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**Report to Resources and Audit Committee**

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**Date of Meeting: 21 April 2016**

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**Subject: Annual Report 2015/16: Funding to Voluntary Organisations**

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**Report by: Head of Strategy & Customer Services**

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**1.0 Purpose**

- 1.1. The purpose of this report is to provide Committee with an overview of funding disbursed to voluntary organisations during 2015/16.

**2.0 Recommendations**

- 2.1. It is recommended that Committee note, challenge and comment on the report.

**3.0 Considerations**

- 3.1. The Council is required to demonstrate best value and comply with procurement legislation when employing third parties to supply the Council with goods and services. The Accounts Commission publication, *ALEOS: are you getting it right?* Sets out good practice arrangements and expectations with regard to the management and monitoring of funding to voluntary organisations. Whilst Clackmannanshire Council do not operate any ALEOs as such, there is an clear expectation that the same good practice principles set out in the guidance apply to any third party the Council funds, including voluntary organisations.
- 3.2. Following an internal audit report in August 2012, a number of recommendations were made to ensure sound management of voluntary organisations supplying the Council with goods and services.
- 3.3. A number of improvements have been made in the way that the Council manages funding to voluntary organisations over the past few years. A targeted follow up review on external funding arrangements was completed by Internal Audit in March 2015. The report provided significant assurance that corporate arrangements are now being applied consistently and this has strengthened the overall control environment in relation to external funding.
- 3.4. A continuing key area of focus for improvement over the past year has been within the context of commissioning. In its report, *ALEOs: are you getting it right?* the Accounts Commission say: "*Councils must have clear reasons for using ALEOs. They must understand the impact on people who use services.*"

*Clear roles and responsibilities and effective monitoring are essential". Many of our funding arrangements are long-standing; some do not yet fully comply with procurement requirements.*

- 3.5. This area has seen an ongoing transition in two main ways over the last year. Firstly, there continues to be a move from grants to more formal contractual arrangements. Secondly, Clackmannanshire is participating in a Scottish Government funded programme, Ready for Business, that brings the Council, and its partners, together with the 3rd sector to consider local strengths, barriers and challenges to moving towards more strategic commissioning in support of developments such as Health & Social Care Integration, Community Justice transition, Realigning Children's Services and service design within the context of clusters and locality hubs.
- 3.6. A potential likely outcome will be consideration of greater use of commissioning models such as Public Social Partnerships to realise better integrated and more effective jointly resourced services. The following funding agreements currently utilise formal contracts as a basis for funding:
- Action for Children
  - Barnardos
  - Community House
  - Homestart
  - People First
  - Reachout
  - SAMH
  - Central Carers
  - Who Cares
- 3.7. The table below summarises funding disbursed in 2015/16. In one area the funding approved by Council was not disbursed. This was £40,050 for the provision of employability services.. A Service Level Agreement was not agreed with a provider and therefore payment of grant was not made. This budget now forms part of the match funding for the Clackmannanshire Works European Social Fund application. It will be used to draw down additional resources to support targeted barrier removal activities for unemployed residents in the area. These activities will be delivered by the Third Sector following a procurement exercise, which will be undertaken on formal approval of the ESF bid.

<b>Project Name</b>	<b>Service</b>	<b>Funding Disbursed 2015/16</b>
Play Alloa	Education	£18,018
Clackmannanshire Sports Council	Education	£6,923
<b>Total Education</b>		<b>£24,941</b>
Clackmannanshire Citizens Advice Bureau	Housing	£128,700

<b>Project Name</b>	<b>Service</b>	<b>Funding Disbursed 2015/16</b>
<b>Total Housing and Revenues</b>		<b>£128,700</b>
Central Carers Association	Social Services	£58,188
People First (Clackmannanshire)	Social Services	£22,172
Addictions Support and Counselling	Social Services	£8,640
Community House	Social Services	£38,180
Barnardo's (Freagarrach)	Social Services	£64,000
Homestart	Social Services	£82,785
Action for Children (Tayvalla)	Social Services	£99,504
Action for Children (Tullibody Families)	Social Services	£160,875
Who Cares?	Social Services	£7,630
SAMH	Partnership – Integrated Mental Health Service	£159,800
Reachout with Arts in Mind	Partnership – Integrated Mental Health Service	£47,200
Clackmannanshire Healthier Lives	Partnership – Integrated Mental Health Service	£191,770
<b>Total Social Services</b>		<b>£909,754</b>
Central Scotland Rape Crisis and Sexual Abuse Centre	S&CS	£14,320
Cafe Society	S&CS	£21,996
Sauchie Active 8	S&CS	£34,827
Artist in Residence Project	S&CS	£4,780
The Gate Foodbank	S&CS	£5,000
Soup Pot	S&CS	£3,000
Clackmannanshire Women's Aid	S&CS	£179,156
<b>Total Strategy and Customer Services</b>		<b>£263,079</b>
Supported Employment	Community Regeneration	£0
Funded Halls and Trusts	Community Regeneration	£14,625
<b>Total Community Regeneration</b>		<b>£14,625</b>
<b>Grand Total</b>		<b>£1,341,099</b>

- 3.8. There were two further material variations in regard of disbursement relating to Homestart and Action for Children (Tayavalla). Homestart, which provides intensive parenting support for vulnerable young families, received an additional sum of £5,896 during 2015/16, which meant that £82,785 was disbursed against a planned spend of £76,889. Tayavalla, which provides direct respite provision of short break care to families caring for children with profound and complex needs, received £99,504, against the £93,410 previously disclosed to Council. Tayavalla is part of a 4-way formal contract for services, which includes Stirling, Falkirk and NHS Forth Valley.
- 3.9. Coalsnaughton Cafe Society were served with a formal improvement notice in February 2016 as a result of a number of failures in respect of the Service

Level Agreement and OSCR requirements, including issues concerning the conduct of business in line with the agreed constitution. Support has been provided, and these matters continue to be followed through by the monitoring officer.

- 3.10. In line with a recommendation from the External Auditor, the Council disclosed funding agreements with external organisation for the coming year as part of the 2016/17 budget approved at the Special Council Meeting on 23 February 2016. Services are required to provide updates to their service committees on funding arrangements specific to their functions. An overview, similar to this report, will be provided to Resources and Audit Committee at this time next year.

### **Conclusion**

- 3.11. Progress continues to be made in regard of the management of funding to voluntary organisations in Clackmannanshire. A continuing trend over the course of the year has seen funding arrangements move progressively from traditional grant funding methods to formal contracts for services.

### **4.0 Sustainability Implications**

- 4.1. There are no direct sustainability implications arising from this report.

### **5.0 Resource Implications**

#### *5.1. Financial Details*

- 5.2. There are no financial implications arising from this report.

#### *5.3. Staffing*

- 5.4. There are no staffing implications arising from this report.

### **6.0 Exempt Reports**

- 6.1. Is this report exempt? Yes  (please detail the reasons for exemption below) No

### **7.0 Declarations**

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

- (1) **Our Priorities** (Please double click on the check box )

- |  |                          |
|--|--------------------------|
| The area has a positive image and attracts people and businesses         | <input type="checkbox"/> |
| Our communities are more cohesive and inclusive                          | <input type="checkbox"/> |
| People are better skilled, trained and ready for learning and employment | <input type="checkbox"/> |
| Our communities are safer  | <input type="checkbox"/> |
| Vulnerable people and families are supported                             | <input type="checkbox"/> |

- Substance misuse and its effects are reduced
- Health is improving and health inequalities are reducing
- The environment is protected and enhanced for all
- The Council is effective, efficient and recognised for excellence

(2) **Council Policies** (Please detail)

Contract Standing Orders

**8.0 Equalities Impact**

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes  No  N/A

**9.0 Legality**

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

**10.0 Appendices**

10.1 None

**11.0 Background Papers**

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes  (please list the documents below) No

**Author(s)**

NAME	DESIGNATION	TEL NO / EXTENSION
Stuart Crickmar	Head of Strategy and Customer Services	2127

**Approved by**

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Head of Strategy and Customer Services	Signed: S Crickmar
Garry Dallas	Executive Director	Signed: G Dallas

