

Slough Borough Council

Draft Voluntary and Community Sector Funding Policy

October 2010

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2. INTRODUCTION

Purpose of this Policy

This Policy sets out the Council's revised role in providing funding, both capital and revenue for the voluntary and community sector (VCS) in Slough. It aims to:

- Build on the Slough Compact, by providing guidance on the criteria for funding allocation and the processes and procedures involved;
- Show how the policy integrates with Slough Borough Council's Commissioning Framework, which defines how the Council will approach commissioning with all prospective providers;
- Ensure that Council funds are used to the maximum benefit for the people of Slough;
- Strengthen Slough's Voluntary and Community Sector, and develop its capacity taking into account national guidance and local priorities;
- Provide guidance for Members, officers and the voluntary and community sector on how the policy should be applied.

The amount of funding available will of course vary according to the changing financial climate.

3. PRESENT POSITION

What is the Voluntary and Community Sector (VCS)?

The voluntary and community sector is made up of organisations of all shapes and sizes and in various stages of development. The voluntary and community sector reflects the diversity of local communities. Community groups generally have no paid workers and may be made up entirely of volunteers. Voluntary organisations usually employ paid workers, many of whom are highly experienced and qualified. Many will utilise volunteers to carry out some of their activities. Many voluntary organisations have Management Committees made up of volunteers who are the employing body.

Voluntary and community organisations may work with those most at risk from social exclusion, providing help and support and in many areas, including health and social care, advocacy and campaigning, education and learning, housing, employment, welfare, community support and safety.

Governments increasingly emphasise the role of the VCS in delivering innovative and effective public services, both as a means of delivering public services and of building active citizenship and participation in local decision making.

Overview of the Voluntary and Community Sector in Slough

There is a thriving voluntary and community sector in Slough ranging from small single issue community groups through to local branches of major national charities. Slough Council for Voluntary Services provides support, training and advice to the whole sector and acts as a voice for its membership.

Several other large voluntary and community sector organisations play a key role in providing services locally and also contribute to local, regional and national policy development.

Their independence and access to local residents means that the voluntary and community sector in Slough can play a key role in ensuring that all members of our community have a voice. Locally, there is recognition that the VCS plays a key role in achieving local priorities and in making sure local concerns are fed into the strategic planning processes for the Borough.

A survey of voluntary sector organisations was carried out in 2009 by an on-line and hard copy questionnaire, which resulted in 44 responses. The key issues identified and proposed responses are set out in Appendix A – Key VCS issues and council responses. The findings from the questionnaire along with other information, knowledge and considerations have been informed and helped to shape this policy.

The Compact

Established in 1998, the Compact is an agreement between Government and the voluntary and community sector in England. It recognises shared values, principles and commitments and sets out guidelines for how both parties should work together. Although the Compact is not legally binding and is built on trust and mutual goodwill, its authority is derived from its endorsement by government and by the voluntary and community sector itself through its consultation process.

Slough's Compact is 'a commitment by Slough's voluntary and Community sector and statutory bodies to strengthen partnership working'. Slough's voluntary, community and public sectors have the shared aim of making Slough the best possible place to live and work. The Compact affirms the mutual respect and value with which each sector regards the other.

Slough's Compact is made up of nine protocols (a set of agreed principles or codes of practice).

- Partnership Working
- Accommodation and Premises
- Commissioning, Procurement and Contracts
- Communication
- Community Development and Capacity Building
- Community Engagement (Consultation)
- Volunteering
- Finance and Funding
- Equality and Diversity

Current Funding / Support

Funding and other support is currently provided to VCS organisations in a number of ways.

- In some cases services are formally commissioned following national and local procurement legislation and guidance. In such cases contracts covering a number of years are usually implemented. The contracts specify the type of service to be provided, activity levels and volumes, outcomes and outputs to be achieved and required performance standards.
- Other services are funded through a range of grant programmes. These services will normally have service level agreements (SLA) in place which define the service to be delivered and performance levels required. There is a variety of processes in place across the local authority to allocate grant funding. Most grant funding is for a one year (often renewed), though some can be for longer periods.
- Small grants funding has also been provided for very small and emerging community organisations. This has been targeted at developing small organisations and capacity building, and core funding to service delivery organisations addressing the needs of the most disadvantaged communities.
- The Council also provides a range of 'in-kind' support to VCS organisations. This can include free or subsidised premises, subsidised utilities costs, subsidised use of community halls, support with quality assurance, and car parking permits.

All of the current arrangements are being reviewed to ensure consistency, clarity, transparency and accountability in all the Council's dealings with the VCS.

4. POLICY REVIEW

Benefits of Working with the VCS

It is clear that significant value can be added to public service provision by working with the VCS. In particular these organisations:

- **Increase the choice of providers** - more than ever it is essential to have in place a policy which ensures that the Council has the widest range of options when commissioning services and makes best use of the resources available to achieve best value;
- **Engage with users** – many organisations within the sector are established in response to an identified need. They are trusted by the people they work with, and therefore are often best placed to listen to and understand peoples' needs;
- **Create and harness social capital** – through building and maintaining relationships within and across communities;
- **Tailor services around the user** – it is common for VCS organisations to be founded by people who have direct experience of an issue and to involve service users on the board or in delivery, thus directly informing service design;
- **Access 'hard to reach' groups** – as VCS organisations are independent and have gained high levels of trust they can often engage more effectively with marginalised or disadvantaged groups. Many services can be delivered within a community setting to remove any stigma and fear of being associated with a particular issue or problem;

- **Innovate** – an ability to respond quickly and be flexible in their approach means that the sector can often pilot and innovate new solutions to meeting needs;
- **Provide value for money** - many organisations deliver preventative / early intervention services, which can subsequently reduce the number of future users of statutory services. Also the establishment of joined up services can deliver a number of outcomes across a range of service areas. The VCS may also have access to additional funding that is not available to statutory agencies.

Changing Needs and Expectations

There are a number of changes in Slough which will increase the demand for support services of the type that the VCS provide:

- **Demographic changes** - Slough has always welcomed new communities and has an exceptionally diverse population estimated to be in the region of 130,000. Almost 40% of its residents come from black or minority ethnic backgrounds and the borough has a higher than national average number of young people. Our goal is a town where all communities, irrespective of background, have a chance to succeed and prosper and where they have an equal stake in shaping the future direction of the town. There are a growing number of small developing organisations representing new communities settling in Slough, all with their own individual needs. The dilemma for both the Council and the voluntary and community sector is how to respond to growing, competing and increasingly complex demands with a pot of funding that is not growing;
- **Personalisation** – the development of more personalised adult social care services is likely to generate additional demand for the support services that the VCS can provide. However, there will be both opportunities and challenges, as the movement to person centred services and personal budgets will require innovation in the services which will be funded and flexibility in how they will be delivered, whether that will be individually or collectively;
- **Localism** - is being taken forward in Slough by a project looking at how we can work more closely with neighbourhoods and help them develop the capacity to influence and even deliver services. The VCS has a key role in supporting the development of neighbourhood groups and in bringing communities together to deliver activities in their neighbourhood.

However, the increased opportunities for the provision of services by the VCS have to be seen in the context of other changes which raise issues for the VCS organisations:

- **The Council's financial position** – will be more challenging than ever before with the government's substantial spending cuts. The availability of funds to support this policy is dependent on the Council's overall medium term financial position (2011-2014) and the choices it makes when allocating resources.
- **Monitoring and reporting** - the development and growth of more formal commissioning has created increased requirements on the sector to provide quality monitoring information, which can stretch the capacity of

some organisations in the sector. In particular, a commissioning approach has resulted in a greater focus on outcomes to assess the impact of services and to ensure value for money. The requirements for improved information and feedback is a culture change, particularly for the smaller voluntary organisations and will require improvements in human resources and their skills and information systems. It may discourage some organisations from taking up commissioning opportunities. It is therefore essential that this policy recognises the need for different and proportionate management information and feedback requirements, dependent on the amount of funding being offered.

5. VCS POLICY PROPOSAL

The council has undertaken a review of its engagement with the Voluntary and Community Sector and developed this new policy to ensure consistent approaches which will benefit both the VCS and the local authority.

Aims

The key aims of the Councils funding policy for the VCS are to:

- Improve communication, understanding and trust between the Council and the voluntary and its community sector partners;
- Clarify and better coordinate all forms of support to the VCS, to provide stability and direction;
- Support accountability and transparency in spending public money;
- Demonstrate the Council's commitment to the local Compact by strengthening partnership working between the Council and the VCS to create an environment for a thriving third sector.

Council Principles

We will achieve the above aims by applying the following principles:

- The Council will ensure that VCS funding is closely aligned to the Authority's key priorities, fulfils a legislative requirement or builds relevant VCS capacity;
- The Council will engage VCS partners where such support is the most effective way of delivering a priority service; subject to the availability of resources and procurement regulations;
- The funding process (including administration, assessment and decision making) will be open, fair and transparent;
- Support to VCS organisations "in-kind" (e.g. provision of accommodation) will be provided in the future on the basis that any opportunities to share facilities and make the best use of facilities will be exploited by the Council;
- Where possible support "in kind" will be costed (eg lost opportunity cost), to provide an objective measure of the level of the support provided;
- Council funding opportunities will be actively publicised; information to applicants and application processes will be easily accessible and clear;
- Co-operation and co-ordination between different Council Departments will be improved, especially in cases where organisations are funded from a range of funding streams or from more than one department;
- The Council will recognise that a VCS organisation needs to meet core and overhead costs in applications for funding;

- Monitoring and evaluation will be based on the delivery of agreed and quantifiable outcomes; the payment of funds will be dependent on the VCS organisation evidencing the delivery of such outcomes;
- Monitoring and evaluation procedures will be commensurate with the level of funding / risk, simple and efficient, to minimise the administrative burden on VCS organisations;
- The independence of VCS organisations will be respected, including their right to campaign, irrespective of any funding relationship;
- All VCS organisations providing services locally and over a wider area, will have equal access to funding;
- The Council will support sustainability, certainty and stability; for example by offering funding over more than one financial year, where it is beneficial to do so;
- The council will abide by legislation and guidance relating to the commissioning and procurement of services.

Proposed VCS Organisation Principles

The following principles are examples of best practice which should be applied as practicable and in line with any specific requirements specified for particular funding agreements:

- VCS organisations will aim to recover the full cost of their funded activities, including ensuring that a proportion of their overhead is included in funding bids / tender submissions; this is good practice and should eliminate the need for separate claims for 'core cost' funding;
- VCS organisations will aim to keep a minimum level of reserves, in line with Charity Commission guidelines;
- Opportunities for collaborative projects, sharing of resources or partnership working should be explored and developed between VCS organisations, to make the best use of limited resources;
- Funded organisations will demonstrate that good value for money is offered; there will be a strategy for maximising income from other sources, thereby reducing the need for Council funding;
- In providing Council funded services, VCS organisations will offer reasonable terms and conditions of employment;
- Council funded organisations will be compliant with all relevant equalities legislation with regard to race, gender, disability, religion / belief, age and sexual orientation.

Proposed Principles for Property

VCS organisations require property in order to deliver their services either for exclusive or shared use as their own offices, or for delivery of their services, from for example: meeting rooms, halls, land etc.

Many VCS organisations will purchase or lease the property they require from the market, and maintain it from within their funding stream.

Support for accommodation needs is one way in which the Council may be able to assist the VCS which often requires assistance in finding and securing their property requirements. However the Council has limited resources and facilities available and the VCS has a diverse range of needs.

A policy has been developed to address this problem. The policy will be monitored and reviewed regularly and this will include consultation with partners.

The main points of this policy are:

General. All property dealings between the council and VCS organisations will be on the basis of transparent arrangements.

Property Availability. When it is considering disposal of a property asset (either the disposal by way of sale or lease) the council will consider the needs of the Voluntary and Community Sector and make details of the property available to the VCS.

Rent. The Council is legally obliged to assess the value of its property, to account for this, and arrange property transactions on the basis of Best Value at a Market Rent. VCS organisations pay market value for the property they occupy either by way of purchase, leasing/renting or hiring except where a reduced rate is agreed and this should be recognised as a grant. (See also Grants below.

Letting Terms. Exclusive use of premises will be subject to a lease commensurate with the building and the space. Where possible a “full repairing lease” will be agreed as standard except where not commensurate with the condition of the property. Long term leases will not normally be agreed but where granted will include provision for monitoring and termination if service targets are not met.

Accommodation Subsidy/Grants. The Council has very limited funds for grant assistance. Support, nor its continuation, should be assumed by any group in receipt of support. Support may be provided following an application and assessment process. The process will be open and transparent, and any grants/support will be subject to monitoring. VCS organisations may also apply for subsidy for their use of non-Council accommodation on the same basis.

Full Use of Premises. Underused premises are considered to be not best use of the limited resources available. When considering applications from VCS organisations priority will be given to applications which demonstrate best use in terms of numbers of hours in use per week and which include proposals for sharing and partnerships with other VCS users.

Service Contracts. Some VCS organisations undertake service delivery under contract to the Council. Where Council premises are used for this, rent will be charged and it will be accounted for within the contract agreement.

Hirings Information. Community Halls owned by the Council are available to the wider community and the VCS to hire. A fair fee for all rooms, spaces and buildings will be assessed and published. As many similar rooms/hall hirings are also available from partner organisations such as local Churches etc, the Council will develop its website to include details of all premises in Slough for hire.

Monitoring. In order to ensure delivery of intended outcomes, lettings and any other grants awarded will be monitored. Agreements between the Council and VCS occupiers of Council property will include provisions for determination of occupation if premises are not being used for the purpose intended.

6. FURTHER INFORMATION

Commissioning and Procurement

The Council has adopted a uniform approach to commissioning services according to evidenced need. There are clearly many roles that VCS organisations could fulfil in supporting the delivery of specified services.

The required services will be in line with the Council's priorities. They will also be set out in relevant documents such as commissioning strategies.

The council's values with regard to commissioning are:

- a) Being inclusive and promoting equality ensuring that equality impact assessments are carried out on all services that are developed and commissioned
- b) Engaging and involving local residents and service users when appropriate in the design, development, tendering and implementation of new services.
- c) Making decisions openly, based on quality evidence
- d) Focussing on outcomes
- e) Investing wisely for the future and ensuring value for money
- f) Working towards a shared vision and outcomes, agreeing where possible target priorities and therefore taking a joint approach to commissioning services
- g) Committing to integrated and partnership working
- h) Encouraging innovation and ambition

There is legislation and guidance including the council's constitution which governs how services are procured. Contracts which have a value of more than £50,000 will be subject to formal tender. Please refer to Appendix B

Identifying and selecting priorities:

Funded organisations will be expected to deliver services which are in line with priorities agreed and identified by the council and its partners.

The priorities are determined by the local authority and partners through the Local Strategic Partnership and relevant sub-groups.

VCS organisations seeking guidance on the Council's priorities are advised to research the five themes of the Sustainable Community Strategy which are priorities for the Council and the Local Strategic Partnership. They are:

- community cohesion - celebrates diversity and enables inclusion;
- community safety - is a safe place where people also feel safe;
- health and wellbeing - has healthy and fulfilled people and communities;
- environment - is a cleaner, greener place to live, work and play;
- economy and skills - has prosperous individuals and communities.

Further information is available at www.slough.gov.uk

Time limited grant funding:

Within the financial resources available to the council there will be opportunities for time limited grant funding to VCS organisations. This funding will reflect and deliver against agreed priorities. **Services/activities that are not in receipt of significant and/or on-going commissioning from Council Service Directorates will be prioritised for support from the corporate budget.** The Corporate budget will support activities either through commissioning or grant funding, which include:

- capacity building and fundraising;
- infrastructure support;
- volunteering
- generic and specialist advice services;
- activities which reduce local inequalities and promote community cohesion.

This approach will focus our grant funding on supporting the voluntary sector, in order to ensure our local voluntary and community sector is fit for purpose.

The Council recognises that many, smaller organisations will not wish to take on commissioned services or activities, yet many voluntary organisations fulfil a vital role in their local communities and require on-going support to carry out that role or develop their activities.

The Council will therefore continue to operate a Small Grants Fund, but will refresh it, establishing links to corporate priorities.

The Small Grants Fund will be open to VCS organisations that benefit the local community. It will support one-off events, new, innovative projects and capacity building. It will support projects that will help organisations to develop, meet growing needs, and become stronger, more effective and better able to meet the needs of the community.

Monitoring:

The continued funding of organisations will be dependent on effective delivery against agreed targets and outcomes. Monitoring arrangements will be in place to assess performance against these targets.

Monitoring will be:

- Based on the delivery of clearly identified, measurable and agreed outcomes and outputs
- Proportionate to the scale of funding and nature of service provided
- Clear and simple to reduce administrative burdens
- Co-ordinated to avoid duplication of effort

6. APPENDIX A – KEY VCS ISSUES AND COUNCIL RESPONSES

A survey of voluntary sector organisations was carried out in 2009 by an on-line and hard copy questionnaire, which resulted in 44 responses. The following summarises the comments and the Councils responses.

Key Issues identified by the Voluntary and Community Sector	How we aim to respond to this issue within the new Funding Policy
<ul style="list-style-type: none"> • Not enough accessibility and transparency of grant and commissioning opportunities available to the Voluntary Sector 	<ul style="list-style-type: none"> • A strategic commissioning Policy is being developed which will ensure a fair and transparent process • Central overview of commissioning and grant funding processes and systems.
<ul style="list-style-type: none"> • Information is not always clear, with different approaches in different departments, 	<ul style="list-style-type: none"> • Develop agreed templates and processes for application, assessment and monitoring to be used Council –wide whenever possible
<ul style="list-style-type: none"> • No single route of information 	<ul style="list-style-type: none"> • A dedicated web-site for all grants and commissioning opportunities and on-going arrangements.
<ul style="list-style-type: none"> • Not enough support given in completing applications, paperwork too lengthy and complicated for smaller organisations/organisations where English is not the first language. 	<ul style="list-style-type: none"> • Better signposting to Voluntary Sector capacity building and support organisations through the web-site. • Improved written guidance on how to complete applications. • Paperwork requirement to be appropriate to level of grant funding. • Work with Slough Council for Voluntary Services (SCVS) to develop strategy to support organisations to access funding opportunities, including those where English is not the first language.

<ul style="list-style-type: none"> • Inadequate level and duration of funding 	<ul style="list-style-type: none"> • Clarify all funding opportunities • Where possible support funding opportunities longer than one year • Improve signposting of Voluntary Sector to other relevant funding sources • Raise awareness of the Council's finite resources and efficiency savings across all services.
<ul style="list-style-type: none"> • Small Grants (currently grants under £2,000 targeted at small and newly formed organisations) • Over 50% of respondents stated that the ceiling for Small Grants funding should be between £2,000 to £3,000 • One year funding is inadequate for small organisations to develop, and funding should be increased in subsequent years • 30% of respondents wanted the small grants fund to be allocated an increased share of the total budget 	<ul style="list-style-type: none"> • Develop new commissioning criteria • Review time-limited grant funding opportunities including duration of funding, application and allocation processes and criteria for evaluation. • Monitoring and paperwork requirement to be proportionate to level of grant funding.
<ul style="list-style-type: none"> • Support needs – there was a long list of support needs including training, capacity building, development support, recruitment of volunteers, exploring different funding sources 	<ul style="list-style-type: none"> • Improved signposting to relevant training, funding sources and support services, locally, regionally and nationally through web-site and work of SCVS
<ul style="list-style-type: none"> • Sustainability ideas included partnership bids for contracts, explore social enterprise options, joint working, mergers, share resources, improve internal systems 	<ul style="list-style-type: none"> • Raise awareness of statutory requirements for commissioning and procurement • Support work of Berkshire East Funding Project, managed by SCVS to develop partnership bids for contracts • Work with SCVS's procurement project to make Council procurement processes accessible and transparent.

7. APPENDIX B – PROCUREMENT PROCESSES AND PROCEDURES

The Constitution **paragraph 16.28** of the Financial Procedure Rules (available at www.slough.gov.uk) stipulates that all purchases over £50,000 will be advertised unless exempted.

All tender opportunities will be advertised on the South East Business Portal. Competition requirements apply to all purchases made by the Council to demonstrate that best value for money is being sought by Contract Officers. **All contracts entered into by the Council will be based on the need to generate effective competition whilst minimising tendering costs.**

The greater the value of the contract, the more competition is required. The competition requirements, i.e. Purchasing Method, for the different thresholds is shown below:

Contract Value £	Purchasing Method	Form of Contract
Less than £5,000	Issue a Request for Quotation (RFQ) to a minimum of three suppliers	Standard Council Terms and Conditions
£5,000 -£50,000	Issue a Request for Quotation (RFQ) to a minimum of three suppliers	Formal Agreement signed by Chief Officer.
£50,000 - £156,442	Issue a formal written Invitation to Tender (ITT) to a minimum of three suppliers	Special Contract to be drawn up by Legal Services. Signed by Deputy Borough Solicitor.
Over £156,442 (Part A Services/ Supplies) Over £3,927,260 (Works)	EU Procurement Rules apply. Please note that the thresholds change every year.	Special Contract to be drawn up by Legal Services signed by Deputy Borough Solicitor

Part A and Part B Services

Not all services are covered by the full application of the EU Directives. Services are split into two parts; Part A and Part B:

The European Directive, 2004/18/EC, and subsequently the UK Public Contracts Regulations (2006) set out a clear set of requirements regarding procurement processes. Both sets of legislation allow a "light touch" approach to the procurement of Part B services.

Part B tenders will comply with the regulations in that they will be adequately advertised, include a technical specification, receive contract award details and adhere to the general EU treaty provisions of equal treatment, transparency and non discrimination. The 10 calendar day stand still period will apply where the contract award decision is notified electronically or by fax. The 10 day standstill period may also run from the date on which a tenderer receives notice of the contract award decision. However in all other

circumstances e.g. royal mail the stand still period will be for a minimum of 15 calendar days.

PART A		PART B:	
1	Maintenance and repair of vehicles and equipment	17	Hotel and restaurant services
2	Transport by land, including armoured car services and courier services but not including transport of mail and transport by rail	18	Transport by rail
3	Transport of air, but not transport of mail	19	Transport by water
4	Transport of mail by land, other than by rail and by air	20	Supporting and auxiliary transport services
5	Telecommunications services other than voice telephony, telex, radiotelephony, paging and satellite services	21	Legal Services
6	Financial Services: a. Insurance Services b. Banking and investment services other than financial services in connection with the issue, sale, purchase or transfer of securities or other financial instruments and central bank services	22	Personnel placement and supply services
7	Computer and related services	23	Investigation and security services other than armoured car services
8	R&D services here the benefits accrue exclusively to the contracting authority for its use in the conduct of its own affairs and the services are to be wholly paid for by a the contracting authority	24	Education and vocational education services
9	Accounting, auditing and book keeping services	25	Health and social services
10	Market research and public opinion polling services	26	Recreational, cultural; and supporting services
11	Management Consultancy services and related services, but not arbitration or conciliation services	27	Other Services
12	Architectural services; engineering services and integrated engineering services; urban planning and landscape architectural services; related scientific and technical consulting services; technical testing and analysis services		
13	Advertising services		
14	Building –cleaning services and property management services		
15	Publishing and printing services on a fee or contract basis		
16	Sewerage and refuse disposals service, sanitation and similar services		

The council will tender opportunities on the South East Business Portal:
www.businessportal.southeastiep.gov.uk