

Committee: Cabinet

Date: 16 January 2017

Wards: All

Subject: Merton's Voluntary Sector and Volunteering Strategy

Lead officer: Simon Williams, Director of Community and Housing

Lead member: Councillor Edith Macauley, Cabinet Member for Community Safety, Engagement and Equalities

Contact officer: Amjad Agil, Policy, Strategy and Partnerships Officer.
amjad.agil@merton.gov.uk; 020 8545 3379

Recommendations:

1. That Cabinet endorse the recommendations of the Merton Partnership's Voluntary Sector and Volunteering Strategy Steering Group and that these form the basis for the Merton Partnership's Voluntary Sector and Volunteering Strategy
 2. That Cabinet delegates the responsibility of approving the final version of the strategy to the Director of Community and Housing in consultation with the Cabinet Member for Community Safety, Engagement and Equalities..
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Both the Voluntary Sector Strategy and Volunteering Strategy need updating. The Merton Partnership Executive Board agreed to combine both strategies and appointed a Steering Group to develop a new Voluntary Sector and Volunteering Strategy. This reports sets out the key recommendations from the Steering Group and proposes that these form the basis of a new Strategy for the borough.

2 DETAILS

BACKGROUND

- 2.1 The Voluntary and Community Sector (VCS) is an important partner for the Council. It provides a range of services on behalf of the Council and a host of other activities that contribute to making the borough an excellent place to live. The social capacity that the Sector delivers also reduces demand for the Council's own services, particularly for vulnerable residents, by increasing resilience and self-support. Any contraction in the size and reach of the Sector is likely to have a detrimental impact on the Council both in terms of our ability to deliver services via the sector but also increasing demand for statutory services.

- 2.2 To oversee the development of the new strategy a steering group was drawn from the Merton Partnership and representatives from the voluntary and community sector. The group was chaired by Simon Williams, Director of Community and Housing at Merton Council. Merton Voluntary Service Council (MVSC) and the Council's Policy Team provided secretariat and research support.
- 2.3 A State of the Sector survey was commissioned to inform the development of the strategy. Whilst the sector has actually grown over the last two years there are worrying signs of structural weakness that threaten the long term health and viability of the sector:
- skills gap – fundraising, tendering, communication, digital awareness, evidence gathering and evaluation, strategic leadership and planning;
 - over reliance on public sector funding- lack of knowledge about what funding the public sector will provide in the future and a failure to explore or have the necessary skills to win funding bids from alternative sources;
 - unsustainable financial basis – an increasing number of organisations with no funding sources and little financial resilience;
 - unhealthy competition – a lack of partnerships and collaborative ways of working resulting in increased competition for reducing resources;
 - property – increasing difficulty in finding and keeping a physical base for operations, also compounding financial difficulties e.g. high rents, lack of income generating opportunities;
 - increased demand – increasing demand for services and more complex needs.
- 2.4 The draft recommendations were discussed by the Overview and Scrutiny Commission on 15 November 2016. OSC agreed the following:
- To endorse the direction of travel taken by the draft voluntary sector and volunteering strategy;
 - To give political backing to the concept of including social value in the contracting process as long as this is done in a transparent and measurable way alongside price and quality considerations.
- 2.5 The draft recommendations were approved by the Merton Partnership Executive Board on 22 November 2016.

3. KEY ISSUES AND DRAFT RECOMMENDATIONS

- 3.1. The steering group examined a number of key themes related to the strategy in turn at their monthly meetings. Each theme was intensively researched and a report was produced for discussion. The following is a summary of each theme and the draft recommendations it produced.

4. SUPPORT FOR THE SECTOR TO CHANGE AND ADAPT

- 4.1. The voluntary and community sector is facing a challenging future contending with reducing resources and rising demand, with service users presenting with increasingly complex needs that require intensive interventions. For the sector to thrive in this difficult environment, it needs to adapt how it operates and consider new ways of working.

- 4.2. The State of the Sector survey highlighted the number of unincorporated organisations thereby exposing their trustees to greater risk. The increased size of the sector plus the nature of these challenging times highlights the pressures on current trustees and the need to find more high calibre trustees with the right skills in the future. Surprisingly, despite the funding reductions, there was less evidence than expected of consolidation within the sector or increasing levels of partnership working to share costs and collaboration to bid for work. The increase in the number of new organisations with no funding suggests that the nature of support provided to the VCS needs to change to take account of this.
- 4.3. The State of the Sector survey found that the clear areas for organisational development include fundraising, tendering, communication, monitoring, evaluation, and strategic leadership and planning. The steering group agreed that equipping the sector with the tools needed to thrive in the current climate is of paramount importance. Key amongst these are the issues highlighted from the survey: improving partnership working to cut costs and add value; and providing the expertise and training needed to raise income.
- 4.4. A number of different approaches to supporting the sector were considered. The following draft recommendations were agreed:
- A. Review the support offer to Merton's VCS organisations to improve their business planning, fundraising strategies and expertise, underpinned by good governance and financial management;
 - B. Support Merton's VCS organisations to improve collaboration and set up partnerships and consortia to extend their scope and reach, underpinned by due diligence, contract readiness, contract and performance management, evaluation and impact measurement;
 - C. Review the support offer to smaller and more informal groups;
 - D. Develop a joint approach to promoting the role of trustees and improving their skills to lead and govern VCS organisations;
 - E. Support Merton's VCS to improve enterprise acumen to grow the social enterprise market, underpinned by structural/financial support to encourage business-like innovation and risk taking;
 - F. Further develop the JSNA to become a dynamic tool for the VCS and decision makers in understanding and addressing local needs
 - G. Develop a more strategic approach across the Merton Partnership to increase the provision of affordable, flexible premises.

5. MAXIMISING FUNDING AND INCOME GENERATION

- 5.1. Resource maximisation in a period of scarcity was another key issue that the steering group grappled with. As resources diminish and competition increases, the VC sector is increasingly looking to new and innovative ways to generate income and operate more efficiently.
- 5.2. The State of the Sector report identified a number of concerns. Firstly, the increase in the number of organisations with no sustainable funding sources. Secondly, that 40% of organisations thought their income from grants and unrestricted funding sources was likely to grow despite on-going cuts in public sector funding and the increased competition for dwindling resources. There is a clear imperative for Merton VCS organisations to seek out alternative funding outside of the public sector and to increase its chances of successfully bidding for work in competition with VCS organisations outside of Merton and against the private sector.

- 5.3. The group studied alternative sources of income include Social Investment Bonds, Corporate Social Responsibility pledges and best practice examples from other organisations. The group considered the impact of the Merton Community Fund set up in 2012 by MVSC to act as a conduit for donations to sector. The group heard from the Chamber of Commerce and agreed that more could be done to tap into local businesses and individuals to offer financial and in-kind support to the sector.
- 5.4. It should be noted, that there is a clear overlap between the recommendations for supporting the sector and for maximising funding. One example of this is increasing collaboration and partnership working. It is noticeable that where the voluntary and community organisations are provided with bid writing and income generation advice and support they are often able to increase their income. The steering group arrived at the following draft recommendations to increase and diversify funding to the sector:
- A. Revive and market the Merton Community Fund to attract funding from local residents and businesses;
 - B. Encourage and foster collaborative working and the sharing of resources in the sector
 - C. Support VCS organisations to look at alternative approaches to income generation
 - D. Ensure that there is clarity from the public sector on funding priorities and how funding is allocated
 - E. Strengthen our partnerships with business in order to increase their support via corporate social responsibility pledges;
 - F. Seek opportunities to develop and access social investment opportunities

6. COMMISSIONING AND SOCIAL VALUE

- 6.1. The State of the Sector survey indicates the need for voluntary sector organisations to work more collaboratively together and to work in partnership with commissioners as part of the commissioning cycle including the identification of need and what interventions might work best to meet these needs. There is a clear need and opportunity for public sector commissioners to work more effectively with the sector and to look to exploit opportunities within the Public Services (Social Value) Act 2012.
- 6.2. The Social Value Act requires public bodies to think about how they can improve the economic, social and environmental well being of an area through the services they commission above £164,176. The Act is a tool to help commissioners get more value for money out of procurement. It also encourages commissioners to talk to their local provider market or community to design better services, often finding new and innovative solutions to difficult problems.
- 6.3. With grant funding levels reducing, the sector is increasingly looking to win contracts to deliver services from public or private sector bodies as an alternative income generation stream. The group examined how Merton Council and other bodies in the Merton Partnership can ensure that before starting the procurement process, commissioners think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

- 6.4. The voluntary sector is perfectly placed to deliver services that provide additional social and environmental benefits to Merton such as providing training for the unemployed; creating supply chain opportunities for SMEs and social enterprises; creating opportunities to develop third sector organisations; and making facilities (such as school libraries, leisure facilities or computers) available to excluded VCS groups.
- 6.5. The steering group worked with the commissioning and procurement team in Merton Council to produce recommendations that would help the sector compete for contracts, and that added social value by potential providers is recognised and scored appropriately. The following draft recommendations were agreed:
- A. Secure political and executive backing from members of the Merton Partnership to seek additional social value through the commissioning process and to identify and recognise the social value delivered by Merton VCS organisations
 - B. All commissioners, where appropriate, to provide guidance to organisations through training, soft market testing and one to one meetings to encourage them to apply and to sign up to our procurement framework;
 - C. All commissioners, where appropriate, to engage and meet with organisations at the early stages of the commissioning process and ensure Social Value is considered at the design stage and built into the tender process;
 - D. Make it an option to include Social Value as part of the bid evaluation process through its inclusion in the scoring criteria;
 - E. Ensure that opportunities to seek Social Value are reviewed at all levels of governance

7. INCREASING VOLUNTEERING

- 7.1. Volunteering is associated with increasing wellbeing and with a strong sense of civic pride. It simultaneously benefits the users and the volunteers through increasing their feelings of wellbeing. Volunteers report better career prospects, and improvements in mental and physical health also come out very high.
- 7.2. The number of volunteers in Merton has increased by 8% from 2,462 in 2014/15 to 2831 in 2015/16. Retaining and increasing the numbers of volunteers in the borough was agreed as a key priority. Whilst Merton has higher than average levels of volunteering the steering group felt there should be an ambition to increase volunteering to match or exceed the highest levels in London. The steering group felt that the approach set out in the current Volunteering Strategy was working well but identified some additional draft recommendations:
- A. Promote and support the recruitment of volunteers across the Merton Partnership
 - B. Develop models of public service delivery that create additional volunteering opportunities
 - C. Continue the recognition of volunteers and volunteering programmes and promote them throughout the borough
 - D. Develop further the communications plan to raise the profile of volunteering & community action in Merton

- E. Promote a consistent model of evaluating the contribution and value of volunteers for the VCS
- F. Maximise and promote the benefits of volunteering for volunteers, in particular seeking routes into paid employment.
- G. Ensure local public and private sector organisations are engaged and supported to creatively deliver their corporate social responsibility agenda and actively promote their employee volunteering programmes.

8. ALTERNATIVE OPTIONS

To not renew the strategy:

To forgo renewing the strategy would mean that Merton Partnership is ill- equipped to support the borough's voluntary and community sector in the current challenging climate. The current strategies are several years out of date and are in need of renewal to reflect the current environment.

The sector is an integral part Merton's social fabric, adding value through their services and addressing complex social needs from vulnerable groups that would otherwise fall to public services to meet. Having a new strategy in place would enable the Merton Partnership to support the sector to adapt and to continue to thrive.

9. CONSULTATION UNDERTAKEN OR PROPOSED –

- 9.1. The strategy development was overseen by a steering group consisting of Merton Partnership members. The Terms of Reference were discussed at a number of forums including INVOLVE and The Faith and Belief Forum allowing the sector an opportunity to comment on the scope of the strategy at an early stage.
- 9.2. A State of the Sector Study was commissioned to provide further evidence to inform the strategy. A combination of questionnaires, interviews and focus groups provided the sector with an opportunity to share their views and discuss challenges. In total over eighty organisations were engaged through questionnaires, interviews, focus groups, one to one meetings and desk research.
- 9.3. The 2016 Merton Partnership Conference in November discussed the draft recommendations in depth and this feedback has informed the final recommendations.

10. TIMELINE

- 10.1. Subject to Cabinet's agreement, a draft Strategy based on the recommendations of the Steering Group will be submitted to the Cabinet Member for Community Safety, Engagement and Equalities in February 2017.
- 10.2. The implementation of the Strategy will be overseen by the Compact Board and Merton Partnership Executive Board.

11. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 12.1 There are no direct financial impacts arising from this report. Any future impact that arises from actions to support implementation of this strategy will be reported separately.

12. LEGAL AND STATUTORY IMPLICATIONS

None

13. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS –

Research has shown that a thriving voluntary and community sector supports community cohesion.¹

14. CRIME AND DISORDER IMPLICATIONS –

None

15. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS –

None

16. APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

Appendix 1: Recommendations and actions in support of the Strategy

17. BACKGROUND PAPERS

- State of the Sector survey – see [link](#).

None

¹ Commission on Integration and Cohesion: Our Future Lives 2007

Appendix 1: Voluntary Sector and Volunteering Strategy Draft Recommendations

Strategic priority	Steering Group recommendations	Examples of possible actions to implement the strategy
Support for the sector to help it adapt and change	<ol style="list-style-type: none"> 1. Review the support offer to Merton's VCS organisations to improve their business planning, fundraising strategies and expertise, use of digital technology, underpinned by good governance and financial management; 2. Support Merton's VCS organisations to improve collaboration and set up partnerships and consortia to extend their scope and reach, underpinned by due diligence, contract readiness, contract and performance management, evaluation and impact measurement; 3. Review the support offer to smaller and more informal groups; 4. Develop a joint approach to promoting the role of trustees and improving their skills to lead and govern VCS organisations; 5. Support Merton's VCS to improve enterprise acumen to grow the social enterprise market, underpinned by structural/financial support to encourage business-like innovation and risk taking; 6. Further develop the JSNA to become a dynamic tool for the VCS and decision makers in understanding and addressing local needs 7. Develop a more strategic approach across the Merton Partnership to increase the provision of affordable, flexible premises. 	<p>Review priorities, resources and approach to commissioning support to the sector through the Strategic Grant programme to better reflect the issues identified in the State of the Sector survey.</p> <p>Explore how the Wilson Centre can become a place where multiple organisations providing different services are located- an exemplar in partnership working and resource sharing.</p> <p>LBM will engage the VCS and partners in the future development of the JSNA / Merton Observatory</p> <p>Merton Partnership to look at opportunities through the One Public Estate programme to review how the public sector collectively uses its public estate and supports the VCS to deliver increased social value.</p> <p>Support VCS management of community assets to enhance strategic planning, sustainability and service delivery.</p> <p>Strengthen VCS strategic representation and co-production, including for small groups</p>
Maximising funding and income generation	<ol style="list-style-type: none"> 8. Revive and market the Merton Community Fund to attract funding from local residents and businesses; 9. Encourage and foster collaborative working and the sharing of resources in the sector 10. Support VCS organisations to look at alternative approaches to 	<p>Identify capacity to re-launch the Merton Community fund and review the approach to securing CSR contributions from businesses and community giving.</p> <p>Ensure that commissioners publish information about</p>

Strategic priority	Steering Group recommendations	Examples of possible actions to implement the strategy
	<p>income generation</p> <p>11. Ensure that there is clarity from the public sector on funding priorities and how funding is allocated</p> <p>12. Strengthen our partnerships with business in order to increase their support via corporate social responsibility pledges;</p> <p>13. Seek opportunities to develop and access social investment opportunities</p>	<p>grant levels and priorities as early as practicable to allow the sector to plan ahead.</p> <p>Explore a social investment vehicle for the development of the Wilson Centre.</p> <p>Contact significant funders to better understand how Merton VCS can be more competitive in winning bids.</p> <p>Ensure that business rate relief to charities is well publicised</p>
Commissioning and social value	<p>14. Secure political and executive backing from members of the Merton Partnership to seek additional social value through the commissioning process and to identify and recognise the social value delivered by Merton VCS organisations</p> <p>15. All commissioners, where appropriate, to provide guidance to organisations through training, soft market testing and one to one meetings to encourage them to apply and to sign up to our procurement framework;</p> <p>16. All commissioners, where appropriate, to engage and meet with organisations at the early stages of the commissioning process and ensure Social Value is considered at the design stage and built into the tender process;</p> <p>17. Make it an option to include Social Value as part of the bid evaluation process through its inclusion in the scoring criteria;</p> <p>18. Ensure that opportunities to seek Social Value are reviewed at all levels of governance</p>	<p>Secure agreement to the approach from LBM's Cabinet in January 2017 and the CCG Executive Board. Update the Council's Standing Orders accordingly.</p> <p>Produce guidance and training for commissioners on the use of the Social Value Act including the development of a model approach for measuring and evaluating social value.</p> <p>Review mechanisms built in at departmental and corporate levels, and through the thematic partnerships such as the Sustainable Communities Board</p> <p>Engage early with the VCS to prepare them to bid for services where they strongest e.g. address the alcohol and drug dependence issues in the borough</p> <p>Use the Social Prescribing pilot to commission VCS organisations to improve health outcomes in the east of the borough.</p>

Strategic priority	Steering Group recommendations	Examples of possible actions to implement the strategy
Increasing volunteering	<p>19. Promote and support the recruitment of volunteers across the Merton Partnership</p> <p>20. Develop models of public service delivery that create additional volunteering opportunities</p> <p>21. Continue the recognition of volunteers and volunteering programmes and promote them throughout the borough</p> <p>22. Develop further the communications plan to raise the profile of volunteering & community action in Merton</p> <p>23. Promote a consistent model of evaluating the contribution and value of volunteers for the VCS</p> <p>24. Maximise and promote the benefits of volunteering for volunteers, in particular seeking routes into paid employment.</p> <p>25. Ensure local public and private sector organisations are engaged and supported to creatively deliver their corporate social responsibility agenda and actively promote their employee volunteering programmes.</p>	<p>Promote and utilise the Volunteer Merton online volunteer recruitment hub (one stop shop) to ensure individuals, groups and organisations have a single access point to volunteering and community action in Merton.</p> <p>Ensure that new initiatives such as Merton social prescribing pilot include the development of volunteers as an element for its sustainability.</p> <p>Merton Council's Health Champions programme, run in partnership with Merton Voluntary Service Council (MVSC) and LiveWell Merton, encourages individuals in the borough to volunteer their time motivating other residents to make realistic health changes to benefit their long term health</p> <p>Volunteers undertake a wide variety of roles in Merton Libraries including meeting and greeting, supporting children's activities, helping customers use the IT facilities and helping to promote libraries in the community.</p> <p>Ensure that large contracts include a commitment to CSR such as employee volunteering schemes.</p> <p>Continue to promote the ValueYou 100 hours volunteering discount card scheme.</p> <p>Hold an annual Merton Partnership Volunteer Awards ceremony</p> <p>Explore the potential of volunteering 'passports' to demonstrate volunteers' experience and skills and encourage employers to involve volunteers in their work, to the mutual benefit of the volunteer and the</p>

Strategic priority	Steering Group recommendations	Examples of possible actions to implement the strategy
		<p>business.</p> <p>Work with the Merton Partnership to promote their employee volunteering programmes</p>

This page is intentionally left blank