

REPORT TO: CABINET MEMBER – CORPORATE SERVICES

DATE: 9 December 2009

SUBJECT: BUSINESS PARTNERSHIP AGREEMENTS - GRANTS TO VOLUNTARY ORGANISATIONS

WARDS AFFECTED: ALL

REPORT OF: Andy Wallis – Planning and Economic Regeneration Director

CONTACT OFFICER: Steph Prewett – Assistant Director- Neighbourhoods
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**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

To inform the Cabinet Member of the end of current Business Partnership Agreements in March 2010, and of issues that may need to be considered.

REASON WHY DECISION REQUIRED:

To agree how to proceed with organisations with a current Business Partnership Agreement.

RECOMMENDATION(S):

That the Cabinet Member:

- (i) Agree how to proceed with organisations that have current Business Partnership Agreements.

- (ii) Agree to reduce the BPA amount for Sefton Play Council on a sliding Scale of £60,000 (2010/11), £40,000 (2011/12), £20,000 (2012/13)

KEY DECISION: No

FORWARD PLAN: No

IMPLEMENTATION DATE: Following the expiry of the “call in” period for the Minutes of this meeting

ALTERNATIVE OPTIONS:

IMPLICATIONS:

BUDGET/POLICY FRAMEWORK: NA

FINANCIAL: Base Budget provision of £198,351 exists for grants to Voluntary Organisations (Community Centres). The Organisations identified in this report all have Business Partnership Agreements with the Council, which account for £120,395 of the available budget.

<u>CAPITAL EXPENDITURE</u>	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

LEGAL: None from this report.

RISK ASSESSMENT: NA

Asset Management: Grant allocations from this budget can assist in maintaining the quality of the Council's assets.

CONSULTATION UNDERTAKEN/VIEWS

FD 241 - The Finance and Information Services Director has been consulted and his comments have been incorporated into this report.

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	✓		
2	Creating Safe Communities	✓		
3	Jobs and Prosperity	✓		
4	Improving Health and Well-Being	✓		
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities	✓		
7	Improving the Quality of Council Services and Strengthening local Democracy	✓		
8	Children and Young People	✓		

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

None

1. BACKGROUND:

1.1 The Business Partnership Agreements approved from the Grants to Voluntary Organisations (community Centres) budget in 2007 are due to expire at the end of March 2010. All of the organisations in receipt of Business Partnership Agreements have been informed that it is likely that they will need to apply for funding along with everyone else during the 2010/11 funding round. This has been in writing and in meetings with them to give the organisations the opportunity to raise any issues and questions that may have. In the past there has been a lack of a formal monitoring regime and so the information provided below is based on an assessment of their current position and access to other funding sources. More importantly it sets out the likely impact of a loss of the resource from Grants to Voluntary Organisations (Community Centres).

2. CURRENT POSITION:

2.1 At present there are six Business Partnership agreements in place totalling £120,395. However, the BPA for Sefton Play Council takes up £76,589 of this budget and has a complex funding history that is explained in more detail in para 2.4 onwards. The table in appendix A summarises each of the group's activities, current funding and any issues that arose from meetings with the Organisations regarding the BPA funding.

2.2 The aim of Business Partnership Agreements is to enable organisations to have funding stability in order to concentrate on planning and delivery. It is acknowledged that it is notoriously difficult to secure running costs funding and that there are benefits to organisations receiving funding for longer than the usual annual term. However, all of the six BPA organisations have received funding on a rolling three yearly basis since at least 2001/2002. Some are more able to generate income from the services they provide than others.

2.3 For example, Art in Action are able to generate income from hiring equipment and services; Sefton Play Council are also in a position to generate substantial income from their activities. The services provided by Sefton Play Council are beneficial to groups and services linked to children and young people provision as it provides subsidised materials to said groups. It may be worth investigating whether funding is available via other council departments or partners.

2.4 The BPA for Sefton Play Council originates from the end of Bootle Maritime City Challenge when a number of Service Level Agreements were arranged as an exit strategy for organisations that had received funding from City Challenge. The BPA for Sefton Play Council was under the remit of the Director of Education and Community Services.

2.5 In July 2001, it was reported to the Corporate Resources Ratification Committee that the Education Ratification Committee would transfer £60,000 to the Corporate Resources committee and that a three year BPA be entered into with Sefton Play Council on the basis of a grant of £68,000 in 2000/1 with a start date of April 1 2000, with 2% increases in April 2001 and April 2002. Thereafter the 2% increases were to be met by the Corporate Resources Committee Grants to Voluntary Organisations. This arrangement has continued since this date

2.6 No consistent monitoring arrangements are in place for the Business Partnership Agreements. Leisure Services sent a letter to all BPAs in 2007 to see if they wished to continue receiving the BPA funding. Whilst some stated that they no longer wished to receive the money, the vast majority stated that they did. Due to the informal arrangements for the BPAs monitoring there is an expectation that the funding will continue indefinitely, by some groups.

2.7 However, due to the current economic climate, and the wider publicising of the Grants to Voluntary Organisations (Community Centres) funding there was an increase in the number of applications for funding during the last round (no BPAs were awarded during the last funding round in order to not limit the amount of funding available for organisations to apply for in 2010/11), It is therefore necessary to

consider how to proceed with the Business Partnership Agreement Organisations as there is a large amount of resource being utilised by a small number of groups.

- 2.8 The table in Appendix A shows that some groups have identified that they are in need of funding due to limits on generating extra income from the services they provide, and consideration will need to be given on how best to support these groups should their Business Partnership Agreements end. Possible solutions could be a phasing out of BPAs for those groups who are deemed to have legitimate issues around generating extra funding from their services, or the impact of losing the funding. Additional support could also be provided to BPA organisations to help them secure additional funding.

3. RECOMMENDATIONS

That the Cabinet Member:

- (i) Note the report and decide on what course of action they would like to take with regard to the organisations currently receiving Business Partnership Agreements.
- (ii) Agree to reduce the BPA amount for Sefton Play Council on a sliding Scale of £60,000 (2010/11), £40,000 (2011/12), £20,000 (2012/13).

Appendix A: Current BPA Organisations

Organisation	Current BPA Amount (approx)	Activities	Other funding received	Impact of funding ending	Other issues
<p>Queens Road Community Centre (Linacre Ward)</p>	<p>£11,500</p>	<ul style="list-style-type: none"> • Adult Learning Classes • Pre-school Project • Play schemes • Youth Projects • After School Projects 	<p>Approximately - £75,000 is provided by Children’s Services. Working Neighbourhoods Fund - £37,000 to fund the after-school project.</p>	<p>The current BPA contributes towards the running costs of the centre. The loss of this money could result in services being cut in order to reduce running costs.</p>	<p>The centre is located in one of the most deprived wards in the borough, and also provides the only affordable childcare in the area.</p>
<p>L30 Centre (St. Oswald Ward)</p>	<p>£7,000</p>	<p>The Centre is the home of the Head Office for Fun4Kidz, which provides not for profit, affordable child care, other activities at the centre include:-</p> <ul style="list-style-type: none"> • Fun 4 Kidz (After School and Holiday Club) • Fun 4 Kidz Mobile Crèche (serving all Children’s Centres) • Morris Dancing • Saturday Club • Sports Academy • Sefton Estate Residents Group • Playing Out Project • Junior Youth Club 	<p>£70,165 – Working Neighbourhoods Fund. This funding is for the provision of after-school clubs in a 4 locations, one being the L30 Centre.</p> <p>Morgan Foundation – Unspecified amount for the Junior Youth Club.</p>	<p>The current BPA is used for running costs. The BPA provides a much needed resource, as the centre is limited on income that it can generate. Their current lease limits the amount it can charge groups to use the centre and type of groups that can use the centre.</p> <p>According to the Organisation, should the BPA not be renewed they may have to make redundancies in order to cover the short fall.</p>	<p>The Centre has never been able to secure funding for a Centre Manager. At present the Chief Executive of Fun4Kidz adds this on to her existing role in order for the aforementioned activities to take place.</p>

Organisation	Current BPA Amount (approx)	Activities	Other funding received	Impact of funding ending	Other issues
Art in Action (Linacre Ward)	£2,500	Art in Action provide training and equipment in a number of creative areas, including computer aided design, photography, film making, graphics etc.	None known of.	The current BPA helps towards running costs. However, the group is able to make money via the hiring of equipment.	
Sally Eccleston Centre (Ford Ward)	£12,000	<ul style="list-style-type: none"> • Disabled Persons Group. • Saturday Carers Group, • Welfare Benefits advice. 	None known of.	The Centre is limited in what it can do at the moment due to issues with the building.	<p>The Sally Eccleston currently has no central heating and can only be used for limited activities, due to the building being in a state of disrepair.</p> <p>The management committee of the Sally Eccleston decided to work with a Youth Training company in order to get works carried out to the centre. However, no contract was ever signed and the training company have failed to deliver on their promises to carry out repairs to the building.</p> <p>At present the main hall is unusable due inadequate flooring and no central heating. The lack of a contract, with the training company, has limited the support that Sefton MBC Estates Department can provide the group. No funding is available from the authority to carry out the work that is now required to bring the centre back into full use.</p>

Organisation	Current BPA Amount (approx)	Activities	Other funding received	Impact of funding ending	Other issues
Woodvale Community Centre (Ainsdale Ward)	£10,000	<ul style="list-style-type: none"> • Football Academy • Street Dance • Salsa Dance • Tai Chi • Young Women's group • Baby Massage • Self Defence Course • Job Club • Duke of Edinburgh Course etc. 	£3,000 Grants to Vols £5,359 Sefton Youth Service. £8,614 – Young peoples project. £575 Brighter Living	The group have said that the loss of the BPA would see a reduction in activities being provided.	<p>The centre is used by a wide range of people including looked after children (Children Services refer children to the centre but do not pay for any provision), travellers, young people and other community members.</p> <p>The Centre has recently lost around £10,000 from the PCT, due to a reduction in funding to Community and Voluntary Groups. The loss of this funding meant that revenue from room hire etc has had to go toward the Centre Manager's wages as the funding from the PCT contributed to the CM wages.</p>
Sefton Play Council (Linacre Ward) - Sefton Wide benefit.	£76,500	<ul style="list-style-type: none"> • Shop (Arts and Crafts materials) • Scrounge service (free recycled materials for members. • Training – Training is provided for up to 700 people. • Play & Toy library Equipment. • Printing & Photocopying • Sefton out of School Network support Service. 	£40,000 Extended Schools £80,000 Training Grant. The organisation also receives revenue via membership funds, trading from the shop etc.	According to the Group the BPA funds around £9,000 towards running costs and the remaining £67,589 is used to fund 3 salaries.	<p>Sefton Play Council provides resources, training and support to those who work children and Young people. Unlike many of the other BPA Organisations it has the ability to make substantial revenue from its services, and their current business plan shows a surplus of £92,000.</p> <p>The Play Council are under the impression that the BPA is to carry on indefinitely, however, there is documentation that states that the agreement is reviewed every three years. The Business Partnership Agreement for Sefton Play Council originates from around 2000 at the end of City Challenge funding.</p>

