

Communities and Neighbourhoods Committee

10.00am, Tuesday 23 September 2014

State of Edinburgh's Third, Cultural and Sporting Sectors: Annual Report 2014

Item number 7.4
Report number
Executive/routine
Wards

Executive summary

In February 2014, the Communities and Neighbourhoods Committee considered the final report on the Review of Council Grants to Third Parties 2013. In considering the report, Committee agreed that:

“a report on the state of the third sector, cultural and sporting bodies and their contribution to the city, relationship with the Council and overall level of Council investment and other support will be presented annually to this Committee”.

This report has been co-produced with partners from the Edinburgh Third Sector Interface (Edinburgh Voluntary Organisations Council, Volunteer Centre Edinburgh and Edinburgh Social Enterprise Network). The report describes the social, cultural and economic contribution of these sectors, Council investment in these sectors, alongside an update on progress to establish new grant programmes.

Links

Coalition pledges	P1, 7, 12, 15, 24, 28, 31, 33, 36
Council outcomes	CO1-4, 6-12, 14, 20, 23, 26, 27
Single Outcome Agreement	SO1-4

State of Edinburgh's Third, Cultural and Sporting Sectors: Annual Report 2014

Recommendations

- 1.1 It is recommended that Committee:
 - 1.1.1 notes the extensive contribution of the third, culture and sporting sectors to the city's social, cultural and economic fabric;
 - 1.1.2 approves the establishment of a corporate data-base for payments to third parties;
 - 1.1.3 notes the proposed measures to improve data-collation for future reports; and
 - 1.1.4 approves the establishment of an annual Compact Third Sector Forum.

Background

- 2.1 In February 2014, the Communities and Neighbourhoods Committee considered the final report on the Review of Council Grants to Third Parties 2013. The Committee agreed, for the purposes of improved governance and coordination, the publication of an annual report on the state of third, cultural and sporting sectors, their contribution to the City, their relationship with the Council, and levels of Council investment and other support provided to these sectors.
- 2.2 In addition, when considering the annual revenue grant expenditure report 2014/15, the Corporate Policy and Strategy Committee of 25 February 2014 identified that:
 - 2.2.1 the agreed new grants arrangements, while welcome, may favour national and larger organisations, displacing smaller local groups; and
 - 2.2.2 third sector organisations with cross-cutting work might not easily fit into the new Executive Committee arrangements for managing distinct grant programmes.
- 2.3 The Corporate Policy and Strategy Committee asked that these concerns be explicitly addressed in each of the following annual reports. These matters are therefore included in this report.
- 2.4 The Council has a broad and diverse relationship with the third, cultural and sporting sectors across the city. This is consistent with approaches to improving community planning, community engagement, prevention, service development,

health and well-being, supplier and market development, economic growth and working in neighbourhoods.

- 2.5 The Council's relationship with these sectors is also well aligned with the Cooperative Capital Framework, which aspires to develop a new relationship with service users, citizens, communities and stakeholders, where more focus is placed upon *'doing things with people'*, rather than *'doing things to, or for people'*.

Main report

Economic, Cultural and Social Contributions

- 3.1 Most third sector, cultural and sporting bodies have charitable status and the Office of the Scottish Charity Regulator (OSCR) routinely collects information on charities in the Capital. Recent analysis in 'Edinburgh by Numbers 2014' indicates the following activity in Edinburgh:
- 3.1.1 there are 2,630 charitable organisations based in the city – 50% of which provide services within Edinburgh on a city-wide basis or in Neighbourhood Partnership (NP) areas;
 - 3.1.2 a combined economic contribution of £2.7Bn is generated annually and around 15,000 people are employed across these organisations;
 - 3.1.3 donations and other fundraising activities generate 65% of income, with funding from national and local government constituting 18%; and
 - 3.1.4 54% of Edinburgh charities operating in the city are small in scale with less than £25,000 of income p.a.
- 3.2 The most recent Scottish Household Survey identifies that with 175,000 regular volunteers, Edinburgh is home to the highest volume of volunteering activity compared with other major cities in Scotland.
- 3.3 In the period December 2012 to March 2013, the Compact Partnership Board established an analytical function entitled "Compact Voice", to collect qualitative and quantitative evidence to better articulate the third sector's partnership activity, and social and economic contributions. Early returns from a recent survey indicate that:
- 3.3.1 85% expect service demand to increase;
 - 3.3.2 66% of organisations expect competition to grow;
 - 3.3.3 67% anticipate an increase in collaboration with other organisations; and
 - 3.3.4 45% thought relationships with Edinburgh's public sector would improve with the remainder expecting relations to stay the same.
- 3.4 In respect of the performance of Council grant recipients for 2013/14, returns indicate that:
- 3.4.1 for every £1 of Council grant, on average of £9 is levered in from other sources (as part of this the cultural sector generates £12);

- 3.4.2 achievement of grant agreement targets remains at 94%;
- 3.4.3 the equivalent of 2,250 (ft) staff are employed in organisations;
- 3.4.4 volunteers are contributing £9m of equivalent value; and
- 3.4.5 customer satisfaction has slightly increased to around 85%.

Third sector and Community Planning

- 3.5 The Scottish Government stipulates that the third sector should be regarded as a key partner within community planning partnerships. In practical terms this means:
 - 3.5.1 active involvement of the third sector in preparing and agreeing community plans / single outcome agreements, and for this to be evidenced;
 - 3.5.2 meaningful engagement between the public and third sector;
 - 3.5.3 a collaborative approach between public and third sectors to shape prevention plans and preventative services; and
 - 3.5.4 commitment to co-produce solutions to service and budget challenges.
- 3.6 In line with these expectations, the Capital continues to be a beacon of good practice, with third sector engagement in the Edinburgh Partnership Board, Strategic and Cross Cutting Partnerships and Neighbourhood Partnerships. Collaborative activity is overseen and progressed through the work of the Edinburgh Compact Partnership.
- 3.7 In August 2013, the Board of the Compact Partnership commissioned 'Compact 10', in order to (i) celebrate achievements since the Compact's formation in 2004, and (ii) to identify the strategic priorities for the next ten years. A report proposing the Council's contribution to the Partnership Board's new strategy will come forward to the Communities and Neighbourhoods Committee in the first quarter of 2015/16. A presentation on Compact 10 will be featured in the business of the Sub-Committee today.
- 3.8 Engagement of the cultural sector in community planning occurs annually through negotiated service and funding agreements, and through the City's Cultural Partnership. The role of the Partnership is currently under review as part of the formation of the new Cultural Policy. A report setting out the proposals for the policy, and related action, will come forward to the Culture and Sport Committee in due course. Council engagement with the City's sporting sector occurs through Edinburgh Leisure, and across a broad range of sports clubs, associations and other partners, with an increasing focus on promoting improved health and wellbeing.

Third sector and the Cooperative Capital Framework

3.9 As agreed by the Council in October 2012, the Compact Partnership became the primary reference point for delivering the Cooperative Capital Framework within the Edinburgh Partnership. Specifically, this has involved work on:

- 3.9.1 the co-production of new council investment contract and grant programmes, including participatory budget initiatives;
- 3.9.2 helping to re-shape the care market, and enable changes in the way that care services are designed and delivered;
- 3.9.3 assisting with the development of homelessness services, and improving drug and alcohol interventions; and
- 3.9.4 strengthening approaches to corporate social responsibility for the benefit of local communities and services.

3.10 Further details on items 3.1 to 3.9 are identified in Appendix 1a and 1b.

Council investment in third parties

3.11 The Council provides a variety of payments to third parties for the provision of community services. A mapping of this investment has taken place for 2013/14 and the following table summarises the levels of investment.

	<u>Expenditure 2013/14</u>	<u>Number of providers</u>
Council investment in Third Parties for the Provision of Community Services*	£78.25m	440#
Contract expenditure	£49.9m	160
Grants expenditure	£28.35m	280
Council Investment in Third, Cultural and Sporting bodies	£72m	410#
Council investment* in SMEs, public bodies and other groups	£6.25m	30
Total concessionary let subsidy at full market value	£0.3m	176**
Total income to the Council from concessionary lets	£0.45m	

(*) this does not include provision of personal care packages, as these not regarded as general community services

(#) does not include the recipients of small one-off community grants (as this is one-off / project funding)

(**) does not include some cultural organisations renting Council property

3.12 The following features are evident in analysing the pattern of investment:

3.12.1 around two-thirds of expenditure is in the form of contracts with the remainder in grant:

3.12.2 of the 440 providers around 18% receive more than a single contract and / or grant;

- 3.12.3 60% of the investment goes to services provided on a citywide basis;
 - 3.12.4 95% of the bodies receiving investment are charities; and
 - 3.12.5 176 groups receive concessionary rental subsidy totalling around £0.3m, while providing an income to the Council around £0.45m.
- 3.13 With regard to equalities and rights issues, £26.5m is invested in services for vulnerable families, £6.5m in services for older people and £6m in services for disabled people.
- 3.14 Following the Grants to Third Parties Review Report in February 2014, new grant programmes are being developed by Executive Committees and Policy Development and Review Sub Committees. This work is linked to the Better Outcomes for Leaner Delivery (BOLD) programme.

Corporate Database

- 3.15 The Council's portfolio of payments to third, cultural and sporting sectors represents a very complex range of funding relationships. In order to strengthen oversight and coordination, and improve efficiency and transparency, it is proposed that a new council corporate database is established. This database will be updated annually, and reported to this Committee by the Corporate Policy and Strategy Team in Corporate Governance. Further detail is provided in Appendix 1c.

New Council Grant Programmes - Update

- 3.16 Since the Committee's agreement to establish new grant programmes, a number of developments have taken place, including:
- 3.16.1 the setting up of a joint council officer and third sector steering group to assist in the co-production of new grant programmes;
 - 3.16.2 a presentation to the Finance and Resources to develop guidance for Policy Development and Review Sub-Committees and Executive Committees;
 - 3.16.2 briefings for elected members on grant programme changes, and co-production approaches;
 - 3.16.4 a series of BOLD briefings with Executive Committee Convenors and Vice-Convenors; and
 - 3.16.5 a specific Member/Officer Working Group established under the Education, Children and Families Committee.
- 3.17 As part of these developments, committee concerns about the impacts upon small organisations, and organisations receiving multiple awards, have been examined. On these matters it is important to note that there are:
- 3.17.1 18 grant recipients which are small in scale (defined as turnover of less than £25,000 p.a.) receiving support of around £0.1m per year; and
 - 3.17.2 14 organisations currently receiving more than one grant award.

3.18 Further detail on Council investment in third parties is identified in Appendix 1c.

Improving future 'state of the sector' reports

3.19 While this first report covers the request of the Communities and Neighbourhoods Committee, further efforts are required in order to provide an improved description of the state of the third, cultural and sporting sectors in Edinburgh. The following four components are therefore proposed as additional key features for future reports (i) service delivery challenges, (ii) transformation and change, (iii) partnership and cooperation and (iv) strategic challenges and opportunities.

Compact Third Sector Forum

3.20 In order to build stronger levels of cross sector understanding, and to contribute to future reports, it is proposed that a new initiative, aligned with the Cooperative Capital Framework, is introduced in the form of an annual Compact Third Sector Forum.

3.21 The Forum, chaired by the Convenor of the Communities and Neighbourhood Committee, will facilitate a debate with the third, cultural and sporting sectors to identify the key challenges and opportunities facing these sectors, highlight examples of good practice, share knowledge and aim to build confident partnerships for the future.

Case Studies

3.22 In order to broaden understanding of the work of third parties and cooperative engagement, Appendix 1d includes three case studies which describe the benefits of cooperative working, the life changing difference that third, cultural and sporting services can make, and work to strengthen the use of consortia and co-production approaches.

Measures of success

- 4.1 The following are the key strategic measures of success during the next year:
- Production of a new Edinburgh Compact Strategy and related key performance indicators in the spring of 2015.
 - Establishment of the payments to third parties data-base by spring 2015.
 - Publication of the second state of the sector report in autumn 2015.
 - Delivery of an annual Compact Third Sector Forum event in autumn 2015.
 - Improved delivery of council grants to third parties key performance indicators during 2015.
 - Six monthly profiling of data arising from Compact Voice initiatives.

Financial impact

- 5.1 Resources for investment in third, cultural and sporting sector services are currently contained within service area budgets.

Risk, policy, compliance and governance impact

- 6.1 Key risks in third, cultural and sporting sector engagement by the Council are mitigated by a strong partnership approach through applying Compact values and principles, with strong oversight and progress measurement provided by the RAG assessment tool identified at Appendix 1b.

Equalities impact

- 7.1 Council engagement with and investment in third, cultural and sporting sectors assists the Council to deliver key equality and rights outcomes, and meet the Equality Act 2010 public sector equality duties to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations.

Sustainability impact

- 8.1 The development and implementation of the Framework enables the Council to meet the Climate Change (Scotland) Act 2009 public sector duties, and contributes to the delivery of Sustainable Edinburgh 2020 objectives, in particular the advancement of vibrant flourishing communities, social and economic wellbeing and an efficient and effectively managed city.

Consultation and engagement

- 9.1 The following key engagement activity has taken place:
- meetings with the Edinburgh Third Sector Interface to prepare material for the first report from February to September 2014;
 - four meetings of the Grants Co-production Steering Group from April to August 2014;
 - presentation to the Finance and Resources Policy Development and Review Sub-Committee in May 2014;
 - BOLD presentation to the Compact Partnership Board in March 2014;
 - briefing for Elected Members on grants changes and co-production approaches from March to September 2014;
 - one to one BOLD briefings with Executive Committee Convenors and Vice-Convenors;

- establishment of an Elected Members Working Group established under the Education, Children and Families Committee; and
- Grants co-production workshops with stakeholders by the Economic Development and Health and Social Care service from August to September 2014.

Background reading / external references

Communities and Neighbourhoods Committee of 11 February 2014, http://www.edinburgh.gov.uk/download/meetings/id/42251/item_72_review_of_council_grants_to_third_parties_2013-14_final_report

Edinburgh Third Sector Interface, <http://www.evoc.org.uk/about/third-sector-interface/>

Compact Voice Survey 2014, <https://www.surveymonkey.com/s/CompactVoiceOne>

Edinburgh Compact, <http://www.edinburghcompact.org.uk/>

2014 third sector state of the sector report, <http://www.thirdsector.co.uk/state-sector-2014-charities-disillusioned-politics-politicians/policy-and-politics/article/1300741>

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Links

Coalition pledges

- P1** - Increase support for vulnerable children, including help for families so that fewer go into care
- P7** – Further develop the Edinburgh Guarantee to improve work prospects for school leavers
- P12** - Work with health, police and third sector agencies to expand existing and effective drug and alcohol treatment programmes
- P15** - Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors
- P24** – Maintain and embrace support for our world-famous festivals and events

Council outcomes

P28 - Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city

P31 – Maintain our city’s reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure

P33 – Strengthen Neighbourhood Partnerships and further involve local people in decisions on how Council resources are used

P36 – Develop improved partnership working across the Capital and with the voluntary sector to build on the “Total Craigroyston” model

CO1 – Our children have the best start in life, are able to make and sustain relationships and are ready to succeed

CO2 - Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities

CO3 – Our children and young people at risk, or with a disability, have improved life chances

CO4 – Our children and young people are physically and emotionally healthy

CO6 – Our children and young people’s outcomes are not undermined by poverty and inequality

CO7 - Edinburgh draws new investment in development and regeneration

CO8 - Edinburgh’s economy creates and sustains job opportunities

CO9 – Edinburgh residents are able to access job opportunities

CO10 - Improved health and reduced inequalities

CO11 - Preventative and personalised support in place

CO12 – Edinburgh’s carers are supported

CO14 - Communities have the capacity to help support people

CO20 – Culture, sport and major events – Edinburgh continues to be a leading cultural city where culture and sport play a central role in the lives and future of citizens

CO23 - Well engaged and well informed - communities and individuals are empowered and supported to improve local outcomes and foster a sense of community

CO26 – The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives.

CO27 - The Council supports, invests in and develops our people

Single Outcome Agreement

SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all

SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health

SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential

SO4 - Edinburgh's communities are safer and have improved physical and social fabric

Appendices

Appendix 1 - State of Edinburgh’s Third, Cultural and Sporting Sectors: Annual Report 2014.



State of Edinburgh's Third, Cultural and Sporting Sectors: Annual Report 2014

Published September 2014

Appendix 1a – Economic and Social Data

1.1 Charities Location in the City

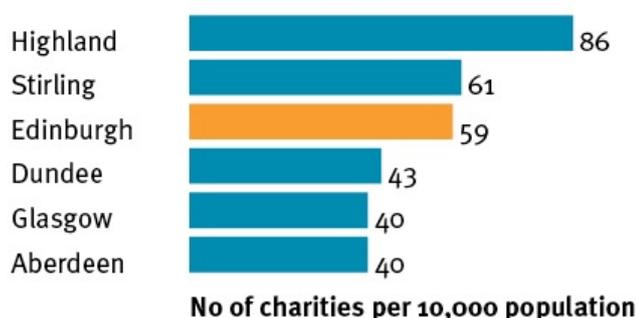
1.1.1 The city has around 2,630 charitable bodies located in the city, with around 50% providing services to Edinburgh's citizens and visitors. The following chart identifies those by Neighbourhood Partnership area (NB this does not always reflect the geographical range of services provided).

NP Area	No of charities based in the area
Almond	64
City Centre	272
Craigtinny/Duddingston	40
Forth	75
Inverleith	81
Leith	129
Liberton/Gilmerton	55
Pentlands	103
Portobello/Craigmillar	77
South Central	180
South West	135
Western Edinburgh	107
	1318

2.1 Economic and Social Profile

2.1.1 'Edinburgh by Numbers 2014', for the first time, included figures which indicated the density of charities in the Capital compared to other cities and areas of Scotland's:

Charities in major Scottish cities 2011



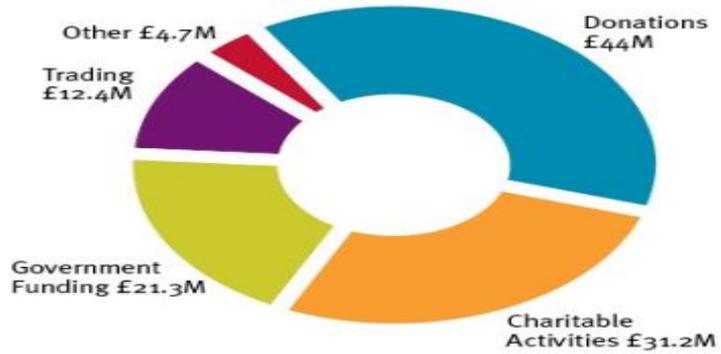
3.1 Economic Impacts

3.1.1 Overall the charitable sector in the city generates £2.7bn to the city's economy, this is equal to one sixth of the Edinburgh Economy Gross Value Added (GVA), and equates to around 70% of the scale of the finance and insurance sectors in the city.

3.1.2 For the 1,300 locally focused charities:

- overall income (as identified in the chart below) was £113.6m. Most income was from donations and charitable activity, with the least generated from trading activity. Reliance on national and local government funding was around 18% of total income.
- 54% of locally focused charities have an income of less than £25,000. This is reflective of the significant volunteering and community wellbeing activity that takes place across the city.

Income sources of locally focussed charities 2013

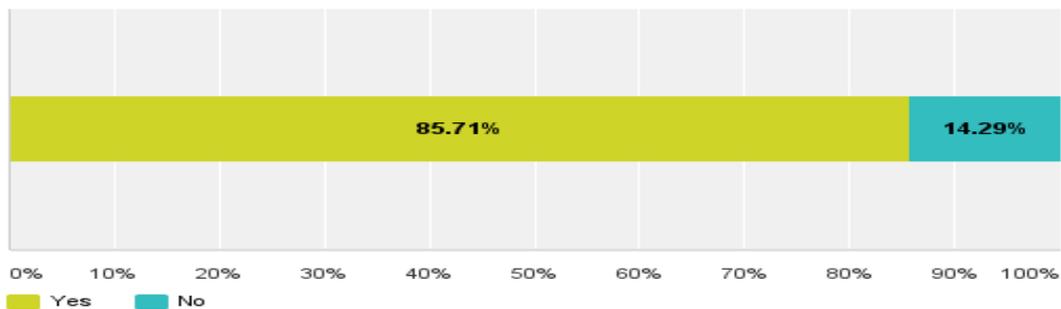


3.3 Compact Voice Survey Data

3.3.1 In order to begin to provide baseline data, recently Compact partners have commissioned a survey of third sector organisations. Early responses (34) in the period 1 – 8 August 2014 indicated that 85% employ paid staff, which reflects the medium sized scale of some respondents.

Q12 Does your organisation currently employ any paid staff?

Answered: 28 Skipped: 6



3.3.2 Respondent organisations often engage volunteers in direct service delivery and in their returns they make the following points about volunteers and volunteering:

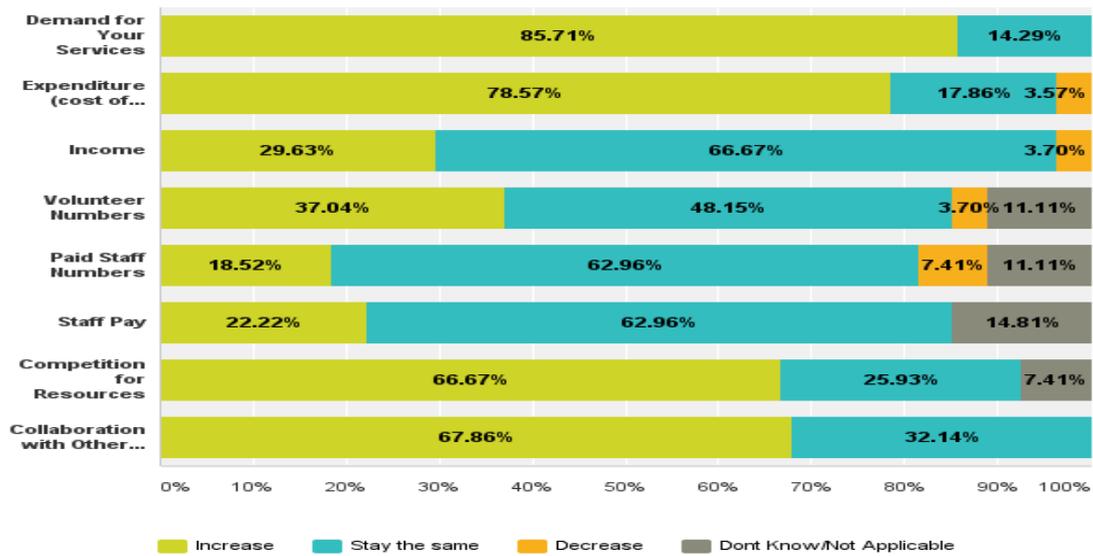
- for every hour spent by staff, organisations on average lever in over 20 minutes of volunteer time; and
- it is estimated that volunteers provide in the region of £40,000 per week in equivalent value to Edinburgh's economy. (Based on the 'Cost' of one volunteer hour calculated at the ONS Edinburgh Average Wage of £14.53)

3.3.3 Respondents were asked to give a view (summarised in the series of three charts below) on a range of operational matters, the following responses were received:

- 85% expect service demand to increase;
- 66% of organisations expect competition to grow;
- 67% increasingly expect to collaborate with other providers;
- 45% thought relationships with the public sector would improve with the remainder expecting relationships to stay the same; and
- nearly half (48%) expect that Edinburgh's Third Sector would neither grow nor reduce.

Q18 Thinking about the coming year do you think your organisation will see a decrease or increase on the following?

Answered: 28 Skipped: 6



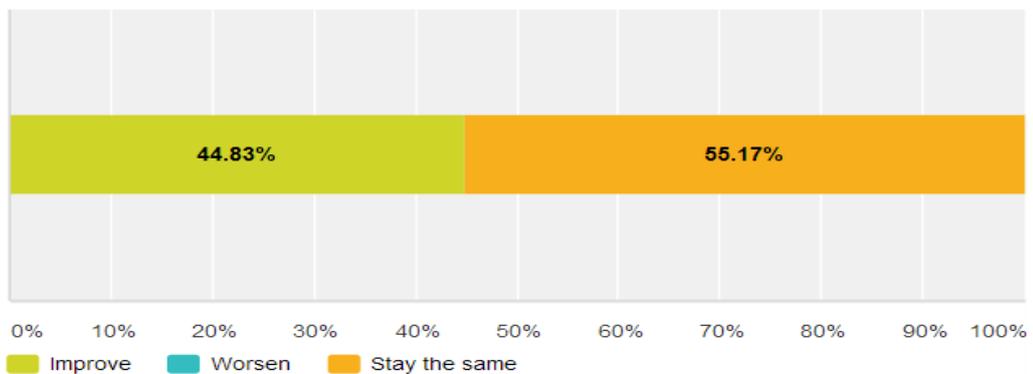
Q19 Over the next year do you think Edinburgh's Third Sector (as a whole) will

Answered: 27 Skipped: 7



In your opinion, over the next year do you expect your organisation's relationship with the Public Sector to

Answered: 29 Skipped: 5



3.3.4 Respondents also identified a range of concerns and hopes, as follows:

Concerns:

- Funding - loss of funding, insufficient funding or the lack of an increase in funding to meet increased demand;
- Organisational Change - ability to manage required changes in an organisation;
- Service Demand - increased demand for services which can't be met;
- Competition - fear of even greater competition between voluntary organisations that was deemed as unhealthy; and
- Staff and Volunteers - the increased pressure on paid voluntary sector staff and volunteers, and potentially a lack of volunteers.

Hopes:

- Growth and Development - to develop new services to meet needs and grow;
- Funding – to get new funding, maintain current funding and look for longer term funding;
- Recognition – want to be recognised for work done by public sector bodies and partners;
- Meeting Demand - changes and increase in service users needs are met;
- Growth – voluntary organisations to grow and prosper with mentions of adjusting working practices and showing innovation;
- Sharing – greater collaboration in the third sector; and
- Competition and Tendering – reduced competition in the sector, and reduced bureaucracy in tendering for services.

4.1 **Socio-economic impact of Council Grant Recipients 2013/14**

4.1.1 As in previous years, the performance of grant recipients has been measured. Respondents (not including Edinburgh Leisure services, the annual performance report on which was considered by the Culture and Sport Committee in August 2014) indicated for 2013/14:

- organisations' total income was £161m, representing on average over £9 for every £1 of council investment – within this cultural groups contribute nearly £12 for every £1 spent;
- achievement of funding agreement targets remains at 94%, this level has been maintained from previous years;
- organisational staff hours were around 4.3 million, which is equivalent to 2,250 full time staff;
- volunteers provided 618,000 hours of unpaid service, equivalent to a contribution of over £9m to the Edinburgh economy; and
- customer feedback routinely collected by all organisations indicates satisfaction levels around 85%, which is a slight increase to the previous years.

5.1 **Volunteering in Edinburgh**

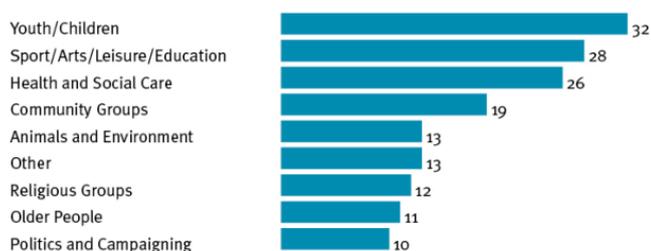
5.1.1 Edinburgh continues to lead the way with the incidence of volunteering, with around a third of the population giving their time regularly. This has consistently been the case over the last 5 to 10 years:

Volunteering in major Scottish cities 2012

	Economic Status			
	All	Employed	Retired	Other
Edinburgh	34	34	29	37
Glasgow	24	26	23	21
Aberdeen	27	30	29	18
Dundee	22	14	33	23

5.1.2 Active citizens currently give their time to a range of causes indicated below:

Volunteering activity in Edinburgh 2012



Total sample 164

5.2 Volunteering and the Council

5.2.1 The Council continues to receive significant input from 3,500 volunteers (equivalent to around £2m of economic value), working alongside Council staff helping to provide services. While most volunteering takes place in education settings, for example in active schools and on parent councils, other input takes place in health and social care client support and in community learning and development settings.

6.1 Social Enterprise in Edinburgh

6.1.1 In 2013, the Edinburgh Social Enterprise Network published the city's first data on the sector covering 150 organisations.

6.1.2 The report indicated that the traditional social enterprise community has a turnover of £44m, with £33m generated through trading activities (sales and contracts). Over 4000 people are involved in the running of social enterprises including 460 staff, around 800 trainees and around 3000 volunteers.

6.1.3 The report also suggested that Edinburgh is unusual in that most of its social enterprises sell their products and services to consumers, businesses and third sector organisations rather than the public sector. In 2013, 40% of Edinburgh's social enterprises sold services or goods directly to consumers.

7.1 The Benefits of Charitable Status

7.1.1 Members of the Communities and Neighbourhoods Committee have previously asked for clarity around the practical benefits and implications of charitable status.

7.1.2 Charities in Scotland (irrespective of scale and service) are subject to a substantial public benefit test and oversight by the Office of the Scottish Charity Regulator (OSCR). The following benefits of charitable status can be:

- certain tax exemptions, for example; income/corporation tax, inheritance tax;
- charities pay no more than 20% of normal business rates on occupied buildings;
- special VAT treatment in some circumstances;
- raise funds from the public, grant-making trusts and local government;
- represent and help the needs of the community; and
- give donors and beneficiaries confidence that the charity is legitimate and working within a regulated regime.

7.2 Of the 410 third, cultural and sporting bodies that the Council funds for providing community services, 95% currently have charitable status. Those that may not have this status are social enterprises or unincorporated in nature - a simplest form of legal structure, often appropriate for small scale activities which do not involve leasing premises or employing staff and which does not require regulation.

Appendix 1b – The Edinburgh Compact Partnership

- 1.1 **The Edinburgh Compact Partnership and Related Developments 2004-14**
- 1.1.2 The Edinburgh Compact Partnership was established in 2004. The Partnership's continuing application of the values of; transparency, accountability, equity, respect, and good communication continues to lead Scotland in providing for strong, purposeful and productive third sector engagement. The work of the Compact has ensured improved:
- relations between the public and third sectors;
 - partnership working across sectors;
 - routine inclusion of third sector representation as part of policy and strategy formulation; and
 - innovative joint working, for example, the installation of Public Social Partnerships (PSPs), collaborative supplier and market development and co-production of commissioned services.
- 1.1.3 Since it's inception, the Compact Partnership Board has successfully delivered:
- "In Equal Respect: A Shared Vision 2005-10; and
 - "In Equal Respect: Advancing Relations Action Plan 2008-13.
- 1.1.4 As part of the above, specific strategies have been progressed in the period with a focus upon:
- volunteering and active citizenship;
 - strengthening social enterprise; and
 - investment in the third sector.
- 1.1.5 Most recently, new strategies to strengthen citizenship and sustainable growth have been agreed:
- Inspiring Volunteers, Building on Success – Edinburgh's Volunteering Strategy for 2012-17; and
 - Enabling Enterprise - A Social Enterprise Strategy for Edinburgh 2013 – 2018.
- 1.1.6 The Communities and Neighbourhoods Committee may recall that the Volunteering Strategy was endorsed in September 2012 and that the Social Enterprise Strategy was endorsed by Council in February this year. The two following charts provide a summary of the status of these strategies and prospects for delivery.
- 1.1.7 In order to build upon the firm foundations of the last ten years activity (as described above), in August 2013 the Compact Board approved a report entitled 'Compact Plus 10', which will comprise a series of engagement and consultation events over the next few months to:
- i. to celebrate achievements and improved relations; and
 - ii. to identify priority outcomes to strengthen the scope of Compact working, and to aid the delivery of the new Community Plan 2015-18.
- 1.1.8 The evidence collected will provide the basis of a new and ambitious strategy for 2015-25. The Edinburgh Partnership and the Edinburgh Third Sector Interface are together providing £35,000 of investment into the 'Compact 10' project.

2.1 **Third Sector and the Cooperative Capital Framework**

2.1.1 As agreed by Council in October 2012, the reporting arrangements for the Cooperative Capital Framework identified that the Compact Partnership be the most appropriate connection with community planning in the city. The involvement of the third sector is intrinsic to the delivery and success of the Framework's six key themes. This is currently being demonstrated by:

- co-production efforts to revise new grant programmes and other services;
- pro-active efforts to provide market solutions in older people's care, for example care to over 65s;
- efforts to strengthen efficiency and effect cultural change in community services, i.e.; to examine alternative service design and delivery models;
- increased application of prevention in new commissioning programmes and in developing new delivery models, for example consortiums; and
- emphasising joint approaches to maximising corporate social responsibility for the benefit of local communities and services.

3.1 **The Edinburgh COMPACT Social Enterprise and Volunteering Strategies**

3.1.1 As identified above, the Edinburgh COMPACT Partnership has undertaken a significant amount of work on developing and delivering social enterprise and volunteering strategies in recent years. The two tables below indicated progress against key objectives:

Compact Social Enterprise Strategy RAG Assessment

RAG Progress Assessment of the Edinburgh Compact's Social Enterprise Strategy 2013-18			
Strategic Outcome	Item	Strategic Objective	RAG progress
1: Edinburgh's social enterprise sector grows and becomes more resilient	1a	Social enterprises and social entrepreneurs can access the business support they require	G
	1b	Emerging social enterprises can access the knowledge and expertise of existing social enterprises	G
		More new businesses will adopt social enterprise as a model	G
	1d	Social enterprises have the appropriate competences and skills	A
2: The social value of public services is maximised and profiled	2a	The public sector increases social enterprise delivery of services through sustainable procurement and purchasing practices	G
	2b	Social enterprises and the public sector understand the value in working together	G
		Social enterprises will provide more direct services to individuals buying their own care	A
	2d	More public buildings are owned or managed by social enterprises	G
3. Engagement by social enterprises with users and customers is enhanced	3a	Awareness of social enterprises in the city is increased	G
	3b	More social enterprise products and services are purchased	A
		People are encouraged and supported to volunteer in social enterprises	A
4. The social and economic impact of Edinburgh's social enterprise sector is understood and recognised	4a	The size of the sector is understood and promoted	G
	4b	Businesses learn about achieving social impact from social enterprises	A
5. Access to social enterprise education increases in schools and further and higher education	5a	Schools in Edinburgh are engaged in social enterprise education	A
	5b	The creativity of young people is recognised and strengthened	A
		Young people have the chance to engage with Edinburgh's social enterprises	A
R	RED = Project stalled, significant barriers to progress		
A	AMBER = Project progressing okay, but some barriers to progress		
G	GREEN = Project progressing well, no barriers to progress		
√	GREEN √ = Project completed		

Compact Volunteering Strategy RAG Assessment

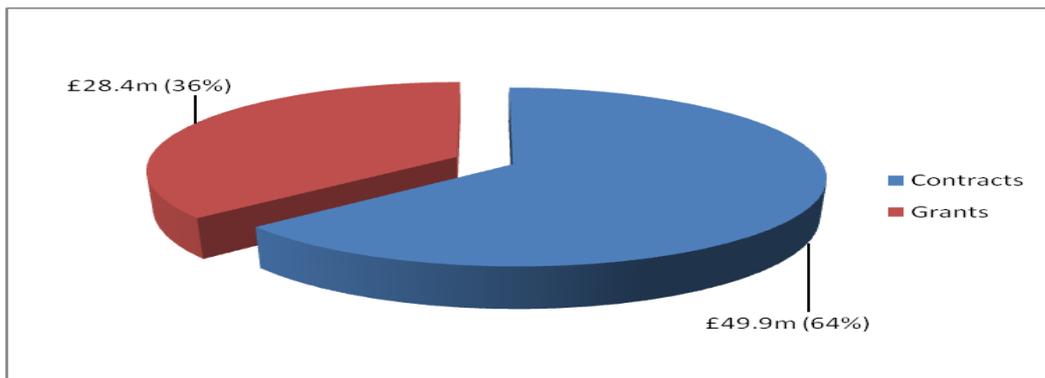
RAG Progress Assessment of the Edinburgh Compact's Volunteering Strategy 2012-17			
Strategic Outcome	Item	Strategic Objective	RAG progress
Make volunteering a strategic force for change	1	Volunteering is supported as a vital resource that contributes positively to the personal development of young people	G
	2	Volunteering is recognised for its vital role in helping move people into paid employment	G
	3	Volunteering is recognised for its positive contribution to strengthening and improving the social fabric of Edinburgh	G
	4	Volunteering is recognised for its role in improving health and wellbeing and reducing inequalities in health	G
Increase the number and diversity of people volunteering	5	Everyone has the opportunity to volunteer	G
	6	New and alternative models of volunteering are championed across Edinburgh	G
	7	Number of volunteer opportunities for individuals from under represented groups is increased	A
	8	Employer Supported Volunteering is encouraged and championed by city organisations	A
Maximise good practice and quality standards in volunteering	9	Volunteering Involving Organisations (VIOs) are supported to build their capacity to manage and support volunteers	G
	10	The governance function of boards and management committees is strengthened	A
	11	The achievement and successes of volunteers in the city is celebrated	G
R	RED = Project stalled, significant barriers to progress		
A	AMBER = Project progressing okay, but some barriers to progress		
G	GREEN = Project progressing well, no barriers to progress		
√	GREEN √ = Project completed		

Appendix 1c - Council investment and New Grant Programmes

1.1 Council investment in third parties (2013/14)

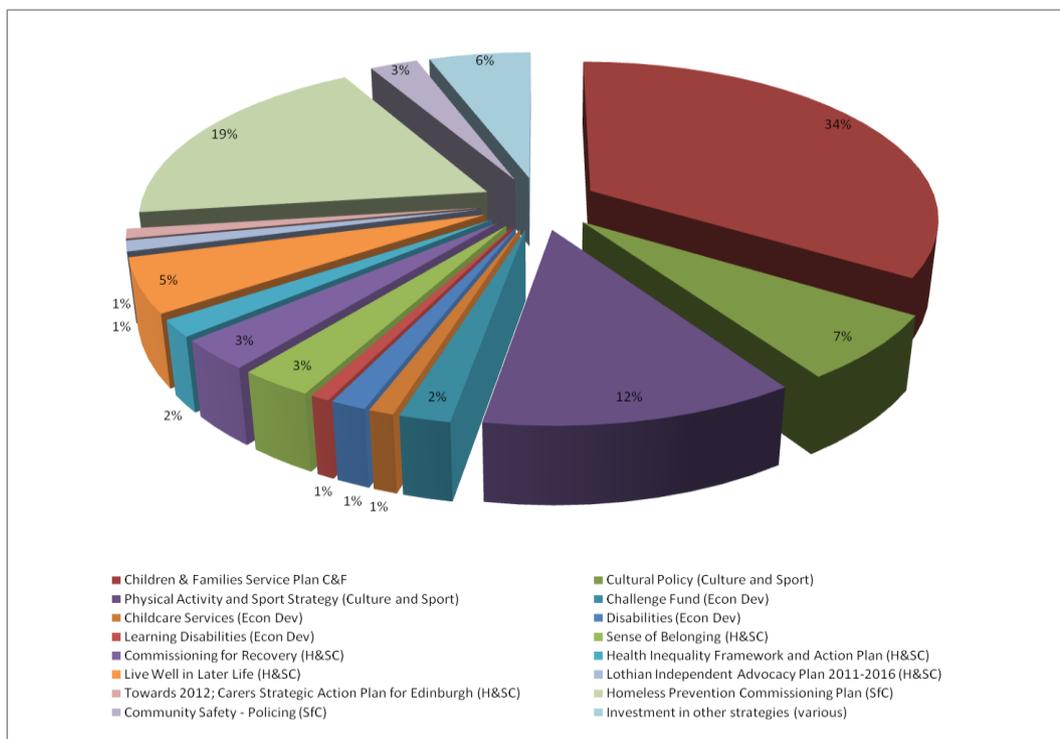
1.1.1 The Communities and Neighbourhoods Committee is asked to note that contractual investment in third parties is subject to both data protection and commercial confidentiality and therefore a summary (rather than a detailed breakdown) is provided below.

1.1.2 The most recent analysis of payments to third parties for community services (not including the costs of personal care packages) indicates that Council investment is equal to around 8% of Council revenue. Of this, 440 organisations receive a total of £78.25m with 64% of this under contract arrangements and 36% invested in the form of grants.

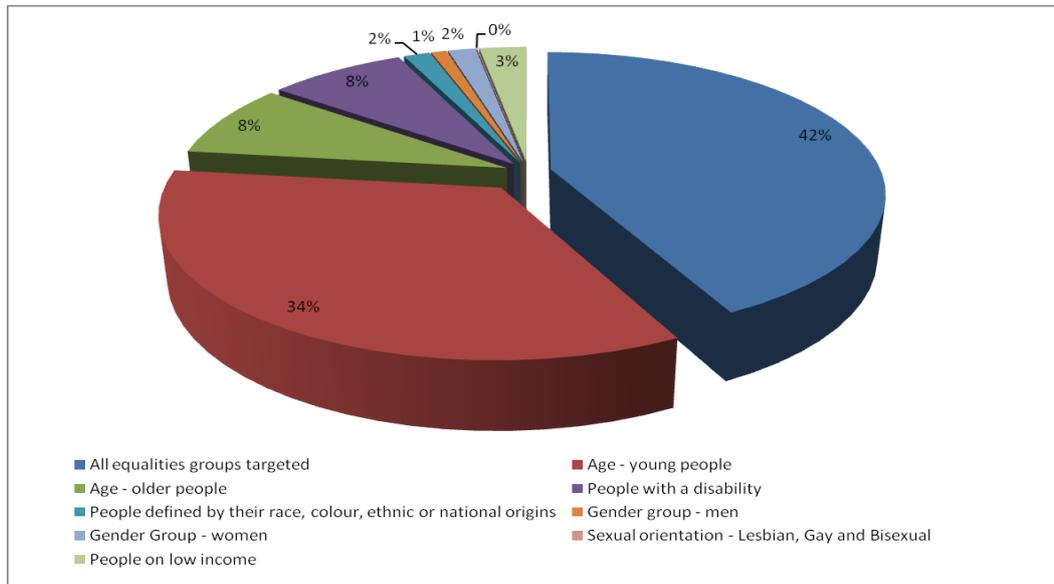


1.1.3 In the year, 248 small groups received community grants from Neighbourhood Partnerships totalling £0.4m with an average grant of £1,700 being made.

1.1.4 The following chart provides a breakdown of investment in third parties by key Council policies and strategies. The chart below indicates that the largest proportion of expenditure occurs in delivering vulnerable children and families related policies, investment in culture and physical activity represents around 19%, prevention of homelessness is 18%, social care and support policy spend is around 15% and employability and affordable childcare services receive around 5% of the overall sum:

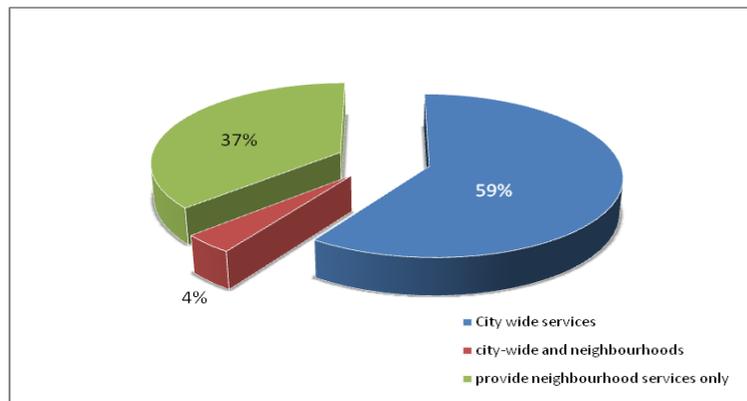


1.1.6 In looking at the distribution pattern of payments to third parties, the following chart indicates expenditure by equalities group:



1.1.7 An analysis of city-wide and local delivery (related to Council investment) suggests that across the 440 providers:

- most (262) deliver city-wide services;
- 161 groups deliver services within one or a small number of neighbourhood areas; and
- a small level (17) are active at both city and neighbourhood levels.



2.1 Co-production of new grants programmes

2.1.1 In order to implement the decisions of the Communities and Neighbourhoods Committee following last years grants review, a Grants Co-production Steering Group has been established with officers from Council service areas and third sector representatives. Over the last few months four meetings have taken place. In order to keep interested parties informed of developments, a series of update briefing notes have been made available by the Convenor of Communities and Neighbourhoods Committee on both the Compact and Council websites.

2.1.2 The role of the Steering Group has been to (i) provide a focal point for joint engagement in shaping new Council grant programmes, and (ii) identify proportionate approaches to assessment and monitoring. Those involved in the discussions are aware that a revised pattern of distribution may occur in delivering new grant programmes over the next few years and many have welcomed this opportunity. The Steering Group will remain in place throughout the two-year transition to new grant programmes.

2.1.3 Currently some service areas are in the process of engaging with Convenors and Vice-Convenors to develop new programmes, for example in Children and Families an Elected Members Working Group has been established. Discussions with the Economy Committee, Health, Social Care and Housing Committee and Culture and Sport Committee are also taking place. An outline timeline to establish new grant programmes has been produced and is available at the end of this appendix.

2.1.4 Both the Communities and Neighbourhoods Committee and the Corporate Policy and Strategy Committee have previously expressed concerns in regards to the impacts of grants changes (i) upon small organisations, (ii) those currently receiving multiple awards and (iii) further opportunities to apply grants in Neighbourhood Partnership (NP) settings. In regards to these matters:

- for small organisations, currently only 18 small groups (with an income of under £25,000) receive grant support totalling £0.1m. As part of new grant programmes Executive Committees may wish to take cognisance of these matters when developing new grants programmes.
- currently only 14 grant recipients receive more than one grant from the Council. For this group of organisations and for others that provide cross-cutting services, applications will need to address the relevant outcomes and pledges for each Executive Committee.
- consideration is being given to broadening out participatory budgeting across NP areas, similar to the 'Leith Decides' initiative in the Leith NP area. Across NP areas an average of £34,595 was invested in small grants. The table below provides further detail on small grant expenditure by NP area:

Neighbourhood Partnership	Budget	Number of awards
City Centre	£21,878	5
Craigmillar/Duddingston	£22,810	18
Portobello	£21,737	18
Liberton/Gilmerton	£29,595	13
South Central	£58,806	34
South West	£50,249	31
Pentlands	£43,583	23
Western	£43,791	20
Almond	£21,904	14
Forth	£26,444	17
Inverleith	£29,161	11
Leith	£45,184	44
Total	£415,142	248

3.1 Rental Subsidy and other support from the Council

3.1.1 Currently around 176 small and medium-sized organisations receive concessionary rental subsidy from the Council totalling £300,000, while paying £450,000 in rent for occupying

Council premises. However these groups don't include some cultural bodies.

3.1.2 A concessionary let from the Council is in real terms a financial subsidy to the recipient. Subsidies are granted at different levels and whilst these do represent a financial loss to the Council (estimated at £0.3m), the subsidy enables many groups to deliver community services, often without the need to access other Council funding.

3.1.3 A policy for concessionary lets is being developed to ensure improved transparency and fairness.

4.1 **Corporate third party investment database**

4.1.1 Currently there is no central database within the Council that provides an overview of all funding, and other resources, which are awarded to third parties. It is therefore proposed that such a database is developed to assist with:

- oversight and tracking of payments;
- delineating the impacts of changing investment patterns e.g. new grant programmes;
- improved analysis of investment by policy area or service user or geographic area;
and
- identifying duplication of investment.

Appendix 1c – Timeline to establish new council grants programmes

Outline Timelines for Developing Grant Programmes																															
2014-15															2015-16																
A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A											
15/16 Grants where existing approach is planned *																															
Grant Application Window	█																														
Committee Decisions					█																										
Grants commence																															
Preparations for New Coproduced Grant Programmes																															
Children & Families - All Programmes																															
1st meeting of Elected Member Working Group to steer grant programme development																															
Coproduce new grant programme(s)																															
Report to Executive Committee with Proposals																															
Invite Applications for New Programmes																															
Propose Awards to Executive Committee																															
New grants commence																															
Corporate Governance																															
Culture and Sport																															
Coproduce New Grant Programme																															
Report to Executive Committee with Proposals																															
Invite Applications for New Programmes																															
Propose Awards to Executive Committee																															
New Grants commence																															
Economic Development																															
Employability**																															
Coproduce New Grant Programme(s)																															
Invite Applications for New Programmes																															
Propose Awards to Executive Committee																															
New Grants commence																															
Health and Social Care (4 programmes ***)																															
Coproduce New Grant Programme(s)																															
Invite Applications for New Programmes																															
Propose Awards to Executive Committee																															
Grants commence																															
Health and Social Care (Health Inequalities)																															
Coproduce New Grant Programme(s)																															
Reports to Executive Committee with Proposals																															
Invite Applications for New Programmes																															
Propose Awards to Executive Committee																															
New Grants commence																															
Services for Communities ****																															
Advice Services																															
Coproduce New Grant Programme(s)																															
Report to Executive Committee with Proposals																															
Invite Applications for New Programmes																															
Propose Awards to Executive Committee																															
New Grants commence																															
	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A										
Other Relevant Council Policy Reviews																															
Revised Policy on Concessionary Lets																															
New Policy on Asset Transfer																															
Children & Families - all Programmes																															
Corporate Governance - Culture & Sport																															
Economic Development - Employability																															
Health & Social Care																															
Health & Social Care (Health Inequalities)																															
Services for Communities - Advice Services																															
Relevant to several or all Services																															

Appendix 1d - Case Studies

The following two case-studies describe the benefits of public and third sector cooperation in providing life-changing services, efforts to strengthen the use of consortia, co-producing policy and solutions and working together to enable efficiency. The Communities and Neighbourhoods Committee is asked to note that further case study material will be presented as part of the Committee proceedings.

Housing advice and support - context

The strategy for services for people who are experiencing homelessness had undergone a review in 2012/13. This review and the financial savings target set by the Council necessitated a major change to the service delivery model. Organisations currently providing the service came together to consider the options of piloting a collaborative approach or responding to a competitive tender.

Edinburgh Voluntary Organisations Council (EVOC) facilitated the discussions, taking account of the impact of these options on; service users, the sustainability of current providers and collating base line information on current service provision. The group agreed to work towards a collaborative response and EVOC developed a Memorandum of Understanding with the participants.

Over a 3 month period the organisations worked to establish three distinct consortiums which will ensure equity of service across the city and shared organisational structural and financial information. The maturity of the organisations participating in this exercise and the absolute focus on the needs of people who are experiencing homelessness has resulted in the Council agreeing to pilot this approach for 18 months.

Case Study 1

Collaborative Commissioning – Working Together To Deliver Better Services

Background

At a meeting on 16th October, 2012, at an Extra Ordinary General Meeting, members of the Coalition of Drugs and Alcohol Agencies in Lothian (CDAAL) voted to dissolve the Association. Voluntary Sector organisations in Edinburgh agreed to form a new representative body - Substance Use Network Edinburgh, known as SUNE which would provide a forum for sharing ideas and good practice, work collaboratively to tackle issues facing the sector and through fielding representatives to a range of strategic groupings, provide a voice for the sector in public sector policy development and decision making. With funding from the Edinburgh Alcohol and Drug Partnership (EADP) for development support from EVOC, SUNE held its first meeting in January 2013.

Context

In 2012 EADP published a Commissioning Plan for Recovery from Problem Alcohol and Drug Use: 2012-2015. In spring 2012 a timetable for commissioning services gave third sector partners three months to respond before services would be subject to competitive tender. This procurement plan was revised, however and for the next few months there was discussion and exploration of adopting a Public Social Partnership approach to commissioning services for treatment and recovery.

A Shadow Governance Group was formed in May with representation from EVOC, SUNE, City of Edinburgh Council (CEC), NHS Lothian, EADP Joint Commissioning Group, EADP CYP Subgroup; Treatment & Recovery Group and the EADP Support Team to oversee the process of designing and planning for the delivery of drugs and alcohol services.

This process was greatly enhanced when SUNE secured £10,000 from the Investing in Ideas Programme. This funding enabled third sector drugs and alcohol organisations and their public sector partners, to research different approaches to redesigning services on a large scale, collaborative basis.

Connections were made with different organisations across the UK and visits were made to three of these based in London. SUNE held sessions on PSP, and a Learning Day was held on 24th October, 2013, with further involvement from agencies out with Edinburgh, for the Third and Public Sectors and Service Users. A separate Service User Event was held in April 2014.

Taking on board the lessons learned from the research programme above, the idea of forming a Commissioning Collaborative and Alliance contracting to share the task of changing and improving to ensure the delivery of better services, gained momentum, receiving approval from the EADP Joint Commissioning Group and the EADP Executive and Councillors. A waiver of normal procurement until 2016 was agreed to allow the formation of the Collaborative and a process developed whereby public sector funding will be distributed through Alliances formed round different areas of service provision, e.g. the Recovery Hubs or Aftercare.

Lessons Learned

One of the key lessons learned during this process was the need to have “difficult” conversations. At the outset, Third Sector Representatives on the Shadow Government Group made it clear that, based on their past experience of “partnership” with the public sector; a relationship of trust would first need to be established before progress could be made. This was the catalyst for frank discussion and the gradual building of stronger, more transparent, collaborative process which will underpin a shared approach to taking difficult decisions and put the needs of service users, their carers and families as well as the communities in which they live at the heart of the process.

Case Study 2

Making it Work Partnership

The **Making it Work Partnership (MIW)** aims to assist lone parents with children less than five years to identify barriers to finding a job and work to overcome these; enabling lone parents to realise their potential and make positive choices which will enable them to move towards and secure sustainable employment. MIW is led by Capital City Partnership; other core partners include the Scottish Childminding Association, One Parent Families Scotland and EVOC. Other stakeholders – the City of Edinburgh Council Employability and Skills Team, Women onto Work and Jobcentre Plus also contribute to development and delivery.

EVOC facilitates partnership and effective governance and will encourage the engagement of smaller, third sector organisations working with vulnerable parents. It was seen as key to the success of Making It Work that a well-functioning partnership was formed to direct and develop the work. At the outset a collaborative approach to consultation and partnership building was adopted which ensured consensus around strategic aims and contributed to the success of the funding application to the Big Lottery.

A Project Manager, Administrator and 4 Development Workers have been recruited. The development workers are based in well-established community hubs which help in no small way to give MIW credibility and build trust. A successful and well attended launch event was held in November 2013 and the Project Manager has delivered a number of presentations, including one to EVOC’s Network of Organisations working with Children, Young People and Families. These have helped to raise awareness and ensure referrals to Making It Work are appropriate.

Unique to MIW is the holistic, one to one support it has offered lone parents from the outset. Development workers recognise that a lone parent, in debt and at risk of eviction cannot focus on finding employment. Solutions need to be found to these very stressful issues before a parent can move forward and plan for the future. This intensive support is time consuming, but it is hoped, will pay dividends in the long term in ensuring these vulnerable parents will secure sustainable employment.

Case Study 3 – Edinburgh Leisure, Social Return on Investment

Summary of Social Return on Investment

Outcomes for Positive Destinations

Our Purpose:

'To make a positive difference to communities by creating opportunities for everyone to get active, stay active and achieve more.'

Background

Positive Destinations is in its 3rd year of funding from the City of Edinburgh Council. The project was set up with the intention of:

- offering a development programme for young people not in education, employment or training (NEET) to improve confidence and life choices
- engaging 200 NEET/at risk of NEET young people in qualifications, training and work placements the sports and leisure industry
- increasing young people's involvement in sport and leisure activities in both a voluntary and paid capacity

The project has been funded since April 2012, with referrals and delivery beginning in September 2012. The total amount of funding received is £300,000.

Purpose of SROI Evaluation

Figures published in the School Leavers Destinations report by Scottish Government estimate 1300 NEET young people in the city (NB: definition of young person by Scottish Government is 16-19yr old, Positive Destinations engages 15-24yr olds).

Sport, physical activity and leisure are widely documented in research and social policies as potential vehicles through which to address issues such as poor health, depression, violence, crime and general well-being; i.e. several of the factors perceived to contribute to disengagement from traditional routes into a positive destination.

The cost of NEET impacts on the individual, government and society as a whole. A study by the Department for Education and Skills published in 2002 estimated that the additional resource cost associated with being NEET amounted to £45,000 over the lifetime of one individual.

What is unknown is the extent to which proactive engagement of young people, NEET and at-risk of falling into the category of NEET, in qualifications, placements and potential employment, using sport, physical activity and leisure off-sets social and/or financial support requirements of young people should they not achieve a positive destination. The intention of this self-evaluation is to express the changes that Positive Destinations creates, as described by the participants and referrers, in monetary terms. The reason for this is to engage in meaningful discussions with funders and service

providers about the value and sustainability of this intervention.

What the SROI Involved

The SROI is based on the year 1st April 2013 to 31st March 2014 and includes the funding and participants from this period.

The analysis is based on evidence gathered through pre- and post-intervention questionnaires for 120 of the 216 participants who completed within 2013-14; 10 one-to-one interviews; 5 focus groups involving 10 young people at each, and 3 telephone interviews; and written and verbal feedback by referrers in response to open questions.

Establishing values for the various changes described by stakeholders was done through valuation exercises with the participants.

"I have never been really good at school... but to show your peers and P.E class that you can stick in at something you're interested in. My friends have called me stupid, hopeless things like that and for them to give you a round of applause after you have taken the class; it gives you an inner achievement that you have achieved a lot. It might not be much taking just one session but the more you take it the more they appreciate it and are not going to call you stuff." Christopher Jeffery, 16

What the Evaluation Tells Us

Positive Destinations returns a social value of £8.37 for every £1 invested. This is a culmination of the value ascribed to the following outcomes for the young people:

Outcome 1: SKILLS

Individuals have the skills, knowledge and attitude to gain voluntary or employed position and/or further training/education.

Outcome 2: CONFIDENCE

Individuals have the personal and social confidence to pursue and secure volunteering, training, education and/or employment within their chosen field.

Outcome 3: RESILIENCE

Individuals have achievable goals & available opportunities which they actively seek to secure, and when faced with disappointing outcomes, continue to pursue.

And the following outcome for referrers:

Outcome 4: RETENTION OF YOUNG PERSON IN PURSUING OPTIONS

Referrer is able to offer opportunities for Young People to gain educational experiences in an environment completely unrelated to school. Young People, motivated by sport and physical activity, are engaged in a route way to a positive destination when previously they were disengaged through the 'mainstream system'