

Voscur response to Bristol City Council Regeneration Division Voluntary Sector Investment 2006-2010, Draft For Consultation

In responding to the draft Regeneration Voluntary Sector Investment Strategy Questionnaire, we are pleased to see Bristol City Council's (BCC's) continued commitment to the voluntary and community sector and its recognition of the value of infrastructure support in order to build and support the capacity of front-line organisations. We welcome the establishment of the Advice Services Joint Planning Board; and the Council's acknowledgement that there is a need to support ongoing priorities, whilst recognising the importance of responding to emerging needs.

However, we are concerned that although the strategy's aim is to support balanced and sustainable communities, we can see no evidence in the strategy that its proposals will be any more sustainable than current activities.

We are further concerned that if local infrastructure support is weakened as it will be, should the proposed model be implemented, there is a strong likelihood that voluntary and community sector activity in Bristol will be less sustainable.

Set out below is Voscur's response to the strategy.

These comments are made in the light of

- the letter from Ashy McKay dated 6.02.06, sent in response to Voscur's comments and questions generated by Voscur's consultation meeting on 5 December and the information provided during a meeting with Ashy McKay on 6.02.06
- feedback on the draft proposals and consultation process provided by Voscur members and partners to date, including two Voscur consultation events, attended by 84 people from 56 local groups.
- the presentations to the BCC Select Committee on Sustaining Voluntary Organisations by Kevin Curley, Chief Executive of the National Association of Councils for

Voluntary Service and Balraj Sandhu from the Local Government Team of the Active Communities Directorate.

- the current context of the BCC proposals and developments impacting on the consultation.

1. Advice Services.

We welcome the role that the Advice Service Joint Planning Board will play in shaping future provision.

It is not clear from the strategy how advice services will be 'encouraged' to operate from 'local community hubs'? This may (or may not) be possible, practicable, affordable, or needed.

We would welcome some indication that the necessary resources would be made available to ensure that all advice service providers have sufficient capacity to achieve the appropriate quality standards.

2. Community Hubs

We feel that this element requires further development, and that it needs to be linked to a longer-term plan that addresses the overall challenges faced by voluntary sector organisations and social enterprises delivering services from (community) buildings.

Community centres vary in their ability to generate earned income - those based in low income neighbourhoods, for example, may be limited in this respect – and they also vary in the mix of services that they provide, due to differing local needs, the type of building the centre is housed in, the expertise of the management committee and staff, and the resources available to them. Some buildings are more costly to operate and maintain than others, and some community associations operate out of poor or unsuitable buildings.

The whole issue of community hubs forms part of local economic development support, as acquiring and managing buildings is often a key part of the transition of voluntary organisations into social enterprises. Capital assets can be the base on which to build a more mixed income stream, for example through lettings, or by having the facilities to develop new (contracted) services, as well as then enabling organisations to have the confidence to access

loans for further expansion. The development of community hubs is an essential part of the development of the social economy sector, and needs to be seen within a broader context of procurement, asset transfer and the development of voluntary and social enterprise workspace.

We note that you refer in your letter to potential hub services as including community development, which highlights the need to look more carefully at the relationship between hub services and those provided by BCC. The strategy does not address the issue of BCC resources currently deployed in the provision of community development services. How will the existing BCC community development resource work with community hubs?

2.1 Our Proposal

We recommend that there should be an improved approach to funding community centres across the city that should include

- a) a mapping exercise to establish what kinds of hubs and services are already being delivered, where and by whom, and what might be needed (capital and revenue funding, buildings and other community space) to ensure neighbourhoods are able to maintain and develop successful local centres.
- b) a more responsive deployment of existing revenue funding, without an arbitrary limit on numbers of centres, which meets regeneration and equalities priorities, recognising that some centres will require different levels of funds for different types of expenditure. (Community centres need grants with very few strings attached in order to be flexible and build community cohesion in neighbourhoods)
- c) using information from the mapping exercise and from the findings of the current BCC Property Review and the BCC Workspace Strategy, develop and implement a longer term asset transfer strategy that complements the hub revenue input, that would include
 - what BCC and other buildings could be deployed to increase the number and quality of community centres?
 - how best these can be transferred to local management groups?
 - what capital resources (regeneration and mainstream) might be made available for a hub development programme?
 - which existing community hubs need short and medium term help with their buildings?

d) link the emerging hub development strategy and hub revenue funding to procurement. What services are/will be contracted out to voluntary and social economy organisations? What buildings/workspace might be needed to deliver these services, and how will a more mixed portfolio of contracts enable non-profit organisations to run and manage community buildings. What can be learnt from successful local organisations (like HWV) already doing this, or from successful community centre developments elsewhere?

3. Infrastructure Services

We understand from your written responses and points made in a number of meetings that your proposed system of support for infrastructure services is predicated on your assumptions that current delivery in Bristol is 'cluttered', and that your internal market approach will 'empower local organisations and (to) ensure that they are able to choose the most appropriate support available'. This latter point implies two things – firstly that voluntary organisations in the city are not currently empowered to access appropriate support, and secondly, that your proposals will make this possible. In our earlier response, we put forward information and evidence that none of these assumptions and implications is, in fact, correct. We also note that your own research has found that no other local authorities have adopted this approach.

We previously highlighted the impracticability and negative impact of your proposed system, which far from empowering Voluntary, Community and Social Enterprise Sector (VCSE) organisations to access more appropriate services, would actually lead to less access to fewer services, and leave some organisations with no services at all.

(Clearly, it would be nonsense if, for example, a local authority was asked to deliver a household waste collection service if householders held back their council tax and could choose other providers, and only a few residents in every street opted for the local authority service!)

The Government, through ChangeUp, has understood the need for infrastructure support services in the six key areas of ICT, Volunteering, Funding and Financing the Sector, Performance Improvement, Governance, and Workforce Development; and that

emerging organisations are not always in a position to recognise what support is needed to help them become effective.

Bristol City Council will need a strategy in place to ensure that these key service areas are on offer locally. Further, Bristol City Council recognises that organisations need to meet certain criteria (baseline standards) in order to obtain funding and that organisations need ongoing support in order to achieve these.

Voscur is playing an active part in the transformation of voluntary sector infrastructure services through the ChangeUp programme. This has, over the past year, been working towards harmonising infrastructure services, promoting greater co-operation amongst providers, avoiding duplication of effort and driving up quality. This process has not always been easy, and remains ongoing, in part through the follow up Home Office Capacity Builders programme. ChangeUp recognises that times have changed, and that the VCSE sector is 'too big, too complicated, too differentiated to be served by one sole infrastructure organisation'.

Under the Council's proposed new system, there would be a substantial loss of leverage to the city. This year, the Council's investment of £120,000 into Voscur has enabled us to lever in a further £400,000 which is all spent on a wide range of services that support the VCS in Bristol. Presently, many groups who receive no direct funding from the City Council are indirectly supported by the City Council's investment in Voscur.

Like many other organisations, Voscur is seeking to be more sustainable in the long-term. Unlike some CVS's, Voscur does not own or manage capital assets, nor has it investment income or other reliable funds with which to cover its core costs and develop its services. A recent feasibility study focused on analysing all potential sales and trading income, including advertising revenue, the newsletter and ebulletin, and training services. Voscur received the study findings late in 2005, and is currently assessing them. Charging fees for any services needs to take account of member views, the costs of sales (in terms of additional administration) and most importantly, whether this would act as a disincentive to smaller (poorer) VCSE organisations, many of which currently rely on access to Voscur services for information, training, advice and support, in order to be able to continue making their contribution to the well being of Bristol residents.

3.1 Our Proposal

We urge you to acknowledge the value and specialisms of Bristol's infrastructure organisations, and build on and strengthen your investment to date.

A system whereby Bristol City Council funds a range of infrastructure services which relate to desired outcomes within Service Level Agreements would be effective, enabling the Council to be clear about what it is funding and sure of the quality of service delivery. Services such as VCSE representation and consultation, support for particular equalities groups, input into strategy development and other partnership work – around neighbourhood management and Local Area Agreements for example – can be easily specified and built into such agreements, as can expectations to provide ('appropriate') services to different types of groups, including new, small or non-funded groups.

It is imperative for the survival of front-line organisations and therefore the health of communities that there is stable provision of local infrastructure support to the sector. We would like to see the implementation of 3-year contracts available to local infrastructure organisations for the delivery of support services and representation. Some infrastructure organisations already receive BCC revenue funding for a clear range of services within service level agreements. This system works reasonably well, and a renewable 3-year contract would allow BCC to negotiate variations with infrastructure service providers in the light of new and emerging priorities. It would provide organisations with the stability required to attract and retain appropriate staff, and to continue to build on local authority funds with other contracts, grants and sales of services.

For some services, it will be appropriate to work through the ChangeUp consortium, using a commissioning approach, where BCC Regeneration, other BCC departments and other public sector bodies have identified services that could be best delivered by such a consortium.

4. Equalities

We welcome the information that 3-year service level agreements are to be developed to cover this work, and understand from your

letter that a 'scheme identifying areas of need with equalities communities (will) be developed'.

We would like to see a system that effectively identifies needs and shows how gaps (such as improved services for LGB communities or for women) are to be assessed and filled. For such a scheme to be successful, it must ensure that equalities groups themselves are a key part of future developments both in researching and refining needs and developing funding priorities. It is important that a senior BCC staff member co-ordinates a citywide overview and provides links at the appropriate level with other equalities work.

5. Local Economic Development Initiatives

We welcome the council's continuing commitment to developing Bristol's social economy, and reiterate that this can only be done in the first instance by safeguarding fundamental generalist infrastructure support services, which must be enhanced by advice, technical assistance and training services to credit unions, social enterprises and community organisations developing social enterprise activities.

Currently, social economy support organisations add value through being able to provide a range of services in response to their members needs, and, through their close working with the broader local VCSE sector, they are also able to respond to the needs of emerging social enterprises. Longer-term contracts enable support organisations to lever in substantial additional resources for the benefit of Bristol's social economy sector, and provide the stability required to develop quality systems, including the deployment of specialist staff with accredited qualifications in business advice.

5.1 Our Proposal

We would like to see 3 year contracts made available to local social economy development organisations, with clear service specifications for a range of high quality support services for individual enterprises, credit unions, LETs and Time Banks.

We would also encourage the development of partnerships between the local authority and local voluntary and social enterprise organisations, where local authority revenue investment is accompanied by increased opportunities to win public service contracts, acquire and develop land and buildings and enter new markets (in all sectors) in which to sell goods and services. The

review of the investment strategy provides an excellent opportunity to move forward on all these related issues, and we, and our social economy colleagues, would welcome the opportunity to work with you on this.

6. Volunteering

We are reassured to hear that issues of quality, training, development and benefits will be addressed as part of the commissioning process.

We hope, therefore, that the City Council will continue to support the provision of local, quality accredited volunteering infrastructure provision, and take into account the National Compact Code on Volunteering.

7. Funding Systems

We welcome your commitment to reduce the bureaucratic burden on VCS organisations in receipt of BCC funding, and to simplify and harmonise monitoring processes with other funding streams. We are also, of course, in agreement with implementing of robust but appropriate levels of scrutiny. However, we would like you to consider again the funding systems you have proposed in the draft investment strategy. You will be aware that the current funding situation for the VCSE sector has become more difficult, nationally as well as locally. In Bristol, we are seeing the end of significant European and national government programmes, and access to other potential funding – SWRDA's Single Pot, LSC funding – is difficult. This makes local authority funding more important than ever.

It may be helpful to see local authority funding as three distinct activities – giving, shopping and investing – each with an appropriate role for particular types of activities and outcome. Some organisations, such as community centres, would benefit from giving – old style grant aid – where their activities need to be developmental and flexible in response to changing neighbourhood needs and priorities. Where BCC wants to buy a specific service (perhaps at a specific time for a specific group of people in a specific neighbourhood) then competitive tendering (shopping) will be appropriate in finding the best supplier, delivering Best Value. Investing is appropriate where there is evidence of unmet needs (like provision for older people), where

voluntary sector capacity needs to be developed in order to create new provision.

As we stated in our earlier response, some of your current proposals, such as the community chest for project start up and development, are welcome. New and established VCSE organisations are rarely able to accumulate the reserves needed by any organisation (in any sector) to undertake the essential 'research and development' activities required for service improvement and expansion. As you have not as yet produced criteria for your proposed annual grants scheme, we are unsure what kinds of activities and organisations you intend to resource in this way, and are therefore unable to provide detailed comments. However, we are pleased that some of the budget will be retained for use in a more flexible and responsive way.

Commissioning services may be appropriate for some activities, but it implies a passive role for the VCSE sector. One of the strengths of VCSE organisations – indeed, the reason for their existence - is that they constantly respond to 'evidence of need,' articulated by their users or apparent in many other ways in their operating areas.

All funding regimes have limited budgets set against needs, and have to prioritise spend. By and large, Bristol's VCSE sector shares the priorities for expenditure with the views of other (Bristol Partnership) partners, outlined in Bristol's Community Strategy. We of course see the need to allocate funding in the light of (changing) priority needs, and see that, with finite budgets, not all needs will be met or proposed activities funded.

We would hope that we could continue to help shape the understanding of **what** should be priorities for Bristol (we have some unique contributions based on our local experience and expertise) and, as importantly, **how** needs might best be met (we have developed some innovative and effective delivery models). We have asked how the VCSE sector is going to be able to continue working with BCC to help jointly identify the what and the how, in the proposed new system of setting priorities for spend, including helping draw together all the various forms of evidence needed to make (difficult) decisions about allocating limited BCC funding. We would welcome further discussions with BCC as to how this might be achieved.

We are clear, though, that the proposed model for delivering VCSE infrastructure services is a poor one (see above) and would urge you to consider our alternative proposals. As they stand, your proposals will undermine the effectiveness (or even existence) of Bristol's voluntary sector infrastructure organisations at the very time when national government is expecting (and insisting on) an increased role for the sector, both as service deliverers and as partners in strategic work.