

Report to: External Organisations Scrutiny Committee

Date: 6th November 2008

Report of: Chief Executive

Report No:

Contact Officer: Carol James / Michael Kane

Tele No: 331347/334157

Report Title: **Process for agreeing and managing Service Level Agreements with voluntary sector organisations supported by Bolton Council**

Confidential / Non Confidential:

This report does **not** contain information which warrants its consideration in the absence of the press or members of the public.

Purpose:

To provide the External Organisations Scrutiny Committee with an overview of the current process for agreeing and managing the Service Level Agreements that the council has with a number of organisations.

Recommendations:

The External Organisations Scrutiny Committee is invited to

- (a) Comment on the content of the report
- (b) Make specific recommendations that could enhance the process around managing the Service Level Agreements with voluntary sector organisations.
- (c) Consider options to explore the role of Members appointed to external organisations and how this could be improved (in conjunction with a further item on the agenda).

Decision:

Background Doc(s):

Signed:

Leader / Executive Member

Monitoring Officer

Date:

Summary:

The report outlines the process for agreeing, monitoring and managing the Service Level Agreements that the Council has with a number of groups in Bolton. It also includes current developments – including how we work with Bolton Lads and Girls Club and the potential development of three

year funding agreements. Finally, the report highlights some options that the External Organisations Scrutiny Committee may want to

1. Background

- 1.1 Members of the External Organisations Scrutiny Committee will be aware that the Council provides financial support to Bolton's voluntary and community sector – this can either be in the form of **giving, investing or shopping**¹ –description devised by Julia Unwin (now Chief Executive of the Joseph Rowntree Foundation) – it details three modes of funding, seen as part of a healthy funding mix that a funder might utilise for example:

- **Giving** – grant funding
- **Investing** – support for capacity building and infrastructure
- **Shopping** – purchasing/commissioning specific services

- 1.2 The remainder of this report will concentrate on the shopping and investing aspect of this funding mix and will provide details on the process for the annual service level agreements (SLAs) that the Council (via the Chief Executive's Department) has with ten of Bolton's voluntary and community sector organisations.

2. Service Level Agreements – Background

- 2.1 As outlined above, the Council has one year service level agreements with ten voluntary and community sector organisations that reflect the service the Council commissions from and is provided by each organisation and the revenue funding granted by the Council to support that work. An example service level agreement is attached at **Appendix A**. Each of the ten organisations are commissioned by the Council (via the Chief Executive's Department) to provide a level of service that is of a strategic or borough-wide nature (as negotiated in each service level agreement) – the voluntary and community groups do not make bids for this revenue support.
- 2.2 The ten groups are listed at **Table A** together with the grant aid for the current financial year – 2008/2009. Members will note from the table below that there is a range of financial support across the ten organisations – this reflects the level of service as detailed in each service specification – part of the service level agreement.

Table A

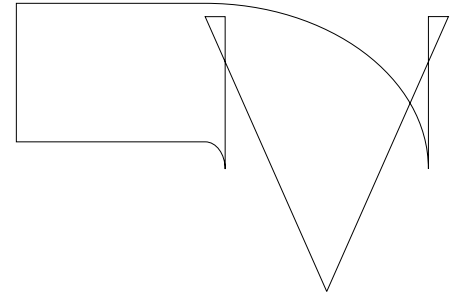
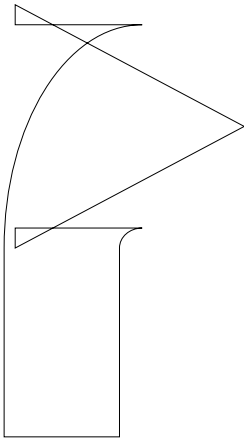
Group	2008/2009 £
Bolton Council for Voluntary Service (CVS)	£135,338
Bolton District Victim Support & Witness Service	£29,938
Octagon Theatre Trust	£139,744
Bolton Citizens' Advice Bureau (CAB)	£166,170
Bolton Community Transport and Furniture Services	£22,379
Relate	£14,303
Bolton Shopmobility	£23,275
Bolton Unemployed Workers Advice Centre	£11,546
Bolton Racial Equality Council (BREC)	£44,380
Bolton Volunteer Centre	£54,576
TOTAL	£641,649

- 2.3 **Bolton Lads and Girls Club (BLGC) – trialling a new way of working with them.**
Members of the Scrutiny Committee will be aware that BLGC are key partners of Bolton Council and deliver a number of projects that are designed to improve outcomes for children and young people in Bolton. The Council's financial support had been provided through a range of funding sources, often through external funding and across different Council departments – this had become a complicated project and funding mix in recent years.

Consequently, the Executive Member for Strategy and External Relationships agreed at his meeting in July 2008, that a more streamlined approach be put in place to support the BLGC through developing one overarching contract/service level agreement with the Club which set out the key objectives and outcomes that the Council wished to secure from the Club, in return for an annual grant. This would be managed through a key single contact between the BLGC and Bolton Council. This work is being lead through the Chief Executive's department and work is well underway to develop the single service level agreement. There will be scope to commission additional activity etc from the BLGC where it is needed and will improve outcomes.

- 2.4 In addition to the work outlined above, we are examining the potential to move to three year funding arrangements if appropriate, (i.e. it would generate an efficiency or would improve delivery) with groups that we currently have service level agreements with as outlined in Table A. In the past few years a number of major policy developments have made reference to how the statutory sector works with the voluntary sector (or third sector as it is often referred to). A key recommendation that has come through consistently is the need for more sustainable funding for the sector and specifically where this involves grant aid, then those funding the sector need to give serious consideration to longer term funding. This message around longer term funding for the sector – generally three years was explicitly mentioned in the Gershon review as a mechanism to improve stability and achieve efficiency. It was a key outcome in the Third Sector Review that informed the Comprehensive Spending Review in 2007 and has since featured in the Strong and Prosperous Communities White Paper. Additionally, local authorities have for the first time received a three year settlement from Government through the Area Based Grant which presents the Council with an opportunity to properly consider three year funding agreements with the voluntary sector.

The then Executive Member for Strategy and External Relationships agreed to support in principle the work. Once this work has been completed, the Executive Member for Strategy and External Relationships will be able to implement the work in early 2009).	<p style="text-align: center;">4th Quarter</p> <p><u>Executive Member</u></p> <ul style="list-style-type: none"> - annual monitoring meeting with each of the groups - examine progress SLA; understand specific issues for the groups etc. This meeting is attended by the Executive Member, shadow opposition members and officers. Performance <p><u>Officers</u></p> <ul style="list-style-type: none"> - receive 3rd quarter accounts from groups - 4th quarter grant – processed + paid if accounts satisfactory - support annual monitoring meetings 	ces agreed to support in principle the work. Once this work has been completed, the Executive Member for Strategy and External Relationships will be able to implement the work in early 2009).
3. Service Level Agreements		Service Level Agreements
3.1 The diagram shows the process associated with the Service Level Agreements.	<ul style="list-style-type: none"> - makes decision on SLA. with supported groups for forthcoming financial year - report to Executive Member with recommendations requesting approval for SLAs with the identified groups - final negotiations with groups based on Executive Member recommendations 	



3rd Quarter

Executive Member

- considers annual monitoring information received from supported groups in preparation for the annual monitoring meeting with groups

Officers

- receive 2nd quarter accounts from groups
- 3rd quarter grant – processed /paid if accounts satisfactory
- analyse information in advance of annual monitoring meeting to highlight key performance issues etc
- initial negotiations around what the new SLA may look like

1st Quarter

Officers

- write to groups to confirm grant arrangements for forthcoming year
- receive 4th quarter accounts from groups
- 1st quarter grant – processed and paid. if accounts satisfactory

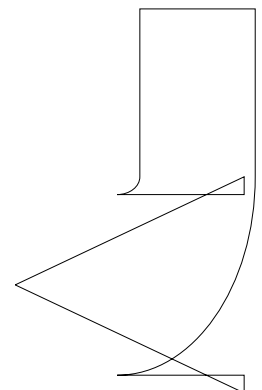
- letter to groups outlining Council budget process / need to find possible solutions

2nd Quarter

- groups provide annual monitoring information including outcomes/achievements, changes (service development, changes in service provision) appropriate information on financial performance.

Officers

- receive 1st quarter accounts from groups
- 2nd quarter grant processed/paid if accounts satisfactory



3.2 As indicated in the diagram, each service level agreement is subject to approval on an annual basis by the Executive Member (now the Executive Member, Strategy and External

Relationships). The diagram outlines the current process which covers the decision making process, financial and monitoring arrangements. The diagram also seeks to differentiate the different roles that Members and officers are responsible for within the current process.

4 Elected members and their roles as Bolton Council appointees on voluntary sector groups

- 4.1 Members of the External Organisations Scrutiny Committee will recall that a number of areas of interest for the Scrutiny Committee were considered at its last meeting on the 11th September 2008. This included the following:
- The Council's relationship and the work of the various voluntary groups which the Council supports through Service Level Agreements e.g. Bolton Racial Equality Council, and Bolton Community and Voluntary Service. The Council also appoints Member representatives to these organisations.
- 4.2 These appointments and the numerous other appointments to outside bodies which were discussed at the last meeting of the Scrutiny Committee do represent a considerable demand on Members' time. Additionally these relationships are important to the Council and the organisations too.
- 4.3 A key part of the discussion at the last meeting of the External Organisations Scrutiny Committee was an examination of how the Council can derive greater benefit from the relationship and time that Members spend as appointees to these organisations.
- 4.4 One of the suggestions that is part of the agenda for the Committee is that Members who are supporting the organisations where we are making a significant contribution too, would be called to the External Organisations Scrutiny Committee to outline progress being made by the groups we support.
- 4.5 Some other options that the External Organisations Scrutiny Committee may wish to consider include
- A review of the Service Level Agreements process outlined within section 3 of this report.
 - Developing criteria that help to guide how the Council makes appointments to external organisations such as those described within this report.
 - Develop criteria to support members appointed to external organisations – this could include the following:
 1. Proposing briefing sessions for newly appointed Members on the purpose, role and activity of the organisation they are appointed to. These briefings could also include some background to why these relationships are important and what the Council hopes to achieve from them.

2. A programme of review meetings where Members of the External Organisations Scrutiny Committee can consider whether the Council's objectives are being met through our relationships with these groups.
3. Potentially Members who are appointed to external organisations could meet periodically as a forum to share experiences and learning,

4.6 The Committee will need to consider the suggestions above alongside the following item on the agenda and further discussions (possibly through a small panel of members) with Council officer representatives.

5. Recommendation

5.1 The External Organisations Scrutiny Committee is invited to
(a) Comment on the content of the report.

(b) Make specific recommendations that could enhance the process around managing the Service Level Agreements with voluntary sector organisations.

(c) Consider options to explore the role of Members appointed to external organisations and how this could be improved (in conjunction with a further item on the agenda).