**OPTION FIVE**

**A Response from VAC to:**

**‘Camden Council and Camden’s Voluntary and Community Sector. Investing in a Sustainable Strategic Relationship’.**

**Executive Summary.**

At the commencement of this process there was great encouragement in the sector that a truly strategic process was underway, aimed at co-production and spanning all areas of Camden Council. This response is framed in this context, and highlights that this crucial link is missing in the engagement paper.

We need to be addressing the ‘graph of doom’. This is a wider question than the one addressed in the engagement paper. We need to ask what do we need to put in place in the next five years to ensure that the quality of life of Camden residents is protected?

We believe that there should be four elements to the new investment model which can be delivered on a neighbourhood, borough or thematic level. The four elements are:

**Investment Fund.** A fund that would make investments of £50,000 and over per year for a three year period. The focus will be on activity and services that deliver the outcomes of the Camden Plan, underpin community cohesion and resilience and promote volunteering. A second tier of “development” investment for smaller organisations with grants of up to £25,000 a year.

**Small Project Fund.** To make investments of up to two years with awards ranging from £5,000 to £10,000 per year. The administering body will provide capacity building and development support to organisations.

**Strategic Council Team.** A high level and strategic team within the Council to develop strong working relationship and partnership ventures between the voluntary and community sector and the Council.

**Capital Assets.** The Council develops a strategy to take forward an investment approach to the use of council buildings so enabling organisations to deliver services to Camden residents. The approach must be transparent, with clear criteria, in line with the outcomes of the Camden Plan and integrated into the Community Investment Programmes portfolio of work.

**OPTION FIVE**

**A Response from VAC to:**

**‘Camden Council and Camden’s Voluntary and Community Sector. Investing in a Sustainable Strategic Relationship’.**

1. **Option Five. Context.**

Following the meeting at the Bedford House Community Centre in December 2014 there was great encouragement in the sector that a truly strategic process was underway, aimed at co-production and spanning all areas of Camden Council. This response is framed in this context, and highlights that this crucial link is missing in the current paper. Without it the reasoning set out in the engagement paper are not founded in a clear strategic vision and as a result the options, A, B, C and D, analysed in annex one, appear to be ‘rudderless’.

In five years’ time the Council’s own financial projections confirm that it will only be able to meet its strict statutory obligations. The other pressing needs of residents will remain unmet unless assistance is forthcoming from the voluntary and community sector. The key challenge facing the voluntary and community sector and Camden Council is therefore how best to achieve the outcomes of the Camden Plan in times of significant cuts in public spending and the growing needs of Camden residents. To do this effectively we need to make an assessment of the impact these further cuts will have on Camden residents and what actions we can take to at least ameliorate the impact.

Throughout the engagement period, which ran from the 18th May to the 12th July 2015, VAC worked with the Council’s Third Sector Team to run a series of seminars at which the four funding models put forward were discussed. VAC also held three further meetings for the voluntary and community sector. This work included an analysis of the strategic challenges that we all face in Camden and the fit between the strategic vision and the four options presented. The options were found not to fit well with the strategic vision and work was undertaken to develop a more suitable option, **Option Five,** the details of which are set out below.

1. **Option Five. The Strategic Challenge.**

Within the voluntary and community sector there is concern that some council departments hold the view that cuts in statutory funding to preventative services will all be ‘picked up’ by the sector. There needs to be recognition that the voluntary and community sector wants to be supportive in meeting needs but many organisations are already squeezed to the bone. The input and contribution of volunteers to these organisations and the community, including trustees, is crucial and it should be acknowledged as should the costs that are associated with supporting volunteering activity.

Returning to the point of the need for a strategic vision this requires joined up and strategic thinking across Camden Council departments and the voluntary and community sectors. This is not evident from the engagement report. There is no clear rational to consider the third sector pot of money in Culture and Environment in isolation. This is an opportunity to design and discuss a strategic relationship with the sector as a whole and this requires the involvement of all statutory funders e.g. Children Schools and Families, Housing and Adult Social Care, the Camden Clinical Commissioning Group, Hospital Trusts, City of London, London Grants, Public Health, and the Metropolitan Police.

Priorities need to be agreed by reference to the outcomes set in the Camden Plan. The engagement document does not appear to reflect the importance of the sector in achieving some of the outcomes of the Camden Plan e.g. prevention, supporting vibrant neighbourhoods, social networks, community cohesion and resilience. Yet in other Council commissioned reports, ‘An Insight into the Impact of the Cuts on the Most Vulnerable in Camden,’ (Young Foundation 2012) ‘Feeling the Squeeze’ (Young Foundation 2013) the importance of the sector in supporting community resilience in times of austerity is strongly highlighted.

It is not clear how, following the engagement process, the feedback that the Council has gathered will be used to develop a preferred option that will be the subject of consultation. This is an area of concern. The Council is committed to co-production and in relation to the designing of a preferred option the involvement and collaboration of all stakeholders is essential. We suggest that a cross sector group meets to consider the responses to the engagement process and goes on to design the option/s for consultation. In relation to the consultation, to deal with potential conflicts of interest, both within the Council and the voluntary and community sector, we recommend that this stage is led by an independent consultant.

There is concern that the costs of administering the grants programme, e.g. staff costs and council overheads, may be excessively expensive when compared to actual delivery. To inform this debate a detailed breakdown of the allocation of the third sector pot needs to be prepared, expenditure monitored and future priorities discussed and agreed.

Turning to the matter of premises there is a lot of interest in the development of sustainable community premises and voluntary and community sector hubs. Here the debate about rent relief needs to be reframed to one of investment i.e. the Council has invested in buildings and is using this investment to enable organisations to deliver services to Camden residents. To support this investment the ability of the sector to lever in capital funding could be better supported by the Council introducing a fair, comprehensive and transparent system through which long leases are introduced, possibly by the referencing ‘the well-being power’ set out in the Local Government and Public Involvement Act 2007. The current heads of terms for voluntary sector leases provides for a 20 year lease with the Council having the right to terminate with 36 months’ notice. In effect a 3 year lease which is not sufficient to attract external investment and creates no incentive to do the work needed. One solution here may be for the Council to explore asset transfer.

We note that the timetable for a report to go to Cabinet was originally September and has now been revised to December.As stated earlier many organisations are already squeezed to the bone. Whilst the new funding framework is debated the project funding that sits within the third sector pot needs to be assessed for continuation. Where there are going to be significant changes in funding levels and/or the models of funding, organisations should be given a year’s notice to plan for and to deliver on the changes. The current timetable and the level of uncertainty make it very difficult for any organisation to produce robust budget forecasts for 2016/17. This in turn is making charity applications extremely difficult.

1. **Option Five. Principles to Increase the Return on Investment.**

**Approach.**

We need to be addressing the ‘graph of doom’. This is a wider question than the one addressed in the engagement paper. We need to ask what do we need to put in place in the next five years to ensure that the quality of life of Camden residents is protected? The starting point for this separate but integrally connected conversation is the Camden Plan, outcome based budgeting and an investment approach. This crucial piece of work, funded by Corporate Strategy, should cover all relationships between the Council, the National Health Service, the Police, City of London, London Funders and the voluntary and community sector all looked at through the need to support the quality of life for Camden residents. For the Council this will encompass a review of all relationships e.g. commissioned services, the third sector funding pot, and the use of assets. The approach will include asset mapping, a focus on leverage and efficiency, added value, social return on investment and impact assessments.

**Mapping and Making The Most of Camden’s Assets.**

* An asset based approach to people and property needs to be adopted to build on the strengths in the borough. This will include an analysis of who brings what to the table and the development of clear guidelines on the transfer of physical assets to communities. We will then be in a position to identify how best to deliver support.
* Fostering a more collaborative, equal relationship with Camden’s voluntary and community sector based on investment, understanding value and more joined up approaches to challenges and solutions between directorates and across sectors.
* Any strategic relationship with the sector needs to link the existing social infrastructure to the built environment.
* Strategic linkage to the Community Investment Levy (CIL) Section 106 monies and the Community Investment Programme (CIP), and the involvement of the voluntary and community sector in decision making need to be central to the approach.

**Efficiency.**

* For medium to larger sized organisations the trend towards the use of commissioning and procurement comes with an increasingly bureaucratic funding and monitoring option. Currently the Council’s processes can help or hinder the achievement of good outcomes. There are some areas where good outcomes are being achieved through good partnerships but for many smaller groups it will be very hard to take advantage of any opportunity to become a ‘delivery partner’. They are primarily community based and focused not primarily service and systems based and focussed. So, in order to support communities to do what they do best – making their own and their communities’ aspirations a reality – there is a need to review commissioning and procurement practices to establish whether or not the current models are fit for purpose. The costs incurred by putting the current models into practice might be better spent on supporting community and voluntary organisations to deliver services on the ground. We therefore recommend that the Council revisits its current commissioning and procurement strategy with a commitment to simplifying the process, to strengthen the profile of social value in the commissioning and procurement frameworks and to

 enable smaller community organisations to engage.

* Within both the Council and the voluntary and community sector the pooling of resources, the ‘sweating’ of existing resources, sharing of back office services and avoiding duplication.
* Consideration should be given to looking at how costs can be reduced by doing things differently, learning from best practice in other boroughs and organisations as well as trying new approaches in a controlled way. However there is no point in losing the tried and tested for the sake of something “new” if there’s no clear evidence it will be better.
* There needs to be better aligned, linked up and improved communication.

**Leverage.**

* The engagement report as it stands appears to say little about the linkage of the voluntary and community sector to financial leverage. The Council has estimated the financial leverage of the sector to be in the region of £230 million. Any assessment of the impact of cuts in grant levels must therefore contain an estimate of the leverage that will also be lost in order to convey an accurate picture of the impact.
* Taking into account the external sources of income and in kind support levered into the borough from independent trusts, European funds, the private sector and businesses.
* Utilising people’s skills, social capital and corporate social responsibility should also be considered as factors when making investment decisions.

**Impact.**

* An impact assessment of all services and activities, existing and proposed, should be done in relation to meeting the outcomes of the Camden Plan and new and emerging needs.
* The focus should be on who can deliver for the most social value and social return in investment, based on agreed and transparent criteria and an accountable process.

1. **Option Five – The Investment Model.**

We note the Council’s intention to look at the feedback from the engagement process to design a preferred option that will then be the subject of public consultation.

We believe that there should be four elements to the new investment model which can be delivered on a neighbourhood, borough or thematic level. The monitoring should be carried out in a clear and transparent way and be proportional, effective and efficient.

**Element One. Investment Fund.**

A fund that would make investments of £50,000 and over per year for a three year period. The focus will be on activity and services that deliver the outcomes of the Camden Plan, underpin community cohesion and resilience, promote volunteering and have a track record of attracting investment. As stated above the detailed criteria will be a subject for further consultation with the sector.

A second tier of ‘2development” investment for smaller organisations with potential to be in the first tier of up to £25,000 a year should also be considered. These organisations should have a clear evidence of sustainability.

**Element Two. Small Project Fund.**

This fund, to be administered by an independent and Camden based organisation, would make investments of up to two years with awards ranging from £5,000 to £10,000 per year. The administering body would also provide capacity building and development support to the organisations in receipt of investment with the aim of equipping them to apply for the larger funds held in the Investment Fund. The detailed criteria will be a subject for further consultation with the sector.

The need for a small projects pot has been clearly stated by small community groups and emerging communities. Many smaller groups feel excluded from the current grants process because it is extremely time consuming and bureaucratic. One of the key challenges identified in the engagement process was ‘small organisations being unnoticed’ yet small organisations are central to the social cohesion and resilience of communities in Camden.

**Element Three. Strategic Council Team.**

A high level and strategic team within the Council to develop strong working relationship and partnership ventures between the voluntary and community sector and all Council Directorates.

**Element Four. Capital Assets.**

The Council develops a strategy to take forward an investment approach to the use of council buildings so enabling organisations to deliver services to Camden residents. The approach must be transparent with clear criteria, in line with the outcome of the Camden Plan and integrated into the Community Investment Programmes portfolio of work.

**Annex One.**

**‘Camden Council and Camden’s Voluntary and Community Sector. Investing in a Sustainable Strategic Relationship’.**

**Analysis of the Council’s Four Options.**

At one session option A, core funding and project funding, was the preferred option. Concerns were registered about the difficulties small groups may find in accessing core finding in the context of reduced funding. Others thought that core funding was crucial to long term sustainability. A view shared at another session along with the possibility of core funding being opened up to all organisations.

One of the key weaknesses of option B was the impact on small organisations as project funding would no longer be available and a concern that those not already funded would find it very difficult to access the fund.

Others liked a model of project funding and the provision of support to other organisations to assist them to strengthen their core from elsewhere as continued funding will lead to dependency. D was also seen as a possibility.

The presence of project funding was seen as central to supporting the work of small and emerging groups. A further theme was the need for a small grants pot that was simple for small groups to access. One of the most commonly mentioned expenses for which small groups would appreciate financial support was the cost of renting facilities to run activities.

Option C was not well received and no strengths were identified and there was concern that there was no mention of rent relief. Indeed there was a lot of concern about the ability of small organisations’ to survive with the ‘backbone organisation’ favouring big players and quite possibly the private sector. As such this option would seem to sit uneasily with the Camden Plan emphasis on supporting vibrant neighbourhoods, community cohesion and resilience.

Option D, described above, which was not seen to be exclusive of A, did secure some support although again there was concern that there was no rent relief. Option D did focus 7on collective impact with partnerships working on a specific theme/challenge. The weakness in the option was the long lead in time that this would require and that it would only work effectively if all stakeholders’ resources were put into the pot.