

CABINET

Second Homes Funding 2012 - 2013 29 May 2012

Report of Head of Community Engagement

PURPOSE OF REPORT				
This report is to seek members' views on the use of Second Homes funding for 2012 – 2013.				
Key Decision	<input checked="" type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>	Referral from Cabinet Member
Date Included in Forward Plan	24 April 2012			
This report is public				

RECOMMENDATIONS OF Head of Community Engagement

It is recommended that:

- (1) Cabinet notes the availability of Second Homes funding of approximately £290,000 for 2012 -13.
- (2) Cabinet considers potential uses of Second Homes funding to address issues and develop opportunities for the Voluntary, Community and Faith and the Arts sector as resolved by Cabinet at its meeting in January 2012.
- (3) That a further report be brought back to Cabinet setting out detailed proposals for the use of this fund.

1.0 Introduction

- 1.1 The council has received Second Homes funding from Lancashire County Council since the administrative year 2004 – 2005 and this was always allocated to district LSP's (Local Strategic Partnerships) in accordance with a joint protocol agreed at the time
- 1.2 Lancashire County Council has now informally advised the council that, although there is no certainty regarding future year's Second Homes funding, for the current financial year funding will be made available.
- 1.3 It is expected that the funding for 2012 – 2013 will be around £290,000 although the final figure is yet to be confirmed. A further £13,900, remains unallocated from the 2011 -2012 allocation bringing the overall amount available to between **£300,000 and £310,000**, subject to final confirmation.

- 1.4 At its meeting in January 2012, Cabinet resolved that a request should be made to Lancashire County Council that the council use any Second Homes funding that may be available to support the Arts and the VCF (Voluntary, Community, Faith) sectors (minute 76 refers).
- 1.5 Early discussions have now taken place and the county council has indicated that, although LSP structures are no longer in place, it is expected that funds will be used to support LSP type objectives and that support for the voluntary, community and faith sector and the arts sector would fit well with these requirements.
- 1.6 This agreement creates the opportunity to add value to the council's current investment in these sectors via its Service Level Agreements and the developing commissioning approach that was agreed by Cabinet in January.
- 1.7 Members are reminded that Second Homes funding may not be available in future years so any allocations made in the current year will need to be considered as a 'one off' investment.

2.0 Proposal Details

- 2.1 There is a good understanding of the range of opportunities and issues facing these sectors. At this time there are concerns regarding ongoing support available to help organisations develop, work together and become sustainable and in some cases simply to continue to operate. Premises and accommodation issues are common and affect many organisations in both the VCF and arts sector.
- 2.2 Many organisations rely on volunteer support to survive and the ending of the volunteer co-ordination provided by Help Direct's Volunteer Bureau owing to a withdrawal of funding adds additional pressures.
- 2.3 Funding generally is also a key issue for both the VCF and arts sectors although the impact of funding changes or cuts varies from organisation to organisation.
- 2.4 A number of potential funding options that could bring longer term benefits have been identified and are set out below.

2.5 Infrastructure support

Support for the VCF sector in the district is significantly threatened by funding cuts with a potentially severe impact on the development of the sector as a whole and on the many individual organisations that require regular support and services.

Funding could be made available to contribute to the underpinning infrastructure of the VCF and arts to build the capacity and capability of these sectors, for example by

- Supporting collaboration and partnership working
- Assisting in the development of new, more sustainable business models
- Developing organisational strengths and capacity to deliver important services for the district
- Creating efficiencies and opportunities for sharing resources and joint working.

2.6 Premises and accommodation

Many VCF and arts organisations occupy premises that are often less than ideal and have uncertain tenure issues. Some organisations are actively seeking alternative approaches and have identified the potential to share premises and other costs such as administration. This approach creates efficiencies and helps to develop sustainability but is likely to require support, possibly in the form of general co-ordination and one off capital funding for specific projects.

Funding could be made available to support the development of a community 'hub' and other collaborative arrangements to provide affordable space for VCF and arts organisations with potential to share central administration and other costs. Premises and match funding for this option are likely to be required

2.7 Volunteering co-ordination

The value of volunteering in the district is considerable and an increase in volunteering would support a wider ambition for more involved and engaged communities. However, the district's Volunteer Bureau ran by Help Direct, which provided most of the support and co-ordination for volunteering has now closed. The impact of this may be serious for smaller organisations and for the individuals that require this service the most.

Funding could be made available to continue volunteer coordination arrangements to increase levels of volunteering in the district and to ensure quality standards. Opportunities to create sustainable income will need to be developed for this to become a secure operation after any grant funding ends.

2.8 Small grants

There are a number of grant schemes running in the district, including the LDLSP's Community Grants scheme, which offers very small grants of up to £2,000 and 'Latticeworks' Participatory Investment Programme (PIP), which offers slightly larger social enterprise grants up to £5,000.

Funding could be made available to extend each scheme for a further twelve months into 2013/14.

2.9 One off investment grants

At present, there is no existing scheme in the district for larger one off development grants to VCF and Arts organisations to enable them to develop new opportunities, more efficient ways of working and future sustainability.

Funding could be made available to support a limited number of projects where an initial investment can deliver a high return in terms of long term savings and efficiencies or outcomes for the district rather than contributing to ongoing running costs. The kind of projects that could be supported might be, for example, a capital investment to improve a building or other assets or one off costs to develop new services. The value of funding invested would normally reflect the expected benefits but Cabinet members may have a view on the maximum grant levels.

The council is experienced at managing this kind of scheme and has strong arrangements in place. The principles and criteria for such schemes would be based on those already agreed by Cabinet in January in relation to the Council's Service level Agreements. These are set out in the Appendix to this report .

3.0 Details of Consultation

Discussions have taken place with Lancashire County Council on an informal basis and any preferred options will be confirmed more formally. In addition, officers are currently discussing these issues with organisations in those sectors.

4.0 Options and Options Analysis (including risk assessment)

	Advantages	Disadvantages	Risks
<p>Option 1</p> <p>Funding to secure support core services and facilities for wider group of organisations (Infrastructure)</p>	<p>A significant multiplier effect with benefits for many organisations</p> <p>Efficiencies achieved by providing some support services centrally</p> <p>Reduces reliance on other external funds for a period of time</p>	<p>Infrastructure costs are ongoing and SH funds are limited to the amounts available in the current year</p>	<p>Current infrastructure arrangements significantly at risk following funding cuts</p>
<p>Option 2</p> <p>Investment in premises and accommodation</p>	<p>Potential to reduce management costs of small organisations</p> <p>Supports more collaboration between organisations</p> <p>Achieves a one off investment for a longer term return</p>	<p>Match funding may be required for a capital scheme</p>	<p>Need has been identified in the district but other potential solutions also need to be considered and these are still emerging</p>
<p>Option 3</p> <p>Investment in volunteering co-ordination arrangements</p>	<p>Economic contribution of volunteering is significant</p> <p>Protection of important services by increasing levels and quality of volunteering in the district</p> <p>Opportunities for skills development for volunteers</p> <p>Supports better engagement of communities in their local areas</p>	<p>Sustainability model needs to be developed but potentially there may be some costs that are unrecoverable</p>	<p>Volunteer bureau now closed and no current co-ordination arrangement of this type – likely to have a negative impact on levels and services supported by volunteering</p>
<p>Option 4</p> <p>Investment in small grants via existing schemes</p>	<p>Positive impact from existing schemes suggest these grants are useful</p> <p>Low administration costs</p>	<p>Current schemes funded for 2012 -13 and any further investment would roll into 2013 -14 but requires county council agreement</p>	<p>Expectations around the future of schemes need to be managed</p>
<p>Option 5</p> <p>Investment in limited number of larger grants to achieve long term</p>	<p>Potential to achieve impacts that may not occur otherwise</p> <p>Longer term legacy achieved and improved</p>	<p>Management arrangements required within the council</p>	<p>Innovative projects may carry some risk but appraisal processes should identify this.</p>

benefits	sustainability of operations and services Promotes collaboration between partners		
Option 6 A combination of the above options	Could present an opportunity to provide benefit widely across VCF and arts sectors	May dilute the impact of funding and make it more difficult to achieve higher impact from a limited number of investments	Risk would be relevant to the preferred options

5.0 Officer Preferred Option (and comments)

A preferred option is not recommended as officers are aware that whilst any of the identified options are helpful, there are significant issues and opportunities facing these sectors and the Second Homes funding available is insufficient to address all of these concerns. Cabinet's views are sought on the use of the funds available.

6.0 Conclusion

The availability of Second Homes funding has now been informally confirmed by Lancashire County Council and as a result of early discussions it has been agreed that these funds can be used to support the council's investment in the VCF and arts sectors. Cabinet members are being asked to determine which option or combination of options is their preferred approach for the use of the current financial year's allocation of Second Homes funding. A further report giving detailed proposals in line with members suggested approach will be brought back to Cabinet for approval.

RELATIONSHIP TO POLICY FRAMEWORK

Requirements for the use of the available Second Homes funding are entirely consistent with the Priorities, Outcomes, Success Measures and Actions identified in council's Corporate Plan 2012 - 15

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

Sustainability is identified as one of the core criteria for funding but other impacts will be specifically identified and considered as individual projects or schemes come forward

LEGAL IMPLICATIONS

The council will be required to enter into an agreement with Lancashire County Council in relation to Second Homes funding. No specific legal implications are identified at this stage.

FINANCIAL IMPLICATIONS

As accountable body, the council will be required to manage Second Homes funding in line with existing arrangements. Specific financial implications may arise in relation to individual projects and schemes and these will be considered as part of agreed reporting processes.

The General fund budget will be updated once formal confirmation of Second Homes funding is received from County and detailed proposals for the use of this funding have been agreed by Cabinet.

OTHER RESOURCE IMPLICATIONS**Human Resources:**

No specific implications identified at this stage

Information Services:

None

Property:

No specific implications identified at this stage

Open Spaces:

None

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no further comments.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Contact Officer: Anne Marie Harrison
Telephone: 01524 582308
E-mail: amharrison@lancaster.gov.uk

APPENDIX

Core criteria

□ **Links to corporate priorities and other approved strategies**

Clear indication of how services will assist the council in delivering its priorities and desired outcomes and support delivery of other relevant, approved strategies.

□ **Deliverability**

Assurance that there are no major barriers that could negatively affect delivery of Services.

□ **Quality Assurance**

Information to show how services can be delivered within budget, timescale and to the required quality standards.

□ **Value for Money**

Evidence that services are economic, efficient and effective and the return on investment can be clearly identified. Also that leverage and match funding from other sources has been achieved wherever possible.

Added value/ additionality

□ Evidence that opportunities to add value to other initiatives in the district have been sought and acted upon wherever possible and that duplication is avoided. Alignment with other partnership projects and initiatives, for example, the LDLSP's Strategic Funding and Social Enterprise projects.

□ **Sustainability**

Information to show how services can become more self sustaining in the future with a reducing reliance on public sector funding. Efficiencies have been achieved where possible.

□ **Collaboration**

Joint submissions where opportunities for collaborative working and shared delivery of services have been sought and proposals developed.

□ **Service specific criteria**

Any information which is relevant to the specific services required.