

**Subject:** Report of the Value for Money  
Task and Finish Group

**Status:** For Publication

**Report to:** The Cabinet

**Date:** 17<sup>th</sup> March 2010

**Report of:** Overview and Scrutiny Management Committee

**Portfolio Holder:** Communities and Neighbourhoods/Finance and Resources

**Key Decision No**

Forward Plan  General Exception  Special Urgency

**1. PURPOSE OF REPORT**

1.1 To recommend to Cabinet the decision of the Overview and Scrutiny Management Committee in respect of the Value for Money Task and Finish Group.

**2. CORPORATE PRIORITIES**

2.1 The matters discussed in this report impact directly on the following corporate priorities:-

- Delivering quality Services to our customers
- Providing value for money services

**3. RISK ASSESSMENT IMPLICATIONS**

3.1 There are no specific risk issues for members to consider arising from this report.

**4. BACKGROUND AND OPTIONS**

4.1 In June 2009, as part of its Work Programme the Overview and Scrutiny Management Committee agreed to establish a Task and Finish Group to look at Value for Money of grants to outside bodies.

4.2 Rossendale Borough Council's Grant Policy was introduced in 2005 and provides organisations with the option of applying for two types of funds – one-off grants or grants covering a three-year period.

- 4.3 In March 2009, approval was sought from Cabinet on the proposed allocation of grants to outside bodies for the three years 2009/2010 – 2011/2012.
- 4.4 Grants to outside bodies account for a significant element of Council expenditure. Each year Rossendale Borough Council gives approximately £200,000 in grants to the voluntary, community and faith sector.
- 4.5 The Task and Finish Group at its first meeting received an overview of the grants process, together with information on grant money given to the numerous organisations. It was agreed to examine those organisations receiving the most money, to ensure they were providing a 'value for money service'.
- 4.6 A report was produced and its findings were presented to the Overview and Scrutiny Management Committee on 4 February 2010. At that meeting members made additional comments and it was agreed that these should be included with the report and they are included at Appendix A.

#### **COMMENTS FROM STATUTORY OFFICERS:**

##### **5. SECTION 151 OFFICER**

- 5.1 Financial matters are dealt with within the Cabinet report and Scrutiny report.

##### **6. MONITORING OFFICER**

- 6.1 Legal matters are dealt with within the Cabinet Report and Scrutiny report.

##### **7. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)**

- 7.1 No HR Implications

##### **8. CONCLUSION**

- 8.1 That the Cabinet considers the report of the Task and Finish Group and the recommendations detailed within the report.

##### **9. RECOMMENDATIONS**

- 9.1 That the recommendations detailed below be considered by the Cabinet within one Committee cycle of receiving it, and report back its finding to the Overview and Scrutiny Management Committee within two months of first considering the report. The report should include reasons for their findings, particularly where these differ from the recommendations of the Task and Finish Group. It should also include, where appropriate, an action plan and timescales as to when actions should be completed.

9.2 That Cabinet be requested to consider the recommendations of the Value for Money Task and Finish Group, as set out below and in the report

1. That the Task and Finish Group agree that the Sunnycrest Family Centre provides a value for money service and the funding requested by them be recommended to Cabinet.
2. That the Task and Finish Group agree that Haslingden Credit Union provides a value for money service and the funding requested by them be recommended to Cabinet.
3. That in relation to the Rossendale Citizens' Advice Bureau, the amount of funding be reduced by one third taking into consideration the approval of recommendation 8.4.
4. That the Committee recommend that the Council works more closely with Help Direct, which is funded by Lancashire County Council, to deliver a general welfare benefits and advice service through the One Stop Shop. This service will also provide trained money advisers and an outreach service for the public. This will speed up the service and offer a safeguard against bailiff action being instituted in respect of cases where the underlying cause of debt is low income, exacerbated by a failure to maximize benefit take-up.
5. That any reduction to the grant funding to the CAB should not occur until the third quarterly payment, by which time the new service provided by Help Direct, as described above, will have been set up.
6. That any change to services in relation to the above recommendations, should receive maximum media coverage through not just the press, but also a leaflet drop, local radio and the Neighbourhood Forums.

## 10. CONSULTATION CARRIED OUT

N/A

## 11. COMMUNITY IMPACT ASSESSMENT

Is a Community Impact Assessment required No

Is a Community Impact Assessment attached No

## 12. BIODIVERSITY IMPACT ASSESSMENT

Is a Biodiversity Impact Assessment required No

Is a Biodiversity Impact Assessment attached No

<b>Contact Officer</b>	
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Appendix 4

# SCRUTINY

## REPORT OF THE VALUE FOR MONEY (VFM) TASK AND FINISH GROUP – REVIEW OF GRANTS TO COMMUNITY, VOLUNTARY AND FAITH ORGANISATIONS

DATE 29 January 2010

## 1. Purpose of the Report

- 1.1 To outline the findings of the Task and Finish Group in relation to scrutiny of value for money with respect to grants given to community and voluntary organisations within Rossendale.

## 2. Background

- 2.1 Rossendale Borough Council's Grant Policy was introduced in 2005 and provides organisations with the option of applying for two types of funds – one-off grants or grants covering a three-year period.
- 2.2 The majority of the Council's annual grants budget was allocated to organisations over a three-year period starting from April 2006 and ending in March 2009. Any unallocated funds were awarded throughout the year. In total, 12 organisations were awarded grant funding for 2008/09.
- 2.3 In March 2009, approval was sought from Cabinet on the proposed allocation of grants to outside bodies for the three years 2009/2010 – 2011/2012.
- 2.4 Grants to outside bodies account for a significant element of Council expenditure. Each year Rossendale Borough Council gives out approximately £200,000 in grants to the voluntary, community and faith sector.
- 2.5 Organisations from the Voluntary, Community and Faith sector were invited to apply for the new round of grants in December 2008. The Council received £414,620 of applications from 34 organisations and this far exceeded the grant funding allocation. The Grants Advisory Group met on 11<sup>th</sup> February 2009 to assess which funding applications should be recommended to the Cabinet.
- 2.6 Those organisations not receiving money through the community grants scheme are encouraged to apply for neighbourhood grants and signposted to other organisations that may assist with finding suitable funding pots.
- 2.7 Organisations are required to complete a monitoring and evaluation form on the progress of the project/services being delivered as a result of the funding awarded the previous year. The forms ask whether they have achieved the outputs and outcomes as agreed in their funding agreements, as well as reporting on the number of beneficiaries or service users and any problems that had occurred.

### Eligibility to apply for a grant

- Be a not for profit organisation
- Be a third sector voluntary, community or faith group
- It must be properly run and be able to produce income and expenditure reports and annual accounts, if applicable

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- Have a written constitution – be clearly constituted for public or community benefit
- Have a bank account with at least two signatories

### 3. Membership

3.1 The Members of the Task and Finish Group were:

- Councillor Sandiford
- Councillor Driver
- Councillor Morris
- Councillor Lamb
- Councillor Aldred

3.2 The Task and Finish Group was facilitated by Pat Couch, Scrutiny Support Officer, Carolyn Sharples, Acting Committee and Member Services Manager and Miladur Rahman, Delivery Partnership Officer.

3.3 The Group met twice and also visited the Sunnycrest Family Centre, Haslingden Credit Union and Rossendale Citizen Advice Bureau.

### 4. Terms of Reference of the Group

4.1 The overall Terms of Reference of the Group were linked with the definition of Value for Money, which was:-

- **Economy** – careful use of resources to save expense, time or effort
- **Efficiency** – delivering the same level of service for less costs, time or effort
- **Effectiveness** – delivering a better service or getting a better return for the same amount of expense, time or effort

4.2 The Terms of Reference of the Group were agreed as:

- To ensure that money allocated to the organisations had been spent in accordance with the remit of their allocation
- To determine the criteria for allocation of grants
- To determine the criteria for evaluation of grants
- To benchmark grant funding allocation with other Local Authorities
- To determine the quality of partner relationships
- To look at the quality of performance or service delivered and the benefits.

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## 5. Form of Investigation

- 5.1 The Task and Finish Group met with the LSP Delivery Officer who is responsible for distributing grants to outside bodies, and who liaised closely with the Grants Advisory Group which made the decisions on where/how the grant money should be distributed.
- 5.2 At this initial scoping meeting it was agreed that the Task and Finish Group needed to examine those organisations receiving the most money which were identified as the Citizen's Advice Bureau (CAB), Sunnycrest Family Centre, Bacup and the Haslingden Credit Union.
- 5.3 The Task and Finish Group carried out three site visits to the above organisations. The meetings are summarised below as follows:-

### 5.4 7<sup>th</sup> October 2009 – Visit to Sunnycrest Family Centre

Members of the Task and Finish Group visited the centre and met with the Centre Manager, Leila Allen. The history of the centre, staffing levels, child attendance levels and funding sources were outlined. It was noted that funding was sourced mainly from the Council and Green Vale Homes. Due to the diverse nature of this project, obtaining other streams of funding from, for example the PCT, was difficult.

The work of the centre was outlined and discussed in detail and summarised below:-

- The centre is open from 8.30am – 5.15pm and caters for children with special needs from local schools such as Tor View and Cribden School. Mainstream school children are excluded from attending. Access to the centre is by self-referral or referral by friends, neighbours and/or family. An example of the positive work of the centre was that they had been supporting one particular family for 16 years.
- The centre currently had 11 children registered but could take up to 14 children. Staffing levels comprise of 1 member of staff and 5 volunteers, with one of the volunteers being trained in special needs. It was noted that there was no transport available to collect children from schools to attend after school sessions.
- SKIDS (super kids and dynamic sessions) after school group. This session catered for children with learning difficulties with an age range of 8-12 years old at a cost of £1.50 per session. It was noted that those in receipt of benefits were not required to pay for sessions and donations were received from the community which assisted with funding of SKIDS.

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- In addition to SKIDS, other examples of facilities offered by the centre include 'Knit and Natter' Club, Arts Clubs and a Dance Group organised by the Young People Services.
- The centre provided a family room in which users of the centre could discuss personal matters with staff and Trustees.
- It was noted that there was a lack of facilities and activities to accommodate older people.
- The centre also supports and works with people with domestic violence, drug and alcohol problems and signposts them for appropriate help and support.
- Future projects for the centre included work on the centre's garden and greenhouse with the intention of developing a community garden.

## **5.5 14<sup>th</sup> October 2009 – Visit to Citizen's Advice Bureau, Bacup**

The Citizen's Advice Bureau (CAB) receives £75,000 per annum of funding from Rossendale Borough Council, which is 42% of the overall community grants budget. This funding goes towards paying overhead costs such as premises costs, utilities and essential staff salaries. In addition the funding provided by the Council allows the CAB to obtain funding from other sources as follows:

£131,121	The Big Lottery
£ 19,000	The Primary Care Trust
£ 10,000	Green Vale Homes
£ 24,000	Lloyds TSB
£ 31,000	Her Majesty's Treasury

Members of the Task and Finish Group Councillors visited the Bacup Citizen's Advice Bureau (CAB) and met with the Centre Manager, Kester Dean.

The Centre Manager outlined the objectives of the bureau, which was to provide free, confidential, impartial and independent advice to enable local residents to deal with a wide range of issues such as housing, finance, employment, consumer issues, relationships and taxation, etc. The CAB is the only licensed monetary advice service in Rossendale and employs 7 paid staff.

The Centre Manager outlined the typical help that a caller receives; a client receives an initial assessment interview and a one-hour appointment with a follow up session. Some individuals require more assistance, in particular those with debt problems. Additional assistance typically includes multiple interviews, specialist casework support, negotiations with creditors and representation at court.

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It was noted that over 1,500 clients were helped by the CAB in 2008/09 and it was projected that over 2,000 clients would be helped in 2009/10. The projected improvement was as a result of improved telephone access to the service and running regular outreach sessions. In order to make the outreach sessions more accessible, the sessions are operated in 8 other locations across Rossendale, including the One Stop Shop, Waterfoot Health Centre and the Children's Centre, etc.

During 2009/10 there has been an increasing demand for monetary advice and there is presently a six-week waiting list. In the first quarter of 2009/10 the CAB worked with 217 new debt clients, giving advice on debt totalling £782,977. This is a large increase compared with the whole of 2008/09, when 254 debt clients were helped.

## **5.6 20<sup>th</sup> October 2009 – Visit to Haslingden Credit Union**

Members of the Task and Finish Group, the LSP Delivery Officer and the Acting Committee and Member Services Manager visited the credit union and met with the Centre Manager, Bill Greenwood.

The Centre Manger outlined the history of the credit union and it was noted that not all the Rossendale Credit Unions were part of the same Associations, however this was a goal that they were working towards through UK Credit Unions Ltd. Membership of the Credit Union was 800 adults, 290 juniors and 450 dormant (resigned/deceased) members, with growth at approximately 25-30 members per month.

The Credit Union Board was confirmed as 7 volunteer members with 2 paid staff (funded by the Department for Work and Pensions) and 35 volunteers.

The financial information as at 29<sup>th</sup> September 2009 was confirmed as follows:-

Shareholding	£245,000
Loans Portfolio	£135,000
Bad debt (inc DWP-GF)	£ 11,000
Junior Section assets	£ 34,000 (operating in 6 primary schools)

The Group was provided with an update of the current loans information available as follows:-

- In July 2006 there was a partnership agreement with Accent North West/East Lancashire finance/Credit Unions for tenants across East Lancashire with 13 guaranteed loans for tenants totalling £2,450.

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- In October 2006 through a partnership agreement with Rossendale Borough Council/Kingfisher/PEER/Rossendale Credit Unions there were 14 guaranteed enterprise loans totalling £95,000.
- In December 2006 there was a partnership agreement with Greenvale Homes/Rossendale Credit Unions with 35 guaranteed handy loans for tenants totalling £10,650.
- In August 2008 there was a partnership agreement with Hyndburn Homes and there were 64 guaranteed handy loans for tenants and leaseholders totalling £19,600.
- In addition there was a Department for Work and Pensions Growth Fund Initiative partnership agreement with the Bacup, Burnley and Mid-Rossendale Credit Unions.

During the visit the Group discussed and received clarification on the following matters:-

- Diversity of those accessing the facilities – it was noted that the main group requesting loans were white British, however a few loans had been given to BMEs.
- Banking arrangements – this was done through the Unity Trust.
- Links to Rossendale Borough Council's One Stop Shop and council tax matters – the Credit Union did refer enquiries to the One Stop Shop, and did receive council tax enquiries, however there were no direct links between the two organisations.
- Payment of Dividends – this was clarified as the end of September.
- Marketing of the Credit Union – a marketing study had been undertaken and adverts had been placed on some of the Accrington to Rochdale buses.
- Running costs - it was noted that the funding provided by the Council was currently being used to support the running costs of the premises, however it was hoped that the Credit Union would become self-sufficient over the next few years.
- Future plans for the Credit Union were outlined as hoping to purchase the Greenfield Street premises, subject to funding.

## 6. Findings

6.1 That Sunnycrest Family Centre serves the community in providing an excellent service in a deprived area of the Borough. Members were impressed by the work undertaken with the children at the Centre.

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- 6.2 That it would be useful to receive year on year progress update from the Centre.
- 6.3 That Haslingden Credit Union, as one of the three Credit Unions in Rossendale encourages regular savers and also provides a fair and reasonable loans service to an increasing number of local residents. Local people can go to the Credit Union instead of using loan sharks.
- 6.3 That the Rossendale Citizen Advice Bureau provides an advice service across Rossendale, which includes face-to-face appointments in at least one town within the Borough.
- 6.4 The Task and Finish Group were informed of Help Direct, which is commissioned by Lancashire County Council and delivered by Calico throughout East Lancashire to provide the practical support, guidance and information you need to get the most out of life, including welfare benefits and advice service.
- 6.5 The Task and Finish Group were informed that relationships with the Citizens Advice Bureau (CAB) could be improved.
- 6.6 Funding to the CAB is committed for 3 years (until 2012), but with a clause in the agreement to reduce the amount if it was felt necessary.

## **7. CONCLUSIONS**

- 7.1 That staff from the Sunnycrest Family Centre need to work with the Council and notify them of any changes to service provision by way of regular feedback reports and this should be included in their agreement.
- 7.2 The three Credit Unions throughout Rossendale (Bacup, Mid Rossendale and Haslingden), should explore the possibility of amalgamating to cut overhead costs.
- 7.3 The Task and Finish Group were happy for the Council to explore the opportunity to deliver a benefit and advice service through the One Stop Shop, working closely with Help Direct, which is funded by Lancashire County Council. This could possibly help speed up the service, which currently has a six week wait for monetary advice at the Citizen Advice Bureau.
- 7.4 That if the Council agree to the above it would reduce the workload of the Citizen Advice Bureau and therefore any reduction to the grant funding should not occur until the new service provided by Help Direct had time to embed.
- 7.5 That the Head of Customer Services and ICT keep Overview and Scrutiny informed of timescales for any additions to services provided at the One Stop Shop.

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## 8. RECOMMENDATIONS

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