

## Decision Report - Executive Decision

Forward Plan Reference: FP/23/08/01

Decision Date – 15 September 2023

Key Decision – Yes

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### Strategic Relationship with the Voluntary, Community, Faith and Social Enterprise (VCFSE) Sector in Somerset

Executive Member: Lead Member for Transformation and Human Resources

Local Member(s) and Division: Not applicable

Lead Officer: Executive Director – Strategy, Workforce and Localities

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#### Summary / Background

1. The voluntary, community, faith and social enterprise sector (VCFSE) are an acknowledged key partner for the Council and broader Integrated Care System (ICS). The creation of the new Somerset Council provides the opportunity to clearly set out the Council's relationship with the VCFSE sector and to develop a broader strategic and more joined-up approach to engaging, funding and working with the VCFSE. The purpose of this paper is to enable the Council to affirm its commitment, alongside the Integrated Care Board, to improve collaboration and engagement with the VCFSE sector, which will underpin the Council's future working relationship with the sector.
2. Since the establishment of an LGR VCFSE workstream in October 2022, it has continued to meet and inform how the new Council works in partnership with and supports the VCFSE in a strategically and operationally co-ordinated way, protecting and building on the good relationships that are in place. The initial focus was on ensuring funding arrangements were in place for the VCFSE post April 2023 and work has continued to join up arrangements under Partnerships and Localities Service Directorate.
3. Covid-19 and cost of living crisis have brought unprecedented change to people and communities. Reflect, Recover, Renew is a VCFSE sector led initiative which identified key implications for the VCFSE and broader community and is progressing identified priorities (relating to funding, collaboration, recognition, coordination) to create the building blocks for a shared vision for what is needed for the sector into the future.

4. Spark Somerset are Somerset's council for voluntary service and the recognised countywide VCFSE infrastructure provider. They are a member of the National Association for Voluntary and Community Action, the national co-ordinating body for infrastructure organisations. Infrastructure support enables individual VCFSE groups and organisations to develop, improve and sustain their services through the provision of training for staff and volunteers, advising on operational and governance policy and procedures, assisting with funding applications and bid writing, and ensuring safeguarding duties are met. The support also co-ordinates the voice of, and advocates on behalf of, the VCFSE sector in its partnerships with public sector and is key to the implementation of the engagement model with the VCFSE sector.

## **Recommendations**

5. The Lead Member for Transformation and Human Resources agrees to delegate responsibility to the Executive Director – Strategy, Workforce and Localities to finalise, in partnership with the Integrated Care Board, a MoU with the Voluntary, Community, Faith and Social Enterprise sector and implement the engagement model within Somerset Council.

## **Reasons for recommendations**

6. The establishment of the Partnerships and Localities service provides a new corporate approach to coordination, engagement and oversight of delivery with the VCFSE.
7. There is a national expectation for all ICSs to have partnership agreements in place with their VCFSE alliance. An Integrated Care Board Development Workshop involving health, Council and VCFSE representatives was held on 30 March 2023 to explore how we can practically work together in partnership to improve health, care and wellbeing in Somerset. The MoU was endorsed by the ICB on 27 July and provides the opportunity for other Somerset system partners to sign up to shared commitments and priority actions for the next 12-18 months, which includes the development of a VCFSE engagement model and a commitment to a new way of working that is more inclusive, effective and achieves better outcomes. The intention is for the MoU (see Appendix A) to be formally signed by system partners at the next VCFSE Assembly on the 28 September 2023.

8. The Council's Executive agreed on 10 July 2023, as part of its Medium-Term Financial Strategy, for Strategy, Workforce and Localities Directorate to lead an early review and rationalisation of grants previously provided by the five Councils and the MoU sets the context in which the review will be undertaken.

#### **Other options considered**

9. The option of doing nothing / not signing the MoU misses the opportunity to have a system approach to engaging and working with the VCFSE and risks greater duplication, lack of clarity regarding priorities and missed opportunities to work more effectively together. It also would have a negative impact on the Council's reputation and undermines the Council's approach to working with the VCFSE sector who are key stakeholders in further designing and delivering the new Authority and transformation thereafter.

#### **Links to Council Vision, Business Plan and Medium-Term Financial Strategy**

10. The VCFSE will be critical to the delivery of all four of the Council Plan ambitions. Working/collaborating with partners is a recurring theme in the Council Plan and the VCFSE is recognised as a key strategic partner in the shared aim of improving lives in Somerset.
11. Priority 15 of the MTFs outlines the need to review and rationalise grants to the VCFSE, alongside Priority 16 which states the need to identify transformation projects that deliver on-going savings / reductions in cost over the MTFP.
12. There is a need therefore to ensure there is effective and sustained engagement with, and support for, the sector in influencing and shaping the new Authority.

#### **Financial and Risk Implications**

13. The signing of the MoU provides the opportunity to explore the hosting of joint roles with the ICB and so the leveraging of additional funding to support Council priorities.
14. The Council's Medium-Term Financial Strategy (MTFS) 2024/25 to 2026/27 outlines a three-year approach for balancing the Council's budget and recognises the importance of financial resources in enabling the effective planning, management and delivery of services. Strand 15 has identified the

need to review and rationalise the number of legacy agreements with the VCFSE sector and recognises that some decisions relating to VCFSE may need to be taken sooner. A cross-council working group is being established to provide greater clarity as to what VCFSE engagement currently takes place, as well as what activity is currently funded and the source of this funding. This also provides the opportunity to put in place multi-year agreements which provides both security of funding to the sector and the opportunity for the VCFSE to have greater flexibility in the delivery of outcomes, allowing for innovation and less administrative burdens and duplication.

15. Audit Committee 29 June endorsed a new corporate risk (org0066) regarding the continued risk of financial instability of the sector exacerbated by the financial pressures on Somerset Council and the requirement to make savings. With the implementation of Dynamics and the establishment of new cost centres there is a need to ensure correct coding is being used in order to identify VCFSE expenditure.

Current risk	Likelihood	3	Impact	4	Risk Score	12
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Controlled risk	Likelihood	2	Impact	3	Risk Score	6
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### Legal Implications

16. Legal services input will be required when it comes to drafting of subsequent agreements with individual VCFSE organisations and the opportunity to standardise current grant and funding agreements would be welcome.
17. Procurement will be involved in the cross-council working group to support the review, rationalisation and consolidation of existing agreements.

### HR Implications

18. There are no immediate HR implications of signing the MoU.

### Other Implications:

### Equalities Implications

19. Equalities impacts of this proposal will be dealt with through specific funding agreements with VCFSE partners post April 2024 and through policy development for the new authority. Consideration needs to be given to due

regard where any reduction in funding is proposed, including ensuring appropriate consultation and notice is provided.

20. It should be noted that a number of equality communities will rely heavily on the support provided by the VCFSE partners who have filled the preventive support agenda. Should this support be removed, we will need to fully understand the impact on the equality communities and the stability of the remaining VCFSE sector due to this reduction in funding. Local authority funding often plays a key role in levering in additional funding to the VCFSE sector. It also funds work that would not have funding available from anywhere else but could have a substantial impact on small communities in the area. Where appropriate we will try to understand where groups are affected by cumulative reductions in funding.
21. When looking specifically at the equality VCFSE sector in Somerset there are a small number of small groups relying on minimal funding to work with some of our most isolated and vulnerable communities. These are generally communities that would not engage in generally delivered or Council led services for a number of different reasons. Consideration of a sustainable long-term model of funding from the local authority will help to provide reassurance for the VCFSE sector and continue to build relations with these communities.
22. Through the MoU we have the opportunity to consider expectations and requirements about equality and diversity and how we will work effectively through these principles. A broader aim of the MoU is to achieve greater diversity of involvement in shaping and informing decisions and priority actions.

### **Community Safety Implications**

23. There are no community safety implications arising from the signing of the MoU.

### **Climate Change and Sustainability Implications**

24. Somerset Council have declared both a Climate and Ecological Emergency. There will therefore be the opportunity through the VCFSE engagement model to work in partnership with the VCFSE in progressing priority actions.
25. Core funding for VCFSE organisations can enable VCFSE organisations to secure and lever in additional external funding to support Somerset's

communities and provide opportunities to contribute to a strong, diverse and sustainable local economy.

### **Health and Safety Implications**

26. There are no health and safety implications.

### **Health and Wellbeing Implications**

27. There is good evidence of the importance of working with partners across the VCFSE sector to treat the ‘causes of the causes’ of ill health – with services that can address the conditions that cause people to become ill, such as social isolation, financial or housing issues, or needing support to live with a long-term condition or disability. Without these services many more people would make demands on health and social care services and would likely need care and support for longer.

### **Social Value**

28. The VCFSE sector provides innate social value through providing insight and evidence on community needs, mobilising volunteers, supporting service users, providing employment opportunities, training and skills development through to providing greater reach and voice to ‘hard to reach’ / seldom heard groups and communities

### **Scrutiny comments / recommendations:**

29. The proposed decision has not been considered by a Scrutiny Committee. The 2024/25 budget preparations and proposals will be considered by the Council’s Scrutiny Committees in December 2023.

### **Background Papers**

None

### **Appendices**

- Appendix A – MoU with the VCFSE sector

## Report Sign-Off

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	31/08/23
Communications	Chris Palmer	31/08/23
Finance & Procurement	Jason Vaughan	06/09/23
Workforce	Alyn Jones	24/08/23
Asset Management	Oliver Woodhams	05/09/23
Executive Director / Senior Manager	Alyn Jones	24/08/23
Strategy & Performance	Alyn Jones	24/08/23
Executive Lead Member	Councillor Theo Butt Philip	23/08/23
<b>Consulted:</b>		
Local Division Members	Not applicable	
Opposition Spokesperson	Councillor Faye Purbrick	29/08/23
Scrutiny Chair Corporate and Resources	Councillor Bob Filmer	06/09/23