

**Warwickshire Public Service Board
Meeting 29th November 2007**

Creation of Warwickshire Community and Voluntary Action

Introduction

The purpose of this briefing paper is a) to update members of the Public Service Board on the proposal to create a Countywide infrastructure organisation, to be known as Warwickshire Community and Voluntary Action (WCAVA), to carry out Council for Voluntary Service(CVS) and Volunteer Centre (VC) functions; b) to note that a similar paper is to be discussed by the Leaders and Chief Executives of the six local authorities tomorrow (30th November) and c) to ask Public Service Board members to raise any issues or concerns with the Project manager-Stephen Nightingale so that these can be addressed in the paper/presentation to the February meeting of the Public Service Board.

The need

1. The sector is changing very rapidly and expectations from all political parties are that the sector should adopt a more central role in the planning and the delivery of public services.
2. The current network of CVSs and Volunteer Centres does not offer 'Best Value for Money'. This is evidenced by duplication of effort and resources. Across the County, there are differences in levels of staffing; differences in approach to delivering both Volunteer Centre (VC) and CVS functions.
3. The current 'core funding' levels do not enable the CVSs and Volunteer centres to deliver the 'core' services that our members and the public services expect us to provide at a high standard.

The key expectations of Public Services of CVS/Volunteer Centres include:

- Full participation of the voluntary and community sector in partnership arrangements at sub-District, District and County level.
 - Delivery of LAA outcomes around volunteering, quality and VCS capacity (ensuring VCS groups have the capacity to deliver public services on behalf of Local Authorities, Health etc where appropriate.
 - To be a communication channel in order to consult with VCS groups.
4. Some Districts are receiving less than £72k p.a. in 'core' grants to deliver both CVS and Volunteer centre functions. Our National Association suggested in 2004 that in order to deliver effectively to their standards CVSs needed at least £145k p.a. or £181k pa depending on whether it was a single unitary authority or a two tier authority. A sum of around £60 - 70k p.a. per District is necessary for Volunteer Centre functions to be adequately performed.

PRESENT FUNDING OF CVS AND VC

Total "core" income for 2007/8 is £594,000, made up of £321,000 from Warwickshire County Council (excludes some Area Committee income and Compact Officer), £100,000 from the District/Borough Councils and £7,000 from Warwickshire Primary Care Trust. The remaining £165,000 "core" income is

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made up from a number of sources e.g. project management charges, rental income, donations, bank interest etc.

Whilst the existing separate organisations have developed and in some cases have achieved some good practice in parts of their portfolio of provision it is not realistic for them to continue within their current structures and levels of funding. These examples of good practice are contained within that District, and not spread to the rest of the County.

Collectively the 6 CVS and Volunteer Centres have made losses of £134,000 in 2004/5, £2,000 for 2005/6, and £170,000 in 2006/7. In 2007/08 the projected losses maybe over £300,000.

CVS Boards of Trustees have in the past used reserves to prop up service delivery in the hope that funding sources may become available. They have been reluctant to slim down their organisations any further, since to do so would reach a point where the service would be so poor that it would be better to close. Boards of Trustees have had to rely on establishing projects in order to obtain income that has helped to support the core functions. However, projects by their very nature are time-limited, and over reliance on these sources of income make for difficulties in planning ahead.

Our unrestricted reserves for 6 organisations collectively are anticipated to be £500,000 – a little less than 6 months running costs. We cannot continue eating into reserves. This position is not sustainable and it is conceivable that one or more of our organisations in the County could cease trading if the current trends continue.

As a result, whether the organisations remain as they are, or merge into the new proposed organisation there will need to be a step change in public sector commitment to invest sufficient resources to enable the provision and delivery of services and support that will meet the present and future needs of the voluntary and community sector.

The Business Plan proposes an increase in funding of some £400,000 from public sector partners plus inflation rises for future years. This takes into account that we are currently experiencing deficits.

We also need some 'hump' funding in addition to the increased on going investment because it will take some time to fully realise some of the internal savings to reinvest in front line delivery. It will likewise take some time to also generate the level of income that we would wish to make through membership subscriptions, other income generation and in establishing a strong trading arm.

BENEFITS OF WARWICKSHIRE CAVA

There will be benefits in merging into a single new organisation including

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- Gaining efficiencies such as avoiding duplication of back office functions e.g. single Finance function; payroll; single auditor after year1;single insurance; bulk purchasing etc.
- Strategic leadership – having the time to devote to strategy, rather than being enveloped in day to day fundraising.
- Increases the proportion of resources expended on front line delivery of services.
- An emphasis on income generation to ensure that we become more sustainable through having mixed income streams.
- A Focus on outcomes and impact rather than outputs and process.
- Harmonisation of pay and conditions of service (eventually).
- A New Infrastructure Organisation delivering CVS and VC functions in full to meet the expectations of Public Services: these will include:
 - High quality support services; conforming to National Association for Voluntary and Community Action (NAVCA); Investors in People (IIP), Investing in Volunteers and Volunteering England (VE) Standards in full
 - There will be a stronger and more focussed link with Local Strategic Partnerships.
 - Provides a strategic and proactive approach with both County and District level links with the Local Area Agreement (LAA).
 - Encouraging and improved facilitation of collaborative working between Voluntary & Community Sector (VCS) organisations – gearing them up for public service delivery where they so wish.
 - A Volunteering Director who will bring together all Volunteer Centres (VCs) in Warwickshire to ensure the delivery of Volunteering targets in the Stronger Communities Block of the LAA.
 - Specialist posts including delivering and advising on Quality issues for the VCS across the County – again to meet the Stronger Communities Block targets of the LAA.
 - Engagement with neighbourhood proposals via new networks established for Community Development and Support Workers on the lines developed by the South Warwickshire Community Development Network.
 - Greater VCS capacity building and particularly in relation to empowering individuals in hard to reach communities and community activists to engage with the Public Sector.

As with any Business Plan there are risks, and the most important risks to WCAVA are possible:

1. Loss of local ownership
2. Loss of Local Borough and District Council support and funding

In order to mitigate these risks the Business plan proposes that:

- Each District/Borough will retain a local base;
- Each District/Borough local CAVA office will be able to retain local funds given for that locality.

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- A local membership committee be built into the constitution of the new organisation that includes some provision for Local Council elected members, and for a scrutiny role that will ensure that District/Borough Councils get 'value for money' spent locally.
- Equality of access to the provision of high quality services and support in each District/Borough to meet local needs.

WHAT WE REQUIRE OF PUBLIC SERVICE BOARD PARTNERS

1. The Voluntary and Community Sector needs Statutory Sector partners to bear in mind that for the VCS to remain vibrant the Sector needs a mixed economy of funding –
 - Grants – to continue -very necessary for the smaller organisations.
 - Investment - particularly in infrastructure core services and functions
 - Contracts for delivery of servicesAll funding for VCS stays in the local community and benefits the local economy. The VCS in totality is a large employer in the County and has the added value of thousands of committed Volunteers.
2. WCC to take the lead for a step change in funding for WCAVA from the partners of Public Service Board.
3. We need some 'hump' funding to deliver a step change in support services because it will take some time to fully realise some internal savings to reinvest in front line delivery. It will likewise take time to generate the level of income from membership subscriptions, other income generation and establish a strong trading arm that may operate inside and outside of Warwickshire.

POSSIBLE SOLUTIONS

4. WCAVA will have a leading role in the delivery of the LAA Stronger Communities targets around volunteering and quality tools and investment is required to fund the delivery of these targets. LPSA2 reward money may be available mid 2008/2009 although we recognise that this is 'one-off' funding.
5. There may be further opportunities of getting reward funding – by setting stretched Public Service Agreement Targets for the future.
6. A bid for BASIS 2nd round funding will be made, but funds from this stream will not be available until 2009 - (NB it is a bidding process – there are no guarantees).
7. We propose to explore all future funding possibilities open to us as a newly merged countywide organisation including European, Changeup and Futurebuilders once the Public service Board Partners can agree to a future funding regime for Warwickshire CAVA that they can sign up to.

TIMETABLE

A detailed action plan has now been agreed to take the establishment of WCAVA forward. This entails obtaining Legal, HR and Financial (Tax and VAT) advice as well as negotiating a step change in investment from LAA Partners. Depending on the response it is anticipated that the six independent Boards of Trustees will make a decision on the financial information available whether to proceed with a 1st April 2008 start date and proceed to appoint a Chief Executive. We know that this is challenging but if we delay and procrastinate we shall lose excellent staff and opportunities to develop our services.

RECOMMENDATION

1. To note the proposal to create a countywide infrastructure organisation, to be known as Warwickshire Community and Voluntary Action (WCAVA), to carry out Council for Voluntary Service (CVS) and Volunteer Centre (VC) functions;
2. To note that the Leaders and Chief Executives are being requested to:
 - support the principle of establishing Warwickshire Community and Voluntary Action (WCAVA) as a new infrastructure organisation; an
 - recognise the need to invest in the voluntary and community sector infrastructure
 - Agree to investigate how best to provide this investment, both from within their own resources and through potential other funds.
3. That Public Service Board members raise any issues or concerns with the Project Manager - Stephen Nightingale so that these can be addressed in a paper to be presented to the February 2008 meeting of the Public Service Board.

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