

**TITLE OF REPORT: AREA COMMITTEE SERVICE LEVEL AGREEMENTS – REVIEW OF 2006 - 09 AND PROPOSALS FOR 2009 – 2012**

REPORT OF THE HEAD OF COMMUNITY DEVELOPMENT AND CULTURAL SERVICES

**1. SUMMARY**

- 1.1 The report invites Area Committees to consider their preferred approach to the provision of locally focussed Service Level Agreements (SLA) for the period 2009-12.
- 1.2 Any decision taken needs to be made within the context of the strategic approach to the development of the next phase of SLA for the period April 2009 – March 2012 that is currently out for consultation, prior to a final approval by Cabinet in October 2008.

**2. FORWARD PLAN**

- 2.1 This report does not contain a recommendation on a key decision and has not been referred to in the Forward Plan.

**3. BACKGROUND**

- 3.1 Cabinet approved a new comprehensive set of policies and procedures for financial assistance to voluntary and community organisations (VCOs) in November 2002 which included the establishment of SLA.
- 3.2 The first three year tranche of SLA was set up from April 1 2003 to March 31<sup>st</sup> 2006 with those organisations with whom the Council had developed a longer term grant funding relationship and was based on the work that the organisations were doing at that time. The second three year tranche of SLA commenced on April 1<sup>st</sup> 2006 and is due to time expire on March 31<sup>st</sup> 2009.
- 3.3 Prior to this date, consideration needs to be given to establishing the context and framework for the next phase of SLA for the period 2009 - 2012.
- 3.4 Though the main thrust of SLA were those funded centrally, it became apparent that at a local level, where Area Committees had funded an organisation on an historical basis for a number of years, then similar principles could be applied.
- 3.5 During 2002/3, each Area Committee determined its support for those organisations or project with which it wished to enter into a longer term funding relationship.
- 3.6 The report to Cabinet on 24<sup>th</sup> June 2008, included the following comments specifically about Area Committee SLA:

## **Area Committee Service Level Agreements**

In addition to the main, centrally funded SLA, Area Committees have increasingly funded smaller SLA with those local organisations with whom a longer term service relationship has been deemed appropriate and beneficial. This was one of the developments that emerged from the review of the first tranche of SLA funding summary of these SLA in October 2005.

It is appropriate that these SLA should also be reviewed during the current financial year by each Area Committees to determine whether these should be continued for a further three years (2009/12) and at what level of funding.

At the same time the review will consider the balance of funding between the Area Committees and the central SLA funds.

- 3.7 There is a growing recognition within all levels of Government of the value and importance of the voluntary and community sector (often now referred to as the 'third sector' as a provider of services. This is reflected in the development of Compacts, in the involvement of the voluntary sector in Local Strategic Partnerships, the new duty placed on partners to co-operate in the delivery of local improvement planning and in the development of Local Area Agreements.
- 3.8 If there are to be any changes to the way the SLA are administered and awarded, the minimum notice that must be given to existing SLA holders is three months in writing. Furthermore, in keeping within the terms and spirit of the North Hertfordshire Compact, there needs to be a twelve week consultation period with voluntary and community organisations on the overall strategy.
- 3.9 However, good practice suggests that if there are to be any changes to the way in which the Council wishes to continue its support for the voluntary and community sector, as much notice as possible should be given.

## **4. ISSUES - PROPOSALS FOR 2009-12**

### **Strategic Objectives for the Council**

- 4.1 All current SLA should be compliant with the LSP's district-wide Vision, the Council's Mission and Strategic Objectives.
- 4.2 The Sustainable Community Strategy that has recently been drafted has also identified a number of key priorities for the District to 2021 and it is evident that funding the voluntary and community sector is an efficient and effective way of achieving a number of its ambitions and aspirations. The use of Local Area Agreement reward grant funding via the Local Strategic Partnership to fund voluntary and community projects will also require formal corporate governance, using an SLA.
- 4.3 The Council is currently preparing the revision of its Corporate Plan 2005-2015, including three new priorities of work for 2009/10 and beyond, which are:
- Green issues
  - Sustainable development
  - Town centre improvements

The detail of what each of these themes will include is currently under discussion and will form the basis for the new Corporate Business Planning programme for the Council.

- 4.4 The alignment and ownership of actions to be undertaken on the Council's behalf by the voluntary and community sector contributing to these themes will be included in future SLA. All organisations will be required to demonstrate how they can contribute.

### **Future Proposals for Service Level Agreements – April 2009 – March 2012**

#### **Funding Context**

- 4.5 Each Area Committee needs to consider how best it wishes to allocate its resources for the voluntary and community sector for the period 2009/12 when the present tranche of awards time-expires on March 31<sup>st</sup> 2009.
- 4.6 Within the context of the Council's Corporate Business Planning, any increased or new SLA for 2009 and beyond will be funded through the Area Committee Development budget. (The base budget for SLA was transferred out from the Development budget in 2002/3).
- 4.7 There are no accurate figures yet available to reflect the changing demography of the district at an Area Committee level, arising from the increased population since 2001 and the review of the ward boundaries following the 2006/7 Boundary Review. Therefore, for the foreseeable future, the Development budgets for each Committee will remain as:

<b>Area Committee</b>	<b>% Population (2001 census)</b>	<b>Budget 2008/9 £</b>
Baldock	14,348 (12.27%)	18,320
Hitchin	30,851 (26.39%)	37,180
Letchworth	32,932 (28.17%)	46,150
Royston	17,002 (14.54%)	22,800
Southern Rural	21,775 (18.63%)	30,510
<b>Total</b>	<b>116,908 (100%)</b>	<b>154,960</b>

#### **Service Context**

- 4.8 It is suggested that during the course of the 2009/10 Corporate Business Planning process, each Area Committee needs to determine the following actions:
1. That it wishes to conclude new SLA for a three year period
  2. If so, if it wishes to continue to fund some or all of the existing tranche
  3. If not, with whom it would wish to enter into new SLA
  4. The level of its funds that it wishes to commit to SLA
- 4.9 The Council's proposed strategy for 2009-12 provides a framework within which Area Committees can consider their preferred options. This is summarised in Appendix 1

4.10 The proposed indicative timescale for negotiation of the new phase of SLA is:

<b>ACTION</b>	<b>TIMESCALE</b>
Approval by Cabinet of outline proposals for consultation	24 <sup>th</sup> June 2008
Approval of final report by Cabinet	21 <sup>st</sup> October 2008
Start review of individual SLA for 2009/12	27 <sup>th</sup> October 2008
Complete review of individual SLA	31 <sup>st</sup> December 2008
Write to all projects with new SLA	31 <sup>st</sup> January 2009
Start next three year tranche of SLA	1 <sup>st</sup> April 2009

4.11 The review of performance of each SLA for this Committee for 2007/8 is summarised in Appendix 2

4.12 As part of the review of both the Major and Minor SLA (centrally funded), consideration will be given to those organisations which clearly have a local rather than a district wide focus to be administered, funded, monitored and evaluated through Area Committees.

## **5. LEGAL IMPLICATIONS**

5.1 The Terms of Reference in relation to Area Committees confirm that they may establish and maintain relationships with outside bodies/voluntary organisations which includes discretionary grant aid/financial support. However this does not include grants for district wide activities.

5.2 When re-negotiating SLA these may need to comply with the Council's Contract Procurement Rules.

5.3 Section 2 Local Government Act 2000 provides that the Council has power to do anything which it considers likely to promote or improve the economic, social or environmental well-being of its area. This would apply on the basis that financial assistance to voluntary and community organisations improves the economic, social or environmental well-being of the District or part of it.

5.4 Section 137 Local Government Act 1972 provides specific authority for the Council to incur expenditure on anything which is in the interests of and will bring direct benefit to its area. This includes a charity or other body operating for public service.

5.5 To better reflect current legislation pertaining to contracts, it is proposed that revised and improved SLA documentation will be introduced in the renegotiation of the SLA for introduction in 2009/10.

## **6. FINANCIAL AND RISK IMPLICATIONS**

6.1 The total Area Committee Development budget for 2008/9 is £154,960

6.2 When the Area Committee SLA were originally set up, the expenditure was transferred from the Committee's Development budget and a small separate SLA budget heading was created.

6.3 A more detailed analysis of each SLA with budget and performance information is set out in Appendix 2.

- 6.4 The Area Committee Development Budgets for 2009/10 have not yet been agreed. However, for the past few years, given the significant carry forward for Area Committee Development budgets, there has been no inflationary allowance, so an assumption is made that the baseline for 2009/10 will be the same as 2008/9.

## **7. HUMAN RESOURCE AND EQUALITIES IMPLICATIONS**

- 7.1 The local SLA are managed by the Community Development Officer as part of their regular work programme.
- 7.2 However, a Business Process Review has been commissioned this year to review the most effective and efficient way in which SLA and the more general grant awarding arrangements can be improved.
- 7.3 The great majority of the voluntary and community projects that are funded by the Council have equality and social inclusion as a key objective of their purpose. Such projects work very closely with and for the more disadvantaged and potentially socially excluded within our communities. There is a strong argument to be made that if the Council did not provide financial support for projects to do the work that they do, then it would, itself, have to meet the needs of such people in other ways.

## **8. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS**

- 8.1 Each organisation having a Service Level Agreement with the Council had an annual review with the Community Development Officer.
- 8.2 There will be in-depth consultation with the North Hertfordshire Compact prior to the final report being submitted to Cabinet for its meeting on 21<sup>st</sup> October 2008.
- 8.3 Members who represent the Council on the management committees/boards of voluntary groups and organisations will be consulted and their comments considered within the final report to Cabinet.

## **9. RECOMMENDATIONS**

The Area Committee is asked to:

- 9.1 Note the review of the local SLA arrangements for 2007/8 as set out in Appendix 2.
- 9.2 Note that a rebalancing of the funding of SLA is proposed to reflect better the district wide/local area focus.
- 9.3 Determine the approach to be adopted for any further tranche of SLA to be funded through Area Committees for 2009/12.
- 9.4 Confirm that the detailed negotiations with individual projects will be conducted by relevant officers, in consultation with the Portfolio Holder for Community Engagement and Rural Affairs (for Major and Minor funded projects) and Area Committee Chairmen.
- 9.5 Note the proposed timescale for implementing the new SLA.
- 9.6 Receive a further report on SLA outcomes later in the year as part of the Corporate Business Planning Process.

## **10. REASONS FOR RECOMMENDATIONS**

- 10.1 To confirm the future strategic policy direction for the programme of financial assistance for the voluntary and community sector, through the negotiation of SLA.

## **11. APPENDICES**

- 11.1 Appendix 1 - Proposed Framework for the Renegotiation of SLA  
11.2 Appendix 2 - Performance Review of SLA 2007/8

## **12. CONTACT OFFICERS**

- 12.1 Patrick Candler  
Head of Community Development and Cultural Services  
Tel: 01462 474823  
E-mail: [patrick.candler@north-herts.gov.uk](mailto:patrick.candler@north-herts.gov.uk)
- 12.2 Lois Stewart,  
Group Accountant  
Tel: 01462 474566  
E-mail: [lois.stewart@north-herts.gov.uk](mailto:lois.stewart@north-herts.gov.uk)
- 12.3 Katie White, Senior Lawyer  
Tel: 01462 474315  
E-mail: [katie.white@north-herts.gov.uk](mailto:katie.white@north-herts.gov.uk)

## **13. BACKGROUND PAPERS**

- 13.1 Review of Policies and Procedures for Financial Assistance to Voluntary and Community Organisations, November 2002.

## **APPENDIX 1**

### **Proposed Framework for Re-Negotiation of SLA**

Subject to final decisions on the Corporate Business Planning process for 2009/10, for the next three years (April 2009 – March 2012), the current programme of Service Level Agreements should be renegotiated in compliance with the following conditions:

1. There should be a comprehensive review of the current SLA arrangements to ensure that all organisations have fully complied with the terms and conditions of the agreement and have met targets that were agreed during the second phase 2006-2009.
2. If a project/scheme is not compliant or met its targets, then the Council may wish to withdraw its financial support. Any savings made here can be redirected into other schemes.
3. Existing organisations will be expected to link their activities into the three new Council priorities. If a project or organisation is no longer able to reflect the new strategic themes or the Council in its work, the Council may wish to terminate funding.
4. The Council will be able to identify any gaps in service and commission applications from new organisations, specifically to help implement its new strategic priorities, but any financial assistance for these would have to come from within the existing budget provision.
5. If an organisation no longer wished to continue its work then the contract would be formally concluded and funds could be redirected.
6. Consideration of longer term “exit strategies” will be given as part of the re-negotiation of the SLA.
7. The Council will delineate between those SLA that have a clear district-wide remit which should remain centrally funded and those that have a clearer local focus that can be funded from Area Committees.

## APPENDIX 2

### PERFORMANCE REVIEW OF SLA FOR 2007/8

SLA	Budget 2007/8	SLA Funds	User Figures	Commentary
Royston Town Council: re Royston Cave	£1,000	Maintenance of the cave through liaison with English Heritage and other statutory bodies, through the provision of an annual survey of the cave to which this funding will contribute, and through other works of restoration, prevention or promotion as may be necessary,	1,301	Structure of Cave at risk from vibration. Ongoing discussion w over the most appropriate mea the site. Cave is Scheduled Anc perceived as a major tourist attr