

Agenda Item No: 6

**Report No:
11/16**

Report Title: Voluntary Sector Support

**Report To: Scrutiny
Cabinet**

**Date: 14 January 2016
8 February 2016**

Cabinet Member: Cllr Tony Nicholson

Ward(s) Affected: All

Report By: Director of Business Strategy and Development

Contact Officer(s)-

**Name(s): Jo Harper
Post Title(s): Head of Business Strategy and Performance
E-mail(s): Jo.harper@lewes.gov.uk
Tel No(s): 01273 661374**

Purpose of Report:

- 1 To report on the performance of those voluntary organisations funded by the Council in 2015/16 under a service level agreement and confirm arrangements for 2016/17.

Officers Recommendations (to Scrutiny):

- 2 To scrutinise the performance of those voluntary organisations that received funding from the Council in 2015/16.
- 3 To note the allocation of funding to relevant voluntary organisations for 2016/17.

Officers Recommendations (to Cabinet):

- 4 To consider any recommendations arising from the Scrutiny Committee's consideration of the report on 14 January 2016.
- 5 To agree the allocation of funding to relevant voluntary organisations for 2016/17 as set out in para 39, in line with the Service Level Agreements agreed in 2015.
- 6 To agree that an additional sum of £13,465 from HRA be added to the annual payment to the Lewes District Citizens Advice Bureau for the provision of money advice to Council tenants and that this form part of the Service Level Agreement with that organisation in future years.
- 7 To agree the additional allocation of £3,500 to 3VA for one year only (2016/17) to support the Dementia Friends project.

Reasons for Recommendations

- 8 The Council has historically provided support to a number of strategic voluntary sector organisations, which provide a range of direct services to our residents, in line with the Council's priorities. In 2015/16 this arrangement was formalised by the negotiation of Service Level Agreements with these key organisations.

Information

- 9 The Council recognises the significant contributions that the community and voluntary sector play in delivering services to our residents. Partnership working is a key priority for Lewes District, and the Council is committed to working with voluntary and community organisations through the giving of community grants. This helps support a thriving voluntary sector in Lewes District. In addition, the giving of funding to such groups can also provide a cost effective way of delivering the Council's objectives.
- 10 Historically, the Council has provided funding to a small number of voluntary and community organisations on a recurring basis, these being; the Citizen's Advice Bureau (CAB), 3VA, Action in Rural Sussex (AiRS) and Sompriti. These particular organisations have been funded because of the core role they play in enabling and supporting other parts of the community and voluntary sector (3VA and AiRS) or because of the unique advisory role they provide to those experiencing hardship or disadvantage (CAB and Sompriti).

Service Level Agreements

- 11 In February 2015, the Council agreed a three year Service Level Agreement (SLA) for each of the four key organisations which the Council has previously funded on a regular basis (CAB, AiRS, 3VA and Sompriti). These SLAs provide certainty to organisations for a three year period. This enables them to plan ahead and ensure consistent delivery of service. Having the security of a 3 year SLA with the Council can also assist voluntary organisations in the leverage of further funding from other sources.
- 12 The SLA also provides a mechanism for the Council to closely monitor the organisations' performance and delivery. The SLAs are agreements that specify the amount of funding, what activities it covers, legal requirements, monitoring and evaluation processes. It should be noted, however, that all SLAs contain clauses enabling review, termination and/or renegotiation of terms should the need for the service change or performance issues be encountered.
- 13 During 2015/16 a fifth Service Level Agreement has been negotiated. The SLA is with East Sussex Credit Union. This organisation has received funding in the past from the Council, through the Housing Revenue Account. In order to bring about greater consistency in the funding and monitoring of voluntary organisations an SLA has been agreed, initially for one year, from September 2015 to August 2016.

Performance in 2015/16

- 14 Regular quarterly monitoring meetings have been held with those organisations which receive larger awards. The lower level SLAs are subject to annual monitoring.

CAB

- 15 The CAB helps people resolve their legal, money and other problems by providing free, independent and confidential advice. LDC currently provides around 82% of their core funding with the Town Councils across the district providing the remaining 18%.
- 16 In the past year the CAB has continued to provide advice services for a range of clients across the district. Most recent data indicates that the CAB is seeing around 4000 clients at the Bureau's various locations each year. Benefits (40%) and debt (14%) and housing issues (9%) forming a significant proportion of the enquiries.
- 17 One of the key measures used to determine the success of the Bureau is the financial outcomes for clients (in terms of income gain, debts written off or repayments rescheduled) resulting from the help provided through CAB advice. This is expressed as an 'annualised value'. The total value for the second quarter of 2015/16 was £471,492 this is similar to levels achieved in previous quarters.
- 18 The Bureau is reaching clients from across the district with the largest numbers coming from Newhaven (16%), Peacehaven (19%) and Lewes (20%). As part of their SLA, the CAB have made a commitment, in light of the geographical spread of demand on the service, to move their main office from Lewes to Newhaven, whilst retaining a presence in Lewes through shared space in Southover House reception. We are working with the Bureau currently to help them investigate options for suitable accommodation in Newhaven for this purpose.

3VA

- 19 As a Council for Voluntary Service, 3VA provides support for voluntary and community organisations across the Eastbourne, Lewes District and Wealden areas of East Sussex. They provide a range of practical support to charities and community groups including start-up support, funding advice, help with governance and training. Their services help to inform, sustain and develop the voluntary and community sector in the area.
- 20 In the past year 3VA has continued to provide valuable up-to-date information to local groups through its digital newsletter, 3View, which currently reaches 1,828 groups, organisations and individuals. In the first half of the year, 26 Lewes based organisations received one to one help and advice from 3VA and 7 training courses were delivered. In addition to the work currently funded by LDC, 3VA have also been bringing partners together to develop local Dementia Action Alliances in the past year. As is set out in para 37 below, it is recommended that the Council provide some additional funding to support this work in 2016/17.

AiRS

- 21 AiRS is the Rural Community Council for Sussex. The organisation's purpose is to provide practical help and support to rural communities across both East and West Sussex enabling them to be vibrant, living and working places. The funding provided by the Council is specifically to support the organisations work with village halls and community buildings.
- 22 In the past year AiRS have continued to produce a regular newsletter with information and advice which is sent to village hall management committees in the district. They have delivered training (most recently on Emergency Planning) and provided one-to-one advice and assistance to individual village halls as needed. Barcombe, Wivelsfield and the Shakespeare Hall in Newhaven have been particular recipients of assistance in the past year.

Sompriti

- 23 Sompriti supports black and minority ethnic (BME) communities and individuals across East Sussex. They work with individuals from a range of different backgrounds and heritage, organising community events, and providing bilingual support to residents in a variety of community languages.
- 24 The organisation has provided 85 hours of advocacy and support to clients accessing LDC services in the past year. The majority of clients have needed help accessing housing support, with access to council tax and housing benefit being the next most common area of advice sought.
- 25 Sompriti also run support groups for local BME women, older people and businesses, run 'English for Speakers of Other Languages' courses and put on community events to promote good understanding between different sections of our local communities. In recent months the organisation has engaged with Filipino and South Asian communities in Telscombe Cliffs who work in Care Homes. Contact has also been made with a group in Seaford seeking to set up an Islamic Community Organisation. English Conversation classes have been held in Peacehaven recently, which were attended by residents from Peacehaven and Newhaven.
- 26 The current SLA with Sompriti limits the bilingual element of their work to advocacy, which is a higher level of support provided by trained advocates. However, following conversations with the provider, it has become evident that there is also a need for a less intensive level of assistance, which would be classed as 'bilingual support' (rather than 'bilingual advocacy') and can be provided by support workers rather than community advocates. It is proposed that the SLA be amended to reflect this need and to ensure that residents requiring all forms of bilingual assistance receive the service they need.
- 27 Supporting this organisation financially assists the Council in fulfilling its equalities duties under the Equality Act 2010, as it improves access to Council services for BME communities (through bilingual support).

East Sussex Credit Union

- 28 The East Sussex Credit Union is a not-for-profit savings and loans co-operative. It helps customers to save money and offer cost effective and flexible loans which meet individual needs. It also works in partnership with local communities and other agencies to provide joint solutions to money related issues. There is a particular emphasis on those who are disadvantaged, marginalised or poorly served by mainstream financial providers.
- 29 The funding provided by the Council is specifically for the Credit Union to work with LDC tenants affected by welfare reform and those on low incomes. This includes providing basic banking facilities for those who are unable to access mainstream banking and providing training in money management.
- 30 Funding for this project started in September 2015 and was granted for one year, up until August 2016.
- 31 The Credit Union has 483 members in the Lewes District, 70% of which are LDC tenants. One of the main benefits to our residents of using the Credit Union is that it provides a less costly alternative to using so-called 'doorstep' or 'payday' loan providers. An estimated £14,000 has been saved in interest payments by residents in the last quarter alone.
- 32 The Union also provides a savings scheme into which local residents have currently contributed over £300,000 of savings, a rise of £7.5k on the previous year.
- 33 Given that the East Sussex Credit Union is working toward becoming a financially self-sufficient organisation, it is not proposed that funding be ongoing. However, given the added value that this organisation provides to LDC tenants in particular, Members may be minded to agree a continued grant to the Credit Union until 31 March 2017 whilst they process towards their target of self-sufficiency. On this basis, an additional allocation of £8,330 is recommended in 2016/17.

Funding for 2016/17

- 34 It is proposed that core funding for CAB, 3VA, AiRS and Sompriti be granted in 2016/17 at the same level as for 2015/16. There are two additional payments which Cabinet are asked to consider for 2016/17. These are detailed below.

CAB - Money Advice

- 35 In previous years HRA funds have been used to make a separate payment to the CAB for 14 hours a week of money advice purely for LDC housing tenants who are experiencing rent or council tax arrears. This grant has helped those experiencing debt problems to help them manage their repayments and at the same time helped to reduce the Council's court/eviction costs.
- 36 It is proposed that £13,465 continues to be paid to CAB for this purpose, but that it be built into their SLA for future years.

3VA - Dementia Friends

- 37 A major strand of the Council's equalities work over the past and coming year is the Dementia Friends project. This project aims to make the Lewes District a more friendly and understanding place for people living with dementia and their carers. It involves raising awareness of the condition among staff, councillors and the wider population of the District. It also involves working with local and regional Dementia Action Alliances to improve partnership working across a variety of sectors.
- 38 In order to support us in our multi-agency approach to promoting the Dementia Friends approach with local communities in the current year, £3.5k has been allocated to 3VA in the current year to assist with community development and training activities. It is proposed that a further £3.5k be allocated in 2016/17, for one year only, to conclude this two year project.

2016/17 Funding Schedule

- 39 The funding proposed for 2016/17 is detailed in the below table. Funding for the third year of the SLA period will be brought to Cabinet for consideration next year.

Org	£ funded (15/16)	Proposed Funding £ (16/17)
CAB	140,340 (HRA benefits advice) <u>13,400</u> <u>153,740</u>	140,340 (HRA benefits advice) 13,400 (HRA money advice) <u>13,465</u> <u>167,205</u>
3VA	28,000	28,000 (Dementia Friends) <u>3,500</u> <u>31,000</u>
AiRS	3,500	3,500
Sompriti	10,000	10,000
East Sussex Credit Union	(HRA Sept15 – Mar16) 8,330	(HRA Apr16 – Aug16) 11,663 (HRA Sept 16 – Mar 17) <u>8,330</u> <u>19,994</u>

Financial Appraisal

- 40 The core elements of funding for 2016/17 proposed in this report are consistent with the agreed SLAs and can be met from base budgets. In preparing the draft HRA budget for 2016/17, which is presented elsewhere on this Agenda, a provision of £13,700 has been made for a money advice service to tenants to

be delivered by the CAB. Should the Scrutiny Committee/Cabinet not be in favour of this initiative, the provision will be released into the HRA working balance.

Legal Implications

The Legal Services Department has made the following comments:

- 41 Since the allocation of council funds recommended at paragraphs 5 and 6 above constitutes public funding, regard must be had to EU rules on State Aid. The purpose of the State Aid regime is to prevent governments (including local government) from giving financial advantages to organisations in a way which could distort competition between Member States.

Public funding of any organisation up to a maximum of 200,000 euros over a rolling period of 3 years is classed as “de minimis aid” (subject to certain other qualifying criteria). The EU considers that this amount of aid has a negligible impact on competition and trade, and does not need notification or approval by the Commission. The level of proposed funding to 3VA, AiRS, Sompriti, and East Sussex Credit Union falls within the scope of de minimis aid.

The proposed funding to CAB exceeds the de minimis aid threshold. However, the nature of CAB’s activities means that local public support measures (such as local authority funding) can be granted without prior Commission approval. Guidance issued by the Commission in April 2015 indicates that public support to purely local operations do not involve state aid within the meaning of EU rules, because they are unlikely to have a significant effect on trade between Member States.

CAB’s advice is aimed only at the local population, competition for which only exists at local level. Further, language issues, and features of the local health, benefits and debt systems (the principal topics dealt with by CAB) make cross-border competition unlikely.

Accordingly, it is considered lawful to proceed with the state funding as proposed, without the need for prior EU Commission notification or approval.

Risk Management Implications

- 42 I have completed a risk assessment. No new risks will arise if the recommendations are not implemented. The following risks will arise if the recommendations are implemented, and I propose to mitigate these risks in the following ways:
- a) Close monitoring of voluntary groups to ensure services are delivered.
 - b) Funding only provided to groups if satisfied with relevant evaluation.

Equalities Analysis

- 37 Equalities screening was undertaken on 6 November 2014. As only positive implications were identified, a full equalities analysis was not required. The nature of the services provided by the organisations referred to in this report

have not changed since the screening was undertaken and therefore a new impact assessment is not required.

Background Papers

- 38 The performance monitoring reports relating to each of the organisations funded are held by the Business Strategy and Performance Team.