



LONDON BOROUGH OF HILLINGDON

**COMMUNITY PARTNERSHIPS AND ECONOMIC
DEVELOPMENT OVERVIEW AND SCRUTINY
COMMITTEE**

2003/04 Report

**VOLUNTARY SECTOR GRANTS REVIEW
INCORPORATING FUNDING ADVICE**

Members of the Committee

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Cllr Richard Barnes
Cllr Steve Carey
Cllr Geoff Courtenay
Cllr John Hensley
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CHAIRMAN'S FOREWORD



The Community Partnerships and Economic Development Overview and Scrutiny Committee was first established in Hillingdon in May 2002. Since its inception a major area of its work has been the subject of voluntary sector grants and the funding of voluntary advice provision in Hillingdon. The report that follows will give an insight into this work and in particular how the Community Partnerships and Economic Development Overview and Scrutiny Committee has had significant input into how the Council can maximise its limited resources for the benefit of all of its communities and their residents.

Whilst the report is relatively short, it has several appendices, which form the outputs of the Committee's work:

- Model service level agreement, linked to three year funding with inflationary provision
- Monitoring form and checklist
- Guidance on acceptable reserves levels
- Hillingdon Compact

The Committee was able to reach unanimous decisions on each of the recommendations it made. I would like to take this opportunity to thank all members of the Committee, the Leader of the Council and Cabinet Member for Performance Partnerships and Regeneration, the officers of the London Borough of Hillingdon and in particular all of the expert witnesses who gave their valuable time, experience and expertise to the work of the Committee over the last twelve months.

Anthony Way

EXECUTIVE SUMMARY

The Community Partnerships and Economic Development Overview and Scrutiny Committee identified the provision of funding and funding advice to voluntary sector organisations as one of its overview topics for the municipal year 2003/2004.

In selecting this topic, the Committee sought to build upon its achievements of 2002/2003 in relation to voluntary sector issues. Voluntary sector organisations deliver services which compliment and are in addition to those provided by local authorities. The wide range of services work to improve the quality of life in the local community. Additionally the voluntary sector provides training, employment and volunteering opportunities for local people.

The Committee acknowledged the crucial role that the local authority plays in providing core funding. Without this resource, most groups would not survive. In some cases the responsibility for the services provided would fall to the Council to provide.

Developments arising directly from the work of the Committee in 2002/2003 and taking effect in the 2003/2004 financial had included:

- The introduction of three year funding with an inflationary provision, linked to service level agreements. This development has been widely welcomed by the voluntary sector and represents a major development for the Council and its partners.
- The introduction of a monitoring form and checklist for each organisation in receipt of financial assistance, which assists in ensuring that the grant is spent on the purposes for which it was awarded.
- The introduction of a statement providing clear guidance about acceptable reserves.
- The Committee was instrumental in persuading the Cabinet to give voluntary organisations at least 12 months' notice of any reduction in funding.

CORE REVIEW AREAS

For its 2003/2004 review, the Committee decided to focus on two core areas which it considered key to the development of the partnership between Hillingdon Council and the not for profit sector. These two areas were:

- The Compact between Hillingdon Council and the voluntary and community sector.
- Allocation of financial assistance to the voluntary sector, 2004/2005.

Core Review One: The Compact between Hillingdon Council and the Voluntary and Community sector

The compact aims to provide a framework for the relationship between the Voluntary and Community sector, the London Borough of Hillingdon and Hillingdon Primary Care Trust. It follows the publication of the ***Government's Compact on the Relations Between Government and the Voluntary and Community Sector in England*** in November 1998.

The Compact recognises that Government and the Sector fulfil complementary roles in the development and delivery of public policy and services, and that the Government, including Local Government, has a role in promoting voluntary and community activity in all areas of our national life.

The borough's voluntary sector, comprising 400 plus organisations, is diverse. The Compact provides a framework for promoting effective consultation and sets out the principles for developing working relationships between local statutory organisations and voluntary sector partners.

The Committee endorsed the initial draft Compact and recommended that upon its referral to Cabinet, the Cabinet adopt and endorse its contents to go forward for further consultation. The Cabinet chose to ask the Local Strategic Partnership to support and assist in delivering the compact.

At the time of writing the Compact is 'out' for public consultation. A public meeting has been held and those attending were positive in their endorsement of the objectives of the Compact. The two key issues arising from the public meeting related to encouraging more young people to become involved in voluntary sector activity. The second issue related to the ongoing monitoring and annual review of the Compact and its effectiveness. This is a role that is earmarked for this Committee to undertake.

Recommendation

That the Community Partnerships and Economic Development Overview and Scrutiny Committee monitor the Compact following its adoption, and thereafter review on a yearly basis.

Core Review Two: Allocation of financial assistance to the Voluntary Sector, 2004/2005

The Committee welcomed the precedent the Council had set last year at the Committee's suggestion in giving organisations a minimum 12 months' notice of any reduction in funds.

The Committee also welcomed the steps officers had taken towards helping organisations to improve their planning where appropriate. The Committee also acknowledged the difficulties faced by groups in planning when secure ongoing funding was not guaranteed and there were constant changes in priorities from funders.

The Committee acknowledged the importance of offering three year funding linked to service level agreements and ideally saw this as an approach that should be adopted for the majority of organisations the Council financially supports.

The need for organisations to continue to receive core funding, without which they become less sustainable, must be balanced with the need to give new groups the opportunity to develop through access to the Council's limited voluntary sector budget.

The Committee whilst recognising that it would be a difficult process recommended that the Council undertake a comprehensive review of the financial support it makes available to the voluntary sector. The Committee's recommendation has been incorporated into the Hillingdon Improvement Programme and a review programme is being planned. The Committee will play a major role in the review.

The limited availability of funding for identified local needs is another significant issue for voluntary and community organisations. Funding is often tied to specific London-wide or national priorities, which may not be the same as those in Hillingdon. This can mean that Hillingdon loses out. It has always been difficult to obtain funding for specific projects when the initial period of two or three years is over. The perception is that this is getting more difficult.

The bulk of the proposed voluntary sector budget reductions have in recent years been targeted at those organisations that provide advice services, principally Hillingdon Law Centre and Hillingdon Race Equality Council and the Citizens Advice Bureau Service.

Hillingdon Community Legal Services Partnership, in which both the Hillingdon Council and the Legal Services Commission are partners, has identified a need for more local advice provision around welfare benefits and debt. The Committee was informed that there were no private sector organisations interested in entering into a contract to deliver this type of work.

This affords opportunities for Hillingdon Law Centre to become a key service deliver in this field. The Committee were keen to see that this opportunity was not lost as a result of the Council reducing financial support to the Law Centre. The Committee was keen to see the Council pursue the Legal Services offer of partnership work to develop services in Hillingdon.

The Committee was pleased to see that its representation to Cabinet was considered and that the proposal to reduce funding was withdrawn.

Additionally the Committee was mindful of the needs of the borough's smaller voluntary groups, and was instrumental in persuading the Cabinet to consider increasing the level of financial support to Hillingdon Autistic Care and support.

Recommendations

- 1. That the development of Service Level agreements for groups in receipt of funding is continued and that the Cabinet be recommended to link service level agreements to 3 year funding where appropriate.**
- 2. That the Legal Service Commission's offer of advice with respect to contract monitoring be accepted and that the Council investigate the feasibility of negotiating and monitoring partnership service level agreements with external funding organisations.**
- 3. That analysis be undertaken to ascertain whether or not Hillingdon's level of monitoring is appropriate in relation to the scale of grants issued and that comparisons be made with similar boroughs.**

Conclusions

The Committee has had a considerable impact on a range of issues relating to the Council's involvement and support to the borough's voluntary sector. It is justifiably pleased about the range of issue it has dealt with and initiatives it has influenced.

The following topics are key achievements in respect of the Committee's 2003/4 activity

- Work in relation to safeguarding funding to organisations whose funding was under threat.
- The development of Hillingdon Compact (Copy of draft attached at Appendix 1)
- Development of a financial reserves policy and guidance note (Copy attached at Appendix 2)

- The development of Service Level Agreements linked to three year funding (Specimen copy attached at Appendix 3)
- Increase in funding to Hillingdon Autistic Care and Support Group.
- Instigation of a review on the funding the Council commits to the voluntary sector.
- Production of monitoring form and checklist (Copy attached at Appendix 4)

METHODOLOGY

This section outlines how Members received information in relation to the two focus areas identified and agreed upon by the Committee.

The Compact between Hillingdon Council and the Voluntary and Community sector

On 18th September 2003, held a meeting at Key House, the headquarters of Hillingdon Association of Voluntary Services (HAVS), to which voluntary sector partners were invited and an initial discussion on the draft compact took place.

The Committee also considered a report from officers, which set out a draft framework of principles for the relationship between the voluntary and community sector, the local authority and the primary care trust.

The Committee received a further report in February 2004, which update Members on progress following consideration of the draft Compact by the Local Strategic Partnership Executive.

Allocation of financial assistance to the voluntary sector, 2004/2005

On 16th December 2003, the Committee held an initial discussion on the officers' report due to be considered by the Cabinet on 18th December, as part of the Council's budget setting process.

On 13th January 2004, the Committee heard evidence from some key voluntary sector groups for whom a reduction in funding was proposed and from the Legal Services Commission.

ACKNOWLEDGEMENTS

For their valuable contribution to the review, the Committee thanks:

18th September 2003

Danesh Sakaria – HAVS
Chris Rogers – Northwood Live at Home Scheme
Kate Henderson – HAGAM
Hazel Hewlett – Relate
Tania Murrell – Shopmobility
Sandie Cox – Heathrow Travel Care
Adesola Owolane – Project 2041
Tracy Barns – H.A.R.T.
Sheila Fowler – Uxbridge Contact Centre

13th January 2004

Carol Coventry – HAVS
John Frost – Hillingdon Law Centre
Victoria Pitt – Legal Services Commission
Sarabjeet Sidhu – Hillingdon Race Equality Council
Antoinette Mullally & Anna Kennedy – Hillingdon Autistic Care & Support

Compact for Hillingdon

What is The Compact?

The compact aims to provide a framework for the relationship between the Voluntary and Community sector, the London Borough of Hillingdon and Hillingdon Primary Care Trust. It follows the publication of the ***Government's Compact on the Relations Between Government and the Voluntary and Community Sector in England*** in November 1998.

The Compact recognises that Government and the Sector fulfil complementary roles in the development and delivery of public policy and services, and that the Government, including Local Government, has a role in promoting voluntary and community activity in all areas of our national life.

The Compact, both locally and nationally, is aimed at creating a new approach to partnership. It should provide a framework to enable relations to be carried out differently and better than before. The Compact is intended as a starting point for developing partnerships, based on shared values and mutual respect.

Nationally, the Compact sets out a range of shared principles as follows:

- Voluntary action is an essential component of democratic society
- An independent and diverse voluntary and community sector is fundamental to the well being of society
- In the development and delivery of public policy and services, the Government and the sector have distinct but complementary roles
- There is added value in working in partnership towards common aims and objectives. Meaningful consultation builds relationships, improves policy development and enhances the design and delivery of services and programmes.
- The Government and the sector have different forms of accountability and are answerable to a different range of stakeholders. Common to both is the need for integrity, objectivity, accountability, openness, honesty and leadership.
- Voluntary organisations are entitled to campaign within the law in order to advance their aims
- The Government plays a significant role, among other things, as a funder of the sector. Funding can be an important element in the relationship between them.
- Both acknowledge the importance of promoting equality of opportunity for all people, regardless of race, age, disability, gender, sexual orientation or religion.

Since the inception of the compact Codes of practice have been prepared in a number of key areas. These currently include: funding, consultation, volunteering, community groups, and Black and Minority Ethnic organisations.

The Government has actively encouraged the extension of the Compact to Local Government and to other public bodies including Health bodies. There is some indication that a local Compact will become a requirement for those aspects of Central Government funding which require local partnerships to be developed.

A COMPACT FOR HILLINGDON

It is now recognised that all those concerned would welcome a Compact for Hillingdon. It is anticipated that, in the first instance, the signatories will be the Hillingdon Local Strategic Partnership organisations, and voluntary and community organisations working in partnership with, or receiving funding from them. It is hoped that the compact will influence the actions of other bodies and organisations even where they are not initial signatories.

AIMS

The aims of the Compact for Hillingdon are:

- To improve communication, understanding, trust and collaboration between the voluntary and statutory sectors
- To agree a framework for effective consultation, and to set out the principles for developing working relationships between local statutory organisations and Voluntary and Community sector partners
- To influence effective joint working and partnerships both within sectors and across them
- To ensure that the work of the Voluntary and Community sector is valued within the Local Strategic Partnership, and contributes to the Community Plan

In addition there is an aspiration to provide a practical guide to working together, bearing in mind a shared objective to improve the lives of the whole community.

SHARED PRINCIPLES

All Partners recognise and respect that:

- The overall objective of the voluntary and statutory sectors in Hillingdon is to support and improve the lives of local people
- Partners have differing constitutions, and methods of accountability

- All partners have distinct but complementary roles and that there is strength to be found in working in partnership
- All partners need to maintain integrity, objectivity, openness and honesty in their dealings with each other and the local community
- The statutory sectors role as a significant funder of voluntary and community groups is an important aspect of the partnership
- The Voluntary and Community sector also has a contribution in attracting external funding for activities in the borough which meet partnership aims and objectives

EQUALITIES STATEMENT

All partners to this compact are committed to ensuring that no individual, group or community is disadvantaged or excluded from playing an active part in society in Hillingdon because of their race, ethnicity, gender, disability, sexuality, religion, age, class.

There are 6 Key Themes in this Compact:

- 1. PARTNERSHIP**
- 2. CONSULTATION**
- 3. FUNDING**
- 4. VOLUNTEERING**
- 5. COMMUNITY GROUPS**
- 6. ENCOURAGING DIVERSITY**

1. PARTNERSHIP

Effective partnership is needed if everyone is going to achieve their goals. When done properly partnership can lead to better use of resources and more effective working relationships.

In Hillingdon, some of this work has only just begun although there are examples where it has been working effectively for a longer period of time.

The principles underlining good partnership working should be:

- Mutual respect
- Transparency, honesty and openness
- A commitment to understanding, respecting and educating each other, and an acceptance that no one partner has all the answers/expertise
- An understanding of the roles, resources and reporting mechanisms of each partner
- Mutual responsibility for the success or failures of all partnerships

- Ways of working which allow smaller organisations to contribute, and can accept differing points of view
- All partners will respect issues of confidentiality where these are made clear, and where the reasons for such confidentiality are given.

2. CONSULTATION, PARTICIPATION AND INVOLVEMENT

All partners to the Compact recognise the importance of consultation, participation and involvement in planning and delivering high quality services that meet the needs of the people of Hillingdon. The partners accept the definitions of Community Development outlined in the strategy developed for the Local Strategic Partnership and support the continued development of such a strategy. The following principles are agreed:

- The Voluntary and Community sector can often bring an understanding of the needs of vulnerable groups and an expertise in encouraging meaningful participation
- Consultation with organisations is in addition to, not instead of, consultation with those people who use services locally
- All partners recognise that timescales may be imposed from external sources, and are not under the control of those carrying out the consultation, however it is accepted that longer consultation can lead to more meaningful outcomes
- Consultation periods will begin at the earliest practicable date to allow the maximum period for consultation possible
- An adequate period is given for written responses, 12 weeks is the ideal. If a lesser period is unavoidable, reasons for this should be given
- Consultation documents will be written in plain English, and with sufficient explanatory notes to make them understandable
- Where necessary appropriate arrangements will be made to enable those with special language and accessibility needs to take part in the consultation.
- Where time allows organisations will consult services users and volunteers in deciding their response
- A written analysis of any consultations should be shared with those that have contributed to it.
- Feedback on decisions made as a result of consultation is an important contribution to encouraging participation in the future; this should include why preferred options have not been thought to be viable.

3. FUNDING

It is recognised that the funding relationship between voluntary and community organisations and the statutory sector is an important one. In providing funding statutory funders are encouraging the distinct role of voluntary and community organisations in meeting common objectives and aspirations for improving the quality of life for the local community.

This Compact aims to set a framework for good funding relationships. The partners accept that funding priorities will differ between statutory organisations, and that each funder will probably need a separate funding strategy. In addition some statutory partners may be governed by external requirements on contracting and tendering.

However, as guiding principles, funders agree:

- To ensure that funding criteria are clear, decision- making is transparent and effective feedback is offered if required
- All funding arrangements for amounts above £5000 should have negotiated Service Level Agreements, which clearly set out respective responsibilities, and include length of commitment and monitoring requirements.
- Such SLA s should also indicate the reasons for which funding might be withdrawn e.g. poor performance against set goals, and indicate ways in which problems could be resolved. Ideally they will also include provision for inflation increases over the life of the SLA.
- That any useful system needs to enable funded organisations to plan with confidence, and that one year notice of a reduction in funding, together with three year funding agreements would enable this
- That funded organisations are independent and that funding should recognise this, and should not seek to exercise control or restrict the right of the organisation to lobby where appropriate or to act as 'critical friend'
- The funding of core costs enables organisations to achieve external funding and to manage this appropriately. Core funding is essential to support sustainability and to contribute effectively to partnerships.
- Any review of funding is conducted in an open and transparent manner and that criteria and objectives are provided to those organisations under review.
- To accept best practice guidance where available, e.g. Charity Commission Guidelines.
- That monitoring and evaluation processes should be developed to take account of the individual circumstances of each organisation

Voluntary and Community Organisations agree:

- To meet the reporting and monitoring requirements of funders when these have been agreed within an SLA
- That they have a responsibility to use public money wisely and to deliver services as agreed, or to discuss problems with funders as soon as they are aware of them.
- To demonstrate their commitment to diversity and equality of opportunity in providing services
- To work towards setting and maintaining high quality standards

- To involve service users, volunteers and other stakeholders in the planning, development, delivery and monitoring of activities.
- To work in partnership with funders, and also with voluntary and community colleagues to use opportunities to access funding from external sources
- To ensure that financial and other procedures meet all relevant regulations and are consistent with good public accountability

4. VOLUNTEERING

All partners recognise that volunteering offers an ideal opportunity for individuals to contribute to their local community. Volunteering is not a substitute for paid staff, and should not be used to replace them. Volunteering is a way of adding value to community action, and is still the basis for most community activities.

Recent research nationally, and across West London, shows the economic worth of Volunteering. All partners would wish to see this contribution recognised, respected and encouraged.

All partners:

- Recognise that volunteering takes many forms, including acting as Charity Trustees
- Will actively encourage volunteering amongst their own staff
- Support good practice in the management and use of volunteers who are required to provide services within their organisations
- Will promote diversity and equal opportunities in volunteering
- Ensure proper training and support for volunteers
- Ensure appropriate steps are taken to safeguard both volunteers, and vulnerable people for whom they are asked to provide services
- Recognise the contribution of volunteers in annual reports, publicity etc.

5. COMMUNITY GROUPS

- All partners recognise that the majority of community activity takes place in small community groups with no paid staff
- These groups contribute to the vibrancy of community life in Hillingdon, and might include smaller BME and faith groups.
- Any funding available to these groups is likely to be on a smaller scale i.e. less than £5000 and application and monitoring processes should recognise this
- Umbrella organisations have a responsibility to support community groups and to ensure their interests are properly represented

6. Encouraging Diversity

All partners recognise and welcome the diversity of tradition, culture and belief within the communities we serve and collectively aim to provide appropriate and responsive services to all parts of the community.

All partners seek to ensure that they reflect diversity through their governance and staffing (paid and voluntary); this commitment should be reflected in meaningful equal opportunities policies, which are monitored where appropriate.

7. PROBLEM SOLVING

A process will be developed through which apparent failures by partners to meet the requirements of the Compact can be resolved quickly and as fairly and informally as possible

Appendix 2

Advice on the Level of Reserves held by Voluntary Groups

Introduction

The following information has been produced to give organisations advice and guidance on the issue of financial reserves. Whilst the Council would encourage every voluntary group to have a policy on reserves, it should firstly be acknowledged however that it is impossible for the Council to provide a 'suits all' policy on reserves. Each organisation has differing circumstances and commitments, therefore to devise a 'suits all' policy is not possible. Nor is it possible to issue a standard formula on how much money organisations should hold as reserves.

It must also be acknowledged that the vast majority of organisations do not carry excessive reserves and take a sensible and pragmatic approach to the question of reserves.

Why is the level of reserves held by an organisation given such prominence?

The Council has a duty to ensure that the public money it allocates as grants to the voluntary sector is distributed in a fair and equitable manner, which gives the best value for money to residents of Hillingdon. The demand for funding continually outstrips the level of funding the Council is able to provide. Therefore it is important that maximum benefit is obtained from the funding that is awarded.

What level of reserves should be held

The issue of how much each organisation should hold in terms of reserves is an issue that causes quite some debate. The following paragraphs provide some practical guidance and advice in terms of how organisations should deal with the issue of reserves.

Key principles

There are though certain principles, which are applicable to all organisations.

1. All voluntary organisations should build up and hold a reasonable level of reserves as part of prudent financial management. It is for each voluntary organisation to decide what level of reserves they need. The purpose of reserves should be to act as a buffer against unexpected events; protect against a sudden drop in income and, for example, to cover the legal liabilities associated with employing staff.

It should be acknowledged that some organisations will agree a level of reserves that is prudent for the organisation's circumstances, but not have the funds to meet that level.

2. Each organisation should have an agreed written policy on reserves and a clear rationale as to what level of reserves they hold and why.

The rationale behind the level of reserves should be clear concise and readily understandable to any potential funder.

3. Organisations should ensure that they keep the Community Resources Team updated about developments in the organisation's circumstances that will significantly affect the level of reserves held.

Reserves Policy

The Charity Commission www.charity-commission.gov.uk produces a booklet on reserves (Charity Commission publication CC19), which provides a good starting point for organisations looking to adopt a reserves policy.

In determining what the Policy should cover the organisation needs to consider the following:

- The potential liabilities on the range of services / projects the organisation currently provides or runs:
 - ✓ What are the commitments in respect of each of these services, e.g. rent, rates utilities etc.
 - ✓ Are there any statutory requirements in respect of redundancy payments that the organisation is liable for
- A **realistic** assessment of the level of income an organisation can expect over the period to be covered by the reserves policy. Three years is a good starting point.
 - ✓ Consideration needs to be given as to the number of fixed term projects being run and whether these projects carry with them any 'close down' costs
 - ✓ The availability of replacement funding.
- A **realistic** assessment of expenditure, taking into account such issues as:
 - ✓ Any planned expansion of the services and the risks involved
 - ✓ The costs of maintaining any property owned by the organisation
 - ✓ Any increases in the level of rent required in respect of accommodation leased by the organisation
- An assessment of the potential risks to the organisation and crucially the likelihood of these risks becoming real issues.

General points

Any level of reserves decided upon need to be in proportion to the scale and complexity of the organisation's affairs.

The time spent on determining a reserves policy should also be in proportion to the size of the organisation. A small organisation with simple stable income sources and few commitments should have a reserves policy which reflects this.

By asking these basic questions an organisation should be in a position to determine the level of reserves held.

Description and explanation

A key element of any policy will be in the justification and explanation as to the level of reserves held. A brief statement that sets out the rationale behind the level of balances and the period the review covers should be clearly stated.

Restricted / unrestricted reserves

Part of the description should include an explanation as to which of the reserves are unrestricted and which are restricted.

Restricted funds are those which have been awarded for a specific purpose by an external funder and may not be allocated to any other purpose. It is not for the organisation to label unallocated reserves as unrestricted.

In contrast unrestricted funds are balances that the organisation has discretion over where to commit.

Review

Any policy should cover a specific period as the structure / range of services may well change and therefore the level of reserves may well need to be changed depending on the organisation's circumstances and proposed developments. Even if there have been no significant changes to the organisation it is good practice to undertake planned reviews.

Issues that the Council will consider when looking at the level of reserves held

- The recent 'trend' in terms of unrestricted reserves. For example an explanation would be required if the level of reserves has been increasing over recent years without any discernible explanation
- The number of staff, and the number / range of projects that the organisation runs.
- The number of 'special items' the organisation is holding reserves for and the length of time reserves have been held. For example it may be justifiable to build up reserves over a period of time to purchase / replace an item of equipment. However there should be evidence that the

decision to keep reserves for this purpose is realistic and achievable within a given timescale and not just an open-ended wish list.

- We will not include the value of any property (used to deliver the service) as a 'reserve. Some organisations list property as an asset in their reserves schedule. We would be looking at 'free' cash held at the bank.

What will happen if in our opinion the level of reserves held by an organisation are too high?

In assessing applications for grant aid, if in the opinion of the Community Resources Team or the Council's accountancy staff the level of reserves appear to be out of proportion we will undertake to discuss the issue with the organisation concerned. This will be prior to any recommendations on the level of funding to be offered being put to the Cabinet.

This will give the organisation an opportunity to explain in more detail the reasons why reserves are held and afford the Community Resources Team more details than might have originally been available.

Appendix 3

SERVICE LEVEL AGREEMENT – Sample

An agreement between

The **London Borough of Hillingdon** and **Organisation X**

Purpose of Funding

Significant contribution towards Chief Executive's post, admin officer's post and rent of offices.

Summary of core activities undertaken by Organisation X

- Provision of information, advice, advocacy and support to including welfare benefits
- Outreach to identify new / hidden and raising awareness ofneeds
- Facilitating support groups, and arranging events and two forums per year
- Identifying and meeting the practical skill/training needs for, and informing about their rights
- Providing a Newsletter (3 times per year)
- Provide a planning service for
- Provide specialized services for ethnic minority members, older members and young members.

Target Group

Allin the London Borough of Hillingdon.

Membership

Membership of is open to all in the borough and surrounding areas.

Staffing

Organisation X will specifically use the funding it receives from the London Borough of Hillingdon to employ:

- a Chief Executive (significant contribution)
- an admin officer (significant contribution)

Other Staff/Services

It is acknowledged that the employment of staff other than those noted above is dependent upon Organisation X securing funding from external sources.

At the time of this agreement Organisation X is able to provide the following services and employ the following staff:

PROJECT / SERVICE	FUNDER
Support Project 1 F/T Support Worker	Joint Finance PCT & Social Services
Support Project 2 F/T Support Worker	Government Funding
Black & Ethnic Minorities Support Project F/T Development Officer P/T Sessional Worker	King's Fund The Community Fund
Support Project (older people) F/T Support Worker	The Community Fund
Welfare Benefit Project F/T Welfare Benefit Support Worker	Bridge House Trust City Parochial
Support Project (Young People) F/T Support Worker P/T Activity Co-ordinator	Government Funding Children's Fund

Staff Training

Organisation X undertakes to provide staff training which is appropriate, suitable and meets the needs of the staff.

- A record of training undertaken by each member of staff will be maintained.
- Staff will receive an annual appraisal and monthly supervision.
- Annual teambuilding and development day.

Availability Of Services

The services provided by Organisation X are available by appointment from 9-5 pm Monday to Friday at Office Address or other venues, as appropriate.

The After Work Service is available out of hours by appointment.

The After School Club is available as per programme in West Drayton and Hayes.

Quality Assurance

Organisation X undertakes to maintain/improve the quality of the organisation's services through the following means:

- Holding full Board of Directors meetings 6 times per annum. Additionally there are six Sub-Committees which meet bi-monthly.
- Holding an Annual General Meeting.
- Regular Board of Directors/staff planning meetings
- Annual Board of Directors training day and all staff training is 'open' for Board Members to attend.
- Production of annual report and accounts in accordance with Charity Commission guidelines and the requirements of Company House
- Complete customer satisfaction surveys
- Adherence to principles of PQASSO (Level 2) and the CLS Quality Mark (General Help and Information)

Access To Services

- Organisation X undertakes to abide by its Equal opportunities and diversity policies and commits to making its services available to all users irrespective of colour creed etc

Complaints Procedure

Organisation X undertakes to maintain and operate a complaints procedure and policy.

Organisation X also undertakes to abide by and meet the requirements of other funders in terms of the supply of information and quality of services required.

Specific targets for 2004/2005

- That as far as is practical the staff and management committee is reflective of the borough's community. Note currently 25% of Organisation X staff from BME communities.

- Organisation X will endeavour to maintain external funding levels at plus £220k
- Percentage of Council core funding not to exceed 25% of Organisation X annual income
- To support 1600 already registered members and aims to identify 400 additional members
- Extend Young People's Project by opening a second venue in West Drayton
- To raise £400K plus in benefits for....
- To support working members in the workplace
- To expand the premises by renting an additional room downstairs. This will enable disabled access to the Organisation X Office.

Increases to be measured against 2002/2003 annual report statistics, and specific targets will be reviewed annually.

Monitoring information to be provided annually

- Annual Report
- Accounts and balance sheet
- Statistics on service use, including ethnic minority breakdowns
- Schedule of external funding obtained
- Copy of business plan (updated sections)
- User feedback
- Copy of any amended Policies

The London Borough of Hillingdon agrees to provide the following:

An annual grant for 2004/2005 at £.....

A commitment to funding at the previous year's level over the 2005/6 and 2006/7 financial years, plus an additional element for inflation to be agreed annually.

- One 'official' monitoring visit plus at least two information visits over the course of the financial year
- Officer advice and support upon request
- Grant payment in two instalments (April and October)

Annual Review

The agreement will be reviewed on annual basis in October.

Termination

As per the terms of the Hillingdon Compact the Council will give one year's notice if it intends to withdraw or reduce the level of funding to Organisation X.

If there is reason to suspect impropriety or that the grant is clearly being used for purposes other than those it was granted for the Council reserves the right to suspend grant payments. Payments will remain suspended until the issue under consideration has been resolved.

Suspension of payments will only be used as a last resort and will only be used after every effort has been made to resolve the issue giving cause for concern through discussion and negotiation.

Extension to Service Level Agreement

At the end of the period covered by this Service Level Agreement if both the Council and Organisation X feel that the arrangement is both positive and successful a further three-year agreement will be negotiated.

Contact Details

Organisation X

Chief Officer

Address 1

Address 2

Address 3



E-mail

London Borough of Hillingdon

Community Resources Team

Civic Centre

High Street

Uxbridge

UB8 1UW

 01895 250580

ispencer@hillingdon.gov.uk

SIGNATURES OF PARTIES TO THE AGREEMENT

We the undersigned hereby agree to abide by the terms and conditions in this document:

On behalf of Organisation X

Name: _____ Position: _____

Signature: _____ Date: _____

On behalf of London Borough of Hillingdon

Name: _____ Position: _____

Signature: _____ Date: _____

**LONDON BOROUGH OF HILLINGDON
VOLUNTARY SECTOR GRANTS - Monitoring 2003/2004**

Name of organisation:

Grant awarded:

1. Statistical information (financial years or calendar years)

Organisations should be able to show how the data is collected and recorded

	2001/02 or 2001	2002/03 or 2002
Number of clients accessing service		
Number of Hillingdon residents accessing services		
Number of active volunteers		
Number of clients with disability		
Details of ethnicity of clients (attach statistics)		

2. What does the organisation do with the grant?

For example: - staff costs/ provides services / undertakes activities, and it should match the purpose of grant set out in the organisation's Specific Aims. A simple breakdown of amounts is also required

3. Which client group does it aim to serve and what are the intended benefits for this group?

Does the grant benefit a certain section of our community or is it used for generic service provision? Can the benefits to the clients be assessed or measured?

4. How does the organisation decide upon what services to provide?

The services most organisations provide will have been developed over a number of years. The issue is to ensure that they are still relevant and meet client needs (i.e. are service priorities reviewed regularly, what does the organisation do about unmet needs?)

5. Business Plan

Although not a condition of grant, organisations were advised that the development of a business plan would be regarded as good practice, and as from 2004/05 a plan for 3 – 5 years will be a requirement for grants above £30,000.

Does the organisation have a business plan? yes no

If yes how long does the plan cover? _____ Years

If no, is one planned? yes no

6. Quality Assurance

Organisations were encouraged to work towards introducing quality assurance measures. The overall aim is to improve the quality and professionalism of the organisation.

Does the organisation have a written statement / policy on quality assurance? yes no

What practical measures are your organisation undertaking to improve quality e.g.PQASSO?

Does the organisation collect and analyse data on service users? yes no

Is there user involvement in service planning / delivery? yes no

Is there a planned training programme for staff / volunteers... yes no

Does the organisation have user / client involvement on its management committee? yes no

Does the organisation use volunteers yes no

If yes, how many?

7. User satisfaction

Organisations should demonstrate that they have undertaken (or are actively planning) a user satisfaction survey.

Survey undertaken yes no

Survey planned yes no

A copy of the results / report / evidence should be made available at the monitoring visit.

Is a register of complaints kept? yes no Number of complaints____

8. Funding

What percentage is the Council's grant of the organisation's total income 02/03?%

What percentage is the Council's grant of the organisations expected total income 03/04?..... %

What is the current level of unrestricted reserves held as 'cash' in the bank?

Does the organisation have a Reserve Policy or Reserve Statement? yes no
Please note this will be a funding requirement as from 2004/05.

Has the organisation secured external funding since the last grant application to the Council? yes no

What external funding have your organisation applied for in 2003/04?

Please note - state if it is a confirmed application

Project	Funder and Amount	Confirmed

9. Is your organisation involved in any new (03/04) partnerships with the Council / other statutory bodies / other voluntary organisation to deliver or develop services?

10. Has the organisation met the 'Specific Aims' as listed in the offer of grant aid yes no

If no, why?

11. Major issues /challenges and new developments during the last 12 months:

Monitoring completed by:

Job title:

Date of visit: