is acknowledged that this is especially difficult for infrastructure organisations not involved in service delivery direct to members of the public.

Review Findings

SSVCA applied for and were successful in securing Big Lottery ‘Big Assist’ in kind consultancy support to undertake this work. Working with regional infrastructure body South West Forum, an Impact methodology will be in place by 31st March 2016 ready to roll out early in the new financial year.

f) Benchmarking funding against other councils

Analysis of current and 2016/17 (onwards) funding support for VCS Infrastructure at similar councils (our benchmark group or within surrounding counties) show that there is continuing funding, but in some cases a programme of managed reduction is underway.

Council/ Population	2015/16 £	2016/17 Funding	Length of Agreement	Comparison 2015/16	Comment
Eastleigh BC/ 126,800	80,305	TBC			

Council/ Population	2015/16 £	2016/17 Funding	Length of Agreement	Comparison 2015/16	Comment
Bournemouth BC/191,400	80,000	£72,000	One year	Reduction of 10%	
South Somerset DC/163,900	74,260	TBC	TBC		review
Poole BC /147,645	68,500	£68,500	2 of 3 year agreement.	Same	
East Hants DC /115,608	60,000	£60,000	One year	Same	
Bath & North East Somerset /182,021	60,000	TBC	TBC	Budgeting for same or similar as 15/16	
Havant BC /120,700	49,860	£49,860	One year	Same	First year in 5 where budget hasn't been cut
*Harrogate DC /157,900	32,000	£32,000	3 Year 2016- 19	Same	
*Braintree DC /147,084	22,720	£20,720	3 year agreement	Reduction of £6,000 across the 3 years	
*Stafford BC /130,800	20,250	£20,250	4 year agreement 2016-20	Same	Includes accommodation valued at £10,000 per annum
*Wychavon DC /117,700	15,000	£10,000	One Year	£5000 cut- 1 of 3 Volunteer Centres not funded in 16/17	A new four year funding strategy from 2017
*Newark & Sherwood DC /114,800	11,260	£11,260	One year	Same	Contribution to Volunteer centre

* Part of the same Cipfa audit family as SSDC.

Of the 12 councils listed, SSDC was the third highest contributor to VCS Infrastructure in 2014/15. Our experience in Somerset illustrates that Councils' place differing value on voluntary sector support and the safety net that this offers in society. Like for like comparison for this activity (compared with Citizen's Advice for example) is difficult as organisations vary greatly in scale and function. Some only attract funding for the volunteer centre function. Some still gain funding from their County Council. In all cases funding is continuing into 16/17 and in most cases at the same level.

Other considerations

SSVCA have been in discussion with their Somerset counterpart infrastructure organisations regarding greater collaboration and possible mergers. SSVCA and Mendip Community Support (who also provide a limited service in Sedgemoor) held formal talks about a takeover by SSVCA to become a pan Somerset provider. The benefits of such a takeover are greater financial efficiencies, improved resilience and greater influence.

Following a joint meeting of trustees on the 1st December 2015 and a due diligence exercise, the SSVCA's trustees have agreed that MCS is a going concern and will start the necessary procedures to take MCS over, subject to continued funding from Mendip and Sedgemoor District Councils. Commitment to continue the work in Mendip and Sedgemoor has only been given until 2016/17 in the first instance. The unrestricted reserves which would transfer to SSVCA are more than adequate to run the operation until April 2017 and to cover closure costs at that point in a worst case scenario.

Funding Options Appraisal

The review also needed to consider all the possible funding options open to the council once the current funding ends on 31st March 2016.

The following six options were considered, including an option to end funding if the business case was not considered robust enough:-

- Option 1: End Funding
- Option 2: Provide service in-house
- Option 3: Seek collaboration with adjacent district/county
- Option 4: Embark on a competitive tendering exercise
- Option 5: Continue to provide core funding (with options to either increase or reduce funding), supported with a new outcomes based service specification.
- Option 6: Fund selective elements of the service e.g. Volunteer Centre, Voice of the Sector.

Taking into account; the delays that have impacted on the review, the continuing takeover talks with Mendip Community Support, and mindful of the operational challenges that we have set SSVCA already, it is recommended that funding is not reduced in 2016/17. This will allow sufficient time for the organisation to fully demonstrate its ability to be relevant and to better evidence its impact to us as funders.

Based on the Review it is proposed that option 5 is pursued i.e. to fund at the current level for 2016/17 but to also engage in dialogue with SSVCA about future funding based on a different service delivery model and to bring back a further report to DX in January 2017.

Due to pressures on our budgets over the next 4 years and beyond it is anticipated that we will reduce our funding over this period in a managed way and/or see if the organisation is suited to be a vehicle for appropriate service transfer during this period.

Proposed Changes to Service Specification

If members are minded to agree an allocation of £74,260 for SSVCA in the 2016/17 budget, a new service specification will be drawn up to address the issues highlighted in this report and to ensure that continuous improvement is secured through performance monitoring. This will place greater emphasis on outcomes with monitoring requirements that clearly demonstrate how SSVCA is making a difference to the lives of residents.

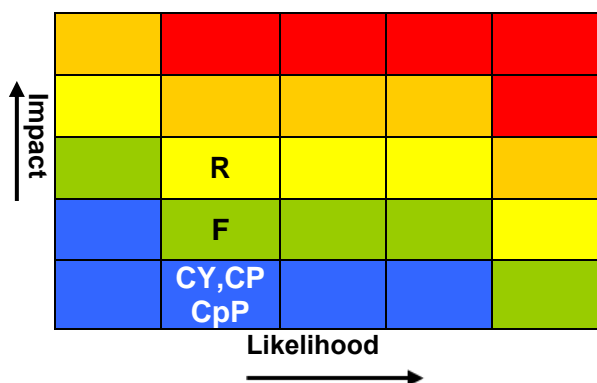
Performance will be monitored regularly with the submission of quarterly reports and twice yearly monitoring meetings.

Financial Implications

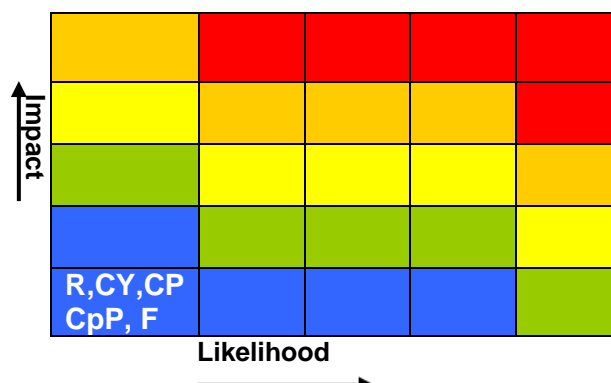
If the budget allocation recommended is agreed, all funds ringfenced in the SSVCA budget will be committed for 2016/17.

Risk Matrix

Risk Profile before officer recommendations



Risk Profile after officer recommendations



Key

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

Corporate Priority Implications

- Develop options that increase recycling and minimise waste
- Work with partners to combat fuel poverty
- Optimise opportunities for external funding to promote healthy living
- Help communities develop transport schemes and local solutions to reduce rural isolation and inequalities to meet needs of those communities
- Evaluate the overall requirements of the Localism legislation and work with communities to develop plans for their community

Carbon Emissions and Climate Change Implications

None

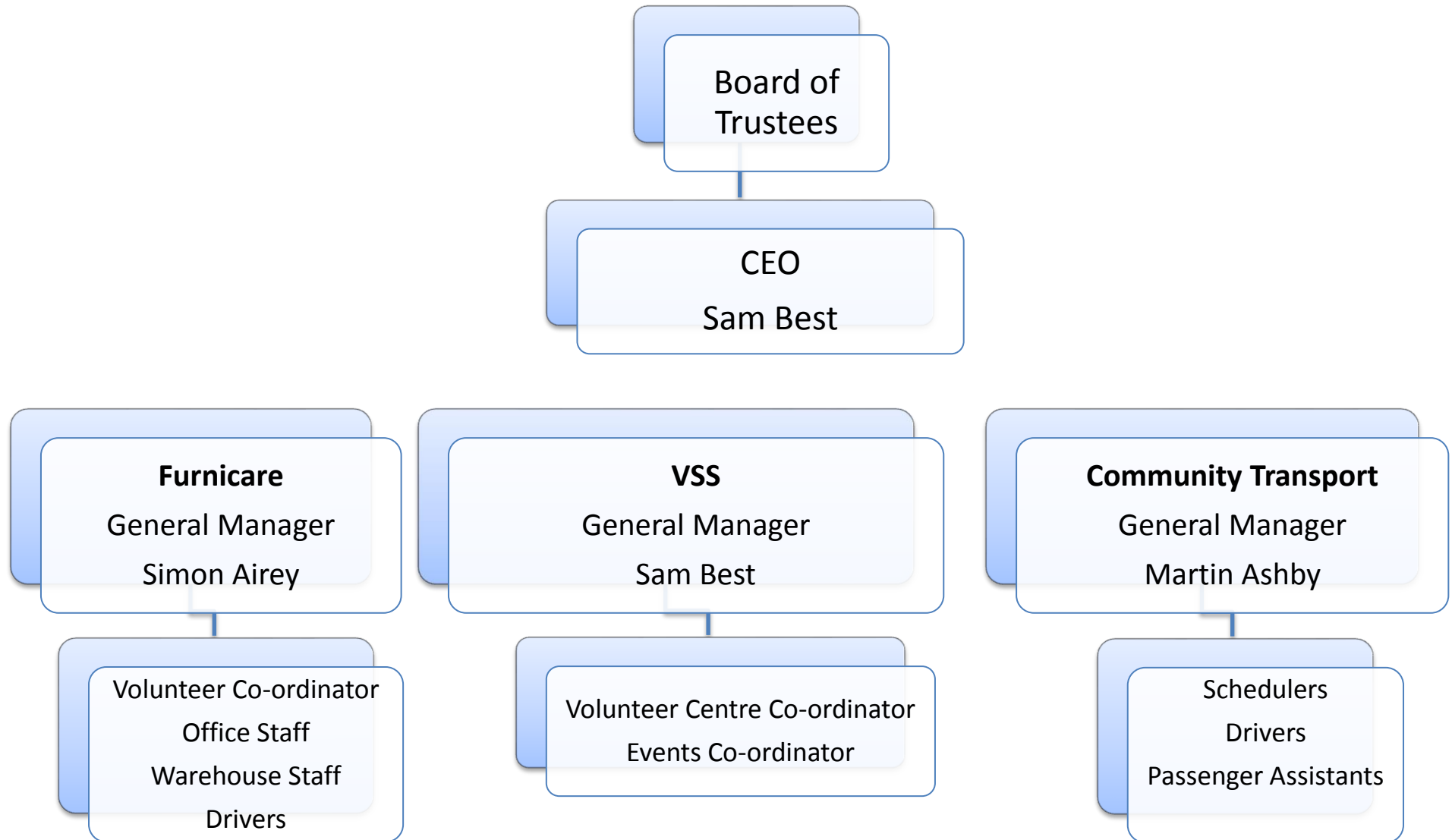
Equality and Diversity Implications

Working with the voluntary sector is one of the Council's means of providing services to hard to reach groups and engaging with communities who otherwise find it hard to access public services. Supporting the VCSE increases community engagement and participation. All groups supported by SSDC are required to have an Equalities Policy.

Background Papers

SSVCA report to District Executive March 2015.

Appendix 1



During Maternity Absence
Nov 2015-Sep 2016

Board of Trustees

Acting CEO
Martin Ashby (5 hrs)

Furnicare
General Manager
Simon Airey

Volunteer Co-ordinator
Office Staff
Warehouse Staff
Drivers

VSS
General Manager
Katherine Nolan/Leonie Girling

Volunteer Centre Co-ordinator
Events Co-ordinator

Community Transport
General Manager
Martin Ashby

Schedulers
Drivers
Passenger Assistants