

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview and Scrutiny Committee **DATE:** 2nd July 2009

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(For all Enquiries)

WARD(S): All

PART I **FOR INFORMATION AND COMMENT**

REVIEW OF THE COUNCIL'S GRANT FUNDING AND OTHER SUPPORT TO THE VOLUNTARY AND COMMUNITY SECTOR

1. Purpose of Report

To provide Members with an update on the review of grant funding and support to the voluntary and community sector.

2. Recommendation

The Committee is requested to note the progress of the review.

3. Community Strategy Priorities

Celebrating diversity, enabling inclusion
Being safe, feeling safe
Prosperity for all

4. Other Implications

(a) Financial

There are no additional financial implications emanating from this report.

(b) Human Rights Act and Other Legal Implications

There are no Human Rights Act or other legal implications.

5. Supporting Information

5.1 At the February 2009 meeting, Cabinet was informed of the proposed review of the Council's grant funding to voluntary and community organisations. Since that time, an Officer Steering Group has been set up, chaired by the Director of Improvement and Development, and with senior officer representation from relevant Council Directorates, including economic development and inclusion, property services, adult social care, and procurement. This group meets regularly to lead and provide input to this strategic Council -ide review. A background scoping paper on the need and process of the review is attached at Appendix A. The review will consider how

funding and commissioning is organised. It will not discuss individual organisations or funding decisions.

- 5.2** The review will enable the development of a new more open, transparent and efficient Council-wide system, resulting in more equitable and effective systems for funding and commissioning the voluntary and community sector; development of funding priorities and criteria in line with the sustainable community strategy; the commissioning of Council services becoming more accessible for the voluntary and community sector; and improved communication and understanding between the council and the sector.
- 5.3** The review process will encompass a research phase to identify best practice in other local authority areas and the regional and national agendas; a mapping exercise of all income and other support to the voluntary sector from individual council departments; an understanding of current grants/contracting arrangements and priorities and criteria for funding in individual departments, before the new Council-wide funding regime is developed.
- 5.4** The review will be Compact compliant, allowing adequate time for the voluntary and community sector to debate and provide input to the process at different stages. A consultation period of 8 weeks was opened on 15th June to gain the views of the voluntary sector through an on-line questionnaire. Views are being sought on the Council's current funding arrangements, what obstacles organisations currently face, their plans to sustain services through the current economic climate, and training and development needs. The voluntary sector will be given the opportunity to contribute at this early stage of the review via a range of forums and events such as the Slough Community Network, Compact Steering Group meetings and the council's Diversity Conference. Over 450 Slough based organisations will receive a hard copy of the questionnaire by post, and full feedback will be provided on the results of the consultation.
- 5.5** A draft report will be presented to Cabinet in September 2009 detailing the initial findings of the research and consultation with both voluntary sector colleagues, and officers of the council. Regular updates will be provided to the Voluntary Sector Members' Panel, Corporate Management Team, and the Compact Management Group on progress of the review.
- 5.6** At the December 2009 meeting, Cabinet will be requested to endorse a report recommending a draft funding plan for all future funding and commissioning arrangements. Also at this meeting an extension of all current Longer Term Funding Agreements will be requested for a maximum of an additional year whilst new funding arrangements and rounds are embedded. Once the voluntary sector has been given ample opportunity to comment on the future funding regime the finalised proposal will be recommended for endorsement and implementation at the Cabinet meeting in March 2010.

6. Conclusion

A Council-wide review of the income support, through grants and contracts, and other in-kind support to the voluntary sector, such as accommodation, parking permits, utilities costs is due to be completed with recommendations for future funding arrangements to the sector by March 2010. A further report will be presented to this Committee at the draft funding plan stage.

7. **Appendices Attached**

'A' – Background scoping paper

8. **Background Paper**

Grants Review files kept in the Voluntary Sector Team.

REVIEW OF THE COUNCIL'S GRANTS AND SUPPORT TO THE VOLUNTARY AND COMMUNITY SECTOR

Background

The Corporate Grants programme is the Council's discretionary financial commitment to the Voluntary and Community Sector. For 2009/10 the budget is £722,890, the majority of which is committed to three year grant agreements (£639,970) with the remainder allocated to annual small grants, capacity building grants, funding for community halls subsidy and accommodation.

This is the final year of the current three year funding agreements, and it is felt that it would be timely to carry out a review of the grant funding and support provided to Slough's community and voluntary sector.

There has been little real change to the priorities and criteria of grant funding for several years, and many of the organisations funded have been funded for many years. We are continually receiving requests for additional support from both funded and unfunded organisations for funding and accommodation.

It is not possible to accommodate any new requests as resources are already allocated. There needs to be a review of all arrangements to ensure that Council resources are being utilised effectively to reach the most appropriate communities and groups in line with the Council and wider LSP priorities.

The outcomes of the review could represent small change or a significant move away from the current funding regime. In order to ensure that the review can enable a positive move forward to benefit both the Council and the third sector it is key that past funding or delivery is not a basis for any future funding.

Why do we need a review?

- The 2006 Local Government White Paper, 'Strong and Prosperous Communities' emphasises the role of the VCS, the centrality of the LSP and the Local Area Agreement. Both the LSP and LAA involve the third sector. Slough needs to demonstrate better the link between its priorities and targets, and the allocation of grant funding. It would be appropriate to align the funding decisions with the outcomes that we are committed to.
- NI7: An environment for a thriving third sector- the council is required to engage with its residents in delivering services. There is a clear need for the Council and the VCS to strengthen their engagement with each other and work together to address the issues affecting the local community.
- There is a move towards offering commissioning and procurement opportunities to the voluntary sector alongside other providers.
- The council and most other funders are facing and will continue to face reduced resources in future years. Funding from The Big Lottery and trusts and foundations is becoming ever more competitive.

- Third sector organisations are finding it hard to sustain their activities. More and more time is spent sustaining the organisation rather than delivering activities.

Economic downturn – some organisations will see a fall in demand for their services, others an increase, and some sub-sectors may emerge in response to new needs (eg increase in homelessness charities in mid 80s). There needs to be an understanding of the emerging needs of the VCS when developing priorities for future funding.

What do we want to achieve from the review?

- Ensure that we improve performance against NI7 Environment for a thriving third sector. The Office of the Third Sector has provided early information from the National Survey of Third Sector Organisations. The baseline figure for Slough is 16% (slightly below the national average of 16.2%) with indicative targets for improvement to ensure we meet required level.
- The emergence of a new more equitable and effective funding regime which delivers a thriving third sector enabling the sector to work alongside the Council on its priorities, and better able to take advantage of new and different opportunities in delivering services to the local community.
- A more sustainable VCS, that is not dependent on Council funding. Council funding is used to lever in considerable additional funding from other external sources, and as such is key to growing a sustainable sector for the future.
- Better involvement from the VCS in strategic work, eg the LSP
- Introduce new funding priorities and criteria in line with changing needs.
- Review current commissioning and procurement arrangements and develop a strategic approach.
- Link funding and commissioning to community strategy priorities and LAA
- Improve communication and understanding between council and the sector – better understanding and use of Compact
- Central information base on all Council support to the voluntary sector– grant aid, in-kind support, utilities costs, commissioning contracts etc.
- Improve accountability, accessibility and consistency.
- Ensure that access to council resources are allocated fairly and equally against set criteria and priorities. We currently have a number of historical local arrangements with individual organisations (in kind support for premises costs, parking permits, subsidy for use of community halls, payroll services, direct payment of utilities costs etc). These need to be unpicked and a more equitable system be devised.

The Process – what do we need to do?

- Consultation with all stakeholders – VCS, funded and unfunded groups, Voluntary Sector Members Panel, service directorates, LSP, other local funding agencies

- Set up a small internal steering group to lead and manage the review, and possibly a consultation forum that meets regularly with the VCS and other interested parties –possibly the Compact Management Group.
- Research different models and areas for comparison, and compare with best practice
- Challenge current systems - identify key strengths and weaknesses
- Manage expectations/worries/assumptions of the VCS.
- Identify new ways of working

The review will be Compact compliant, allowing adequate time for the VCS to debate and provide input to the process at different stages.

The review will consider how funding and commissioning is organised. It will not discuss individual organisations or funding decisions.