



Meeting: Adjourned Annual Council

Date: 15 May 2013

Wards Affected: All

Report Title: Supporting the development of a Community Development Trust for Torbay

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1. Purpose and Introduction

- 1.1 The Council's overall approach to working with the community and voluntary sector is based on forging new partnerships, whilst finding creative and innovative ways for delivering services that will sustain a healthy and thriving voluntary and community sector in Torbay that can evidence the added value and social value it brings to communities.

This report, endorsed by Officers from the Council and representatives from the voluntary and community sectors across Torbay, sets out a new strand in the approach to sustainably supporting the Voluntary, Community and Social Enterprise (VCSE) sector in Torbay. The Council has a long tradition of working with the voluntary sector in Torbay, however, this has been fragmented, and this report describes the strategy for the next stage in this collaboration.

The report seeks Council approval for the new direction of travel and a commitment to this approach, with the intention of sustainable financial support to enable the community and voluntary sector to recognise opportunities and increase its capacity as the pressures increase in the public sector.

This report primarily focuses on the Voluntary, Community and Social Enterprise sector's ambition to create a Community Development Trust in Torbay. This is an aspiration which could be achieved with in a short space of time with council support.

This report outlines how the local authority will work to aid the development and success of the Voluntary, Community and Social enterprise sector in Torbay

2. Proposed Decision

- 2.1 That the Council renews its support to the community and voluntary sector and endorses the new direction of travel and the creation of a new Community

Development Trust (“CDT”) in Torbay subject to the Executive Head Community Safety being satisfied with the business case once fully developed.

- 2.2 That the council ring fences funding to support the new direction of travel by making £100,000 per year available for a maximum of three years to support the development of the CDT business plan via a service level agreement (or similar) (“SLA”) and delegates to the Executive Head Community Safety in consultation with Executive Lead Community Safety and Communities the amount of funding to be made available to support the development of the CDT business plan and the content of the SLA.
- 2.3 That the Council provides such support in kind as it is able whilst the CDT is developing, with the expectation that the Council will contract with the CDT to deliver its existing community capacity building activities from April 2014 subject to the the Executive Head Community Safety being satisfied that the CDT can deliver the same.
- 2.4 That the council continues to work with the Voluntary and Community Sector (“VCS”) to review each parties assets and potential future opportunities for collaboration around these assets.
- 2.5 That the Council agrees in principle to be party to ongoing discussions about supporting a collaborative approach for securing long term investment into the CDT. These discussions may include the opportunity for the council to become an investor, but that prior to any agreement being reached a further report comes back to Council for agreement on the approach.

3. Reason for Decision

- 3.1 The Council regards the VCSE sector as a key partner in delivering its vision for a stronger, more resilient community in Torbay. As such the council believes it is strategically important to develop a positive relationship with the VCSE sector which is underpinned by mutual respect and understanding.

The Council’s approach to its own transformation is built around reducing demand for high cost services, but in order to achieve this effectively, it will need to ensure that alternative means of service delivery, such as in the Voluntary Community and Social Enterprise Sector are able to respond to these new challenges in a sustainable and cohesive way. We would anticipate that a significant number of early interventions as well as specialist support can be provided through the Voluntary, Community and Social Enterprise sector locally, which will link to our overall commissioning frameworks, and enable Torbay to provide a more coordinated response to the impact of welfare reform, and ongoing demand pressures across all service areas.

- 3.2 The Council’s approach to redefining the relationship with the voluntary and community sector already has a number of active strands. These include, asset based community development (ABCD); exploring the use of Social investment as a means of funding new services for our most vulnerable(through Big Lottery Grant funding); supporting social enterprises through the TDA; Developing a Localism approach to commissioning; encouraging volunteering; providing support to the success of Heles Angels through our commitment to closing the gap; the development of community hubs in partnership with health All these strands are encouraging a reduction in dependence on the public sector and an increased independence in the voluntary and community sector.

- 3.3 Over the past year, officers and elected members of the Council have been working with representatives from the community and voluntary sector to raise awareness of the range of challenges both faced as a result of ongoing austerity measures and changes to our funding arrangements.

The voluntary and community sector has unique local knowledge and has a specialist ability to identify local need and support the community plan ambition: 'Working for a healthy, prosperous and happy Bay'

- 3.4 National policy has proposed that a more vibrant voluntary sector and the encouragement of a 'Big Society' approach is an opportunity to deliver positive outcomes for local communities. Through the Communities Policy Development Group (which includes representatives from the voluntary and community sector) a Big Society Prospectus was developed (see appendix 1). This encouraged a wider dialogue about the sustainability of the community and voluntary sector locally and the council's role in facilitating and supporting change. The Big Society Framework has three guiding principles:

1. Building social capital through social action
2. Transforming public services and creating opportunities
3. Empowering our communities

These discussions culminated in an event called "Force for Change" in December 2012 which was attended by over 120 community and voluntary sector representatives. This event secured a general consensus that the community and voluntary sector needed to review its current position in Torbay and align itself more cohesively to the future challenges of reduced public sector finances; increasing demands for services; demonstrating a clear and consistent voice for the sector; and pursue meaningful engagement with the statutory agencies, etc.

- 3.5 From the event, thirty individuals volunteered to work together to move the agenda forward. These volunteers have worked together over the past few months to develop a new approach called a Community Development Trust which has had work streams encompassing:

- Increasing funding for the VCSE in Torbay Council
- Managing a fund to support local organisations
- Members Forum (Networking)
- Support to the whole community and voluntary sector

The proposal from the VCSE is tabled as Appendix 2.

In order for the CDT to be effective the council needs to consider the key outcomes it will prioritise with the new organisation. Based on Torbay demographic these are recommended to be:

- Meeting the needs of vulnerable adults and families (team around the community)
- Tackling Child Poverty (mitigating both the causes and symptoms of child poverty)
- Increasing community cohesion

- Promoting economic and social regeneration to increase community resilience.

These outcomes should be set against the overall principles of reducing demand on the public sector and supporting economic growth.

- 3.6 With the support of the Council's existing Community Development Manager it will be possible to establish a CDT as a legal entity within the next few months. The proposal will then encompass a number of phases
- (i) Set up the CDT and transfer key assets from existing organisation, e.g. CVA and Council to create a central core team. These assets will include nominated Council's officers are part of the council's commitment to support this initiative.
 - (ii) Develop (coproduce) a strategy for future community and voluntary sector engagement, which details further assets which could be transferred; council services which could be provided differently by the VCSE; funding opportunities; business case for sustainability of the new organisation; new strategy approach to working between the public sector and the VCSE.
 - (iii) Development of a sustainable structure which is owned by the community and voluntary sector in Torbay, which is operating in a mixed economy for the benefit of Torbay's communities which could be capable of facilitating services by April 2014.
- 3.7 In order to be successful and sustainable the CDT will have to have a critical mass to be able to function and an initial commitment of 3 year funding from the Council. This will enable the organisation to establish itself and demonstrate its potential and longevity to other funders. In order to scope this arrangement in more detail the council will support the VCS in building a business model which will achieve the outcomes specified and structure the councils support over the three year period. If is anticipated that the new entity would need to be self-sustaining within the three years, with the council's funding aligned to the achievement of key deliverables over this period.
- 3.8 Longer term the Community Development Trust is exploring the opportunity of creating an investment fund, which would generate an income stream into the community and voluntary sector. This may include, but is not limited to investments from Big Society Capital and other similar investors. This is a new and innovative way of sustaining the sector over the coming years, and the emerging Community Development Trust are being supported through this exploration by a social investment specialist.
- 3.9 The Council's commitment will involve the following:
- Secondment of key staff to support the organisations development. This will lead to a more substantial TUPE transfer within the current financial year and a service level agreement established for the delivery of the relevant services.
 - Opportunity for the council to make a positive contribution to the sustainability of the voluntary, community and social enterprise sector and enable it to thrive for the benefit of the whole population. The Council's financial contribution for

three years, along with the contribution from the assets of the CVA (Community and Voluntary Action Torbay) would secure the sector in the short term.

- Identification and transfer of physical assets to the CDT e.g. other physical Council assets. This would be subject to an additional council report.
- Opportunity to coproduce new and innovative solutions to provide services to the people of Torbay.
- Opportunity to access new funding streams for Torbay (which are currently not available to the public sector).
- A constructive dialogue with the VCSE sector through this new organisation, to support strategic priorities.
- Identifying funding/match funding opportunities which could be made available to the CDT to support their access to funding.
- Opportunity to redefine the VCSE sector based on outcomes rather than service specific discussions.
- Opportunity to support the new Community Prevention teams which are capitalising on the additional health visiting capacity being added to the NHS workforce.
- Opportunity to reduce the amount of demand on high cost social care services for childrens and adults.

3.10 The net effect on the Council of pursuing this opportunity will be positive as it will define the Council's relationship with the VCSE sector.

- The Council will become a partner in the development of the CDT
 - The Council will coproduce the new model with the VCSE sector
 - The Council will support the whole community by supporting the CDT, through pump prime funding to access new forms of external funding not currently being accessed
 - The Council will create more transparent process for how it works with, and funds, the VCSE sector
 - The new entity will increase the opportunity and likelihood that Torbay as a geographic area can access funds not currently available to it.
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Supporting Information

4. Position

- 4.1 We know that the coming years will be an extremely difficult period of the local authority. Unprecedented levels of budget reductions are forcing us to further review the way we provide services and support residents. However, we recognise that we need to make a firm commitment to develop a strong, sustainable and independent voluntary and community sector with whom we can work in partnership to support the communities we serve.
- 4.2 The current relationship between the council and the community and voluntary sector is moving towards a more equal partnership, whereas in the past there have been tensions for a variety of reasons. The work to embed the principles of a Big Society over the past year have brought the sector and the council to a position where they both recognise that we are at the dawn of a new era and we now have a moment in time in which to shape the future relationship to make it more sustainable and to benefit the wider communities of Torbay.

Torbay Council with support from Children England, has co-produced a Commissioning Strategy for Localism with the voluntary and community sector who work with children, young people and families, which would equally form the basis for this strand of work.

- 4.3 Over the past decade there has been a national drive from central government to diversify public service delivery through increasing use of private, voluntary and community sector providers and social enterprises. These trends are now progressing within a very difficult economic environment of significant reduction in public expenditure, increased unemployment and demands on services and a squeeze on all forms of funding available to the VCSE sector, including individual donations, charitable funds and corporate sponsorship.
- 4.4 As Torbay Council reduces its budget in response to the national agenda, there is an increasing role to play for the community and voluntary sector. This will not happen overnight, but the foundations need to be laid to ensure that the community and voluntary sector is in the best position to respond to these challenges.
- 4.5 A lot of work has already been achieved. For example, the Community Partnerships have established themselves as a separate legal entity; there is a significant amount of capacity building in the voluntary sector which supports children and vulnerable families as part of the Children's Services CPIP programme; the Big Lottery funded work investigating alternative means of funding early interventions for children at the edge of care has a broad engagement of the voluntary and community sector at its core.
- 4.6 One of the aims of this report is to demonstrate that this is not a one sided process of development. The VCSE sector itself has recognised that it needs to undergo change. These changes could be best described as a need for the sector to develop a more business like approach to its operations, to understand that it operates in a competitive environment and that if it wants to be more involved in the delivery of public services that it must expect that relationships with commissioning organisations to change as well for example, away from grant aiding to a contractual basis. The

sector also needs to have a cohesive voice locally, and be able to clearly articulate the added value that it brings.

The sector locally is very diverse and contains a lot of small organisations, which may lead to duplication and lack of coordination. There is little cooperation amongst organisations e.g. in the use of buildings or provision of backroom services. There is a potential for delivering efficiencies in these areas through the new organisation. There is also a concern about the limited organisation skills of some organisations e.g. in relation to business and financial processes.

4.7 Torbay's approach has been based on Asset Based Community Development (ABCD). This is aimed at empowering communities to build on their Strengths (assets) that are already in the community to address their need. It is about mobilising individuals, VCS groups, social enterprises, associations and institutions to come together to build on their knowledge, skills and networks and strengths so that community needs can be supported and can be self sustained.

4.8 The current direction of travel to create a Community Development Trust is very much being lead by the community and voluntary sector, however, in order to ensure that this has the best chance of success, the council will need to provide support to ensure that the aspirations can be met.

This approach is consistent with the way that funders are currently viewing applications. For example, the Big Lottery requires all funding applications to support their philosophy of "people powered change". Where BIG's will use their funding and influence to enable individuals and communities to develop and implement their ideas to change lives for the better.

BIG believe that every community facing problems contains within it people and groups who step forward as the solution. BIG will use its resources, passion, and belief in communities to unlock and inspire community action across the nation.

Their goal is to ensure that through our investments people and communities most in need can make the most of opportunities that arise during this critical time.

We also want people to share and celebrate their work, and learn from others that are doing it for themselves.

The council need to ensure that our role in future developments supports this approach. This will enable the council to optimise the opportunities to support positive outcomes for our communities and increase funding options for the whole area of Torbay.

4.9 Both parties need to ensure that provide clarity about the nature of the relationship between the council and the VCSE sector to ensure that there funders are clear about the relationship. We need to provide stability and value for money. However, we must not underestimate the importance of developing a partnership approach between funders and the VCSE sector based on mutual trust, understanding and focused on delivery high quality services.

5. Possibilities and Options

5.1 Children's Services have been developing a Commissioning for Localism Strategy in Torbay with the community and voluntary sector. The principles of this strategy should apply to all areas of work with the sector. The Community Development Trust is part of this wider engagement. The existing infrastructure organisation is no longer

a viable proposition and this will result in huge challenges in the public sector collaborating with the sector in a meaningful way.

- 5.2 We know that the community and voluntary sector have a huge amount to offer the communities of Torbay, and as a council we need to ensure that we provide and share information, set clear outcomes and encourage both small and large organisations to exist to increase overall capacity. Our ability to support capacity building in the sector has been reducing for several years. Capacity building is work that develops the skills and knowledge and resources of the voluntary and community sector organisation in order to improve governance and increase their ability and effectiveness in the delivery of services. However, the opportunity to join our resources with those of the VCSE sector themselves will provide greater support across a wider network in Torbay.

6. Equal Opportunities

- 6.1 The recommendations in this report would provide a positive impact on the voluntary and community sector in Torbay and those to whom they provide services. In supporting the creation of a Community Development Trust the council would be positively re- defining its relationship with the whole of the sector and creating an equal partnership from which to move forward.

7. Public Services (Social Value) Act 2012

- 7.1 This report is not recommending any direct commissioning of services and therefore does not have a direct impact with Public Services (Social Value) Act 2012. The report seeks the endorsement of work with the community and voluntary sector which is already in process.
- 7.2 However, social value can be described as the additional benefit to the community from a commissioning/procurement process over and above the direct purchasing of goods, services and outcomes. By endorsing the direction of travel proposed, the council is supporting the principles of social value, but exploring the additional community benefits of a thriving voluntary and community sector locally.

8. Consultation

The consultation processes have been on going for at least a year. These culminated in an event called “Force for Change” (organised by the VCSE sector and funded by the Torbay Community Partnerships) in December 2012 which was attended by over 120 community and voluntary sector representatives. This event secured a general consensus that the community and voluntary sector needed to review its current position in Torbay and align itself more cohesively to the future challenges of reduced public sector finances; increasing demands for services; demonstrating a clear and consistent voice for the sector; and pursue meaningful engagement with the statutory agencies, etc.

From the event, thirty individuals volunteered to work together to move the agenda forward. These volunteers have worked together over the past few months to develop a new approach called a Community Development Trust. This approach was consulted on with representatives from the sector at another meeting of the original

group in March 2013 and the approach received the endorsement from this wider group.

Throughout this period the council have been providing support and undertaking negotiations with representatives from this wider group, and this report is being tabled as a joint report from both the council and the Voluntary and Community sector.

The approach was also discussed at the Communities Policy Development Group in March 2013, and all elected member briefing was arranged in April 2013 which gave the Voluntary and Community Sector representatives the opportunity to discuss their proposals in more detail.

9. Risks

- 9.1 If the recommendations are not supported, then the opportunity to create a functioning Community Development Trust within the next twelve months and have the impact that is anticipated are extremely limited. In order for this new venture and new relationship to be realised the council will need to make a financial commitment and provide support to enable this to happen.
- 9.2 If the recommendations are accepted, then a Community Development Trust can be established within the coming months, which will enable additional support to be provided to the VCS and will open the opportunity for the new organisation to attract funding from a variety of new funding streams.
- 9.3 The funding recommendation is based on the assumption that the Community Development Trust will be self financing within three years. However, if this is not realised then there is a risk that the sector may wish to seek additional funding from the council.
- 9.4 Should the council consider the transfer of any assets to the CDT then it will need to consider the ongoing maintenance and repairs of these assets and how these may be addressed. However, should this arise it will be the subject of an additional report to council.

Appendices

Appendix 1: Big Society Prospectus

Appendix 2: Proposal developed by the Voluntary, Community and Social Enterprise Sector

Additional Information

None