Action with Communities in Rural Kent Evidence Paper 1 to Kent County Council Procurement & Commissioning Select Committee, January 2014

This paper seeks to provide insight on one set of related questions set out in Kent County Council's *Commissioning TOR Summary for Witnesses* paper, and received by Action with Communities in Rural Kent on 16th January 2014. Action with Communities in Rural Kent (ACRK) is a rural development charity that has worked with Kent County Council on numerous agendas since 1923.

How are we supporting the VCSE? How can the VCSE play a more important role in the provision of KCC services as we become a commissioning authority? What else might we do?

Kent County Council (KCC) could be construed, maybe incorrectly, as supporting the Voluntary, Community and Social Enterprise (VCSE) sector in a disconnected, questionably-informed and financially inconsistent way. This can change if KCC utilises the VCSE in a research and development capacity, to help inform future policy formulation and subsequent service design. Such an approach would help the VCSE to play a more important role in the provision of KCC services.

- Evidence of disconnection exists in there being little demonstrable ability of the authority to work with VCSE organisations coherently across KCC directorates. An ACRK example is in its work with KCC on support for village halls – covering economic development, communities and emergency planning agendas (see case study 1 below.)
- Evidence that suggests KCC being questionably informed includes it not picking up on good practice from other parts of the country that support VCSE and / or SME innovation. ACRK examples of this include operation of major rural and / or community regeneration programmes, introduction of projects to help people remain independent in their own communities or reduce fuel poverty (see case study 2 below.)
- Evidence of supporting the VCSE in a financially inconsistent way is clear in the disparate approach to supporting infrastructure across the county and, in ACRK's experience, working to budget parameters set initially in the early 1990s. Additionally KCC has invested in new structures and mechanisms to deliver activity that could have been, or already, provided by organisations such as ACRK. Some examples of variations in funding, and comparisons with other mechanisms are listed in Case Study 3.

Case Studies

Case Study 1

ACRK operates a village halls support services across Kent and Medway, providing information, training, guidance and networking opportunities for the

Trustees of all 400+ community-owned buildings. In any given year ACRK will work to address issues, and help plan new work with around 160 of these. Halls can join a body called the Kent Community Halls Committee, which itself is a formal sub-committee of ACRK's own Management Committee (i.e. its Board.)

ACRK's work on village halls brings it in to contact with KCC on a variety of fronts. Part of KCC's core grant agreement (from the Economic Development section of the authority) contributes to operating costs, while significant time is taken up providing technical support to applicants and KCC staff involved in operation of the Community & Village Halls Grant Fund (operated by ACRK on behalf of KCC until around ten years ago, but managed 'in house' by KCC now via the Customer & Communities section.) Additional activity has taken place at various points over the past decade with KCC's Emergency Planning, Libraries and Environmental sections, although usually on an incremental basis.

KCC funding for ACRK village halls work came close to disappearing in 2013 – in part as it was not deemed to be an economic development activity. This exposed what may be seen as a 'division by direction' modus operandi; one department investing in ACRK but its halls activity supporting work of three other KCC sections. Further discussion led ultimately to the possibility of an additional £10,000 being found to help support the work, but that was ultimately not forthcoming and flexibility in use of the core grant remained.

Case Study 2

ACRK often seeks investment to pilot new ways of alleviating disadvantage across rural Kent. Being a small organisation, ACRK does not have large reserves; those it has have been used to invest in renovating a building for sub-letting purposes, and bankrolling 'payment by results' agreements. As such, innovation often has to be backed with new money.

Two examples of projects that ACRK has tried to introduce, based on good practice in other parts of the country, are Village Agents and Multi-Community Fuel (and other goods) Buying.

Village Agents is a scheme where a network of individuals, often only working around 10 hours a week, are the 'face' of key older / vulnerable people's services in a community. The scheme started in Gloucestershire, and now operates in counties such as Staffordshire, Essex, and Wiltshire. Transposing results from Gloucestershire suggests that over £7million might have been saved in bed nights alone if this scheme had operated in Kent since 2008 (this is on top of the annual adult social care budget savings achieved for the County Council in Gloucestershire.) County Councils are normal co-financiers of Village Agents schemes; there is no project operating currently in Kent, although KCC and ACRK are involved in a Big Lottery Fund bid that could see a small pilot operate in Thanet from late 2014.

21 of ACRK's 37 equivalents around England have established multi-village fuel (and indeed other goods, such as rock salt) buying consortia in the past three years. In some cases (e.g. Sussex), County Councils invested a modest sum (sometimes just £5 - £10,000) to help start these consortia. KCC was approached but more interested in an individual village application process for support – which tends to have less buying power. ACRK did find another VCSE interested in investing, but they decided not to provide money as the return on investment would not generate sufficient surpluses for them. ACRK had planned for a lower surplus, over a three-year period, than the other VCSE wished for.

ACRK has also played a key role in attracting external investment to Kent – sometimes to deliver specific funding or development / regeneration programmes. A small number of these schemes have ended up being run by KCC. In various counties (e.g. Bedfordshire, Cornwall, Cumbria, Durham, Sussex, Wiltshire etc.), ACRK's equivalents have been used to 'front' such programmes – in part as they are closer to the intended beneficiaries of available grant funding, and also as delivery is cheaper (e.g. they do not pay a local government pension.) In Surrey ACRK's equivalent has attracted major European investment that it cannot afford to bankroll; Surrey County Council has stepped in to provide an interest free loan (this is also the model used in Bedfordshire to enable delivery of the Greensand Ridge LEADER programme) to enable a particular programme to run. In Kent this does not currently happen, but might be considered for the future. If a VCSE organisation can attract investment to Kent (because it has the expertise) but cannot bankroll the work, should it be expected to pass that work on to a more costly (to the public purse) organisation? Alternatively, should VCSE organisations not bit to attract external investment if they are unable to bankroll anticipated activity? **Is it not more prudent to assist bankrolling the entrepreneurial success of that VCSE organisation?**

Case Study 3

A list of figures suggestive, perhaps wrongly, of inconsistent approaches to funding infrastructure includes:

- ACRK core grant from KCC = £37,000 per annum (49% of national average)
- CVS core grants from KCC range between £0 and in excess of £100,000 (for territories smaller than ACRK covers)
- Average core County Council grant to Rural Community Council 2012: £75,000
- Average total County Council in a Rural Community Council 2012: £289,000
- Average County Council investment per head of rural population: £0.81

- KCC investment per head of rural population: £0.19 (23% of national average)
- Highest KCC annual investment in ACRK since 2000: £118,000 (2011/12)
- KCC investment per jobs created or sustained through ACRK 2013/14: £282
- KCC investment per jobs created or sustained through Marsh Million: £1,667
- Reputed size of tender on community asset mapping for information ACRK holds largely already: £80,000

It may be seeking the impossible to redress the disparities in funding apparent above; these come from the perspective of one VCSE organisation whereas decisions relating to the figures given are taken in various parts of KCC (or other County Councils where rural communities or the benefits of utilising the VCSE sector may be of greater priority.)

A solution may be to conduct a review of infrastructure funding – and look beyond general infrastructure into arenas such as rural, funding advice, legacy models (e.g. Community Foundations too **– benchmark against other counties and introduce a degree of parity with transparent and fair formulae**.

Suggestions

1. Consideration given to providing a bank-rolling facility to help enable VCSE organisations attract further external investment to Kent
2. A review of VCSE infrastructure funding that results in a parity across the county generally and, on a thematic basis, with appropriately benchmarked national comparators.

Further information:

Action with Communities in Rural Kent, The Old Granary, Penstock Hall Farm, Canterbury Road, Brabourne, Kent TN25 5LL. Tel: 01303-813790 E-mail: info@ruralkent.org.uk