

**OSC 19/03/03, Item 58: Finance & General Purposes Scrutiny Sub-Committee -
Recommendations in Respect of the Best Value Review of the Voluntary Sector**
APPENDIX A

Item No.	Classification	Date	MEETING NAME
	OPEN	11 th March	EXECUTIVE
Report Title:		VOLUNTARY SECTOR – FAST TRACK REVIEW	
Ward (s) or groups affected:		All	
From:		Chief Executive (Head of Social Inclusion)	

1. RECOMMENDATIONS

1.1 That the Executive agree the Terms of Reference for a fast track review of voluntary sector funding as set out in the Annex to this report

1.2 That the Executive agree that issues related to strengthening the relationship between the voluntary sector and the Council be considered as part of the COMPACT Implementation arrangements.

2. BACKGROUND

2.1 The Council was scheduled to undertake a Best Value Review of its relationships with the voluntary sector commencing in September 2002. In line with the Best Value methodology, a Project Board was formed in September 2002, comprising Council officers, and representatives from Southwark Action for Voluntary Organisations, Southwark Community Empowerment Network, and London Voluntary Services Council.

2.2 The Project Board met on four occasions up to December 2002 to draft the terms of reference and scope the review. Proposals were in an advanced stage for submission to the Executive in the New Year. The review was scheduled to address a wide range of issues, focusing on both the Council's relationship with the voluntary sector as funder of services, and its relationship as facilitating and enabling the sector to influence mainstream policy and practice. The review was not intended to undertake value for money analysis of individual grant programmes, as a number had been included in service specific best value reviews.

2.3 In preparing the report for the Executive and in the light of issues arising in the 2003/4 grant round, it has become clear to officers that the proposed terms of reference of the Best Value Review were over-complex and so wide-ranging that it would be difficult to obtain clear outcomes on all the issues within the next six months. Clear decisions are needed by July 2003 if they are to inform the 2004/5 grants cycle. In addition, there is no longer a requirement for all services to be subject to Best Value in a formal sense, the methodology of which is resource and time intensive, providing the Council has a clear approach for continuous improvement.

2.4 Officers are therefore of the view that it would be more efficient to split the remit of the original Best Value Review and manage as two separate, but related activities. In terms of the Council's strategic relationship with the voluntary sector, the Council has already signed up in principle to the COMPACT. There is a joint Council – Voluntary Sector Working Group tasked with setting out an Implementation Plan and working on the different elements of the plan. It would therefore seem appropriate that on-going dialogue with the sector on ways to improve relationships, and facilitate the sector to influence the policy and practice of the Council mainstream activity could best be dealt with through this forum.

2.5 Separating this element of the activity would enable a fast track review to tackle some specific issues around the Council's funding of the voluntary sector in time to impact on next year's budget.

3. FACTORS FOR CONSIDERATION

Proposal

3.1 The Council manages its voluntary sector funding as an integral way of delivering key services to the community. Decisions on which groups to fund are therefore taken in relation to that service or department priorities. This results in different levels of funding, and different contractual relationships depending on the type of service involved. For example, an increasing amount of social services resources are spent through contracts with the voluntary sector to purchase community care packages. A significant level of youth work is delivered by voluntary sector organisations through service level agreements. There is not therefore a single voluntary sector programme for the Council as a whole.

3.2 A number of voluntary sector programmes have been part of the Best Value Review of those service areas. Individual programmes that have not been covered by Best Value reviews tend to be those, such as the Community Support programme, where cross-borough and other value for money comparators are difficult to apply because it is harder to compare like for like.

3.3 The purpose therefore of the corporate review is to address over-arching issues of policy and process, and tackle some of the gaps not covered by the other reviews.

3.4 The draft Terms of Reference of the proposed 'fast track' review are set out in the Annex. This identifies the main issues for attention as:

- Clarification of the policy priorities of the Council in respect of funding voluntary sector organisations and how far the existing service/departmental programmes are aligned to those priorities, including addressing new and emerging needs
- The decision-making arrangements for funding, including the appropriate level of delegation to officers, and whether some elements of voluntary sector funding (i.e. some programmes, and/or grants below a specific threshold) could be allocated through an appropriate external agency.
- Where the Council does continue itself to commission services from the voluntary sector, the appropriate form of agreement between the Council and

individual voluntary sector organisations i.e. use and relative benefits of formal contracts, service agreements and conditions of grant aid

3.5 To fast track the Review, in consultation with the Executive member for Community Support and Safety, officers have drafted a specification for an external agency to review the Council's policy priorities and how far the programmes are aligned to this. This should ensure an element of objectivity.

3.6 The work on reviewing processes will be undertaken by a small in-house team, supplemented as necessary by external expertise.

Effect on those affected by the proposal

3.7 Until the review is completed, the specific impacts cannot be identified. Based on the Terms of Reference in the Annex, the following implications may need to be considered:

- Implications for voluntary sector organisations currently receiving funding
- Implications for new and emerging groups
- Implications in relation to equality, diversity and community cohesion
- Implications for budget planning, including the timing of decisions on the availability of resources to fund voluntary sector organisations
- Implications for Council staff involved in the management and monitoring of voluntary sector funding.

4. CONSULTATION

4.1 Through SAVO, SCEN and LVSC, the voluntary sector were involved in drawing up the original draft terms of reference. These organisations have been advised of the revised proposal, and feedback is awaited.

4.2 Both the work on policy priorities, and processes will require input from the voluntary sector, as well as Council departments, external partners, and Members.

4.3 A copy of this report has been sent to the trade unions. They will be consulted as part of the review.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
2003/4 Grants Programme	Constitutional Support	

Audit Trail

Lead officer	Nathalie Hadjifotiou, Head of Social Inclusion	
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Version	Draft	
Dated	12.2.03	
Key Decision		
CONSULTATION WITH OTHER OFFICERS/DIRECTORATES/EXECUTIVE MEMBER		
<i>Officer Title</i>	<i>Comments sought</i>	<i>Comments included</i>
Borough Solicitor & Secretary	Yes	
Chief Finance Officer	Yes	
Chief Officers	Yes	
Executive Member	Yes	
Date sent to Constitutional Support		