

**VOLUNTARY SECTOR REVIEW (INDICATIVE FUNDING)
(Report by the Overview and Scrutiny Panels (Social Well-Being) and (Economic Well-Being))**

1. INTRODUCTION

- 1.1 At meetings held on 3rd and 5th January 2012, the Overview and Scrutiny Panels (Social Well-Being) and (Economic Well-Being) considered a report by the Head of Environmental and Community Health Services on voluntary sector support for 2013/14. This report summarises their discussions.
- 1.2 The Panels were addressed by the Executive Councillor for Healthy and Active Communities and the Head of Environmental and Community Health Services who provided background to the funding review conducted by Officers together with the work of the Social Well-Being Panel's Voluntary Sector Working Group.

2. OVERVIEW AND SCRUTINY PANEL (SOCIAL WELL-BEING)

- 2.1 The Social Well-Being Panel's Voluntary Sector Working Group has been involved in the work that went into producing the report by the Head of Environmental and Community Health Services. The Working Group undertook extensive work on the social value of the functions performed by voluntary sector organizations under Service Level Agreements with the Council. The priorities identified in the report were a result of this work. The Working Group has, therefore, contributed to the recommendations and endorses them.
- 2.2 If approved, the level of indicative funding requested represents almost a 28% reduction in the amount the voluntary sector will receive in the future. This is roughly the same as the Council's own level of savings.
- 2.3 The change to using grants for the allocation of some of the funding signals that the Council is supporting the voluntary sector because this method of allocation reduces the influence the Council has on the way the money is used. It also reduces the burden on voluntary organizations of reporting on performance to the Council.
- 2.4 Grants will be available for up to three years. There is an option that the grants will be tapered so they reduce over the three years. This will encourage organizations to find their own alternative sources of funding.
- 2.5 The Council will achieve Value For Money by refining its priorities and through adopting a competitive allocation process.
- 2.6 Assurances have been received that sound governance arrangements will be in place when determining applications for grants and the community chest. It is intended that responsibility for the determination of applications will continue to be the responsibility of the Executive Councillors for Healthy and Active Communities and for Resources, with all Members having sight of the applications prior to the approval process.

2.7 The Panel has supported the recommendations in the report.

3. OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING)

3.1 The Panel has discussed the proposal to establish an indicative voluntary sector budget for 2013/14 of £273,000. Whilst a range of opinions have been expressed, the majority of Members are of the opinion that the indicative budget should be approved. However concerns have been expressed about how this figure has been determined and where alternative savings will be made in the Council's Budget. Approval of the recommendations will necessitate an additional requirement for £88,000 in 2013/14 on top of the assumptions built into the draft budget. The indicative budget figure is based on the requirements of current service providers. Members have questioned whether the methodology used is valid, particularly as an important part of the rationale for the change is that the existing beneficiaries of funding are not certain to receive it in the future. Moreover, research has indicated that a reduction of more than 20% would have significant implications for both the organisations in question and the District Council.

3.2 A number of specific matters have been raised with regard to the level of the indicative budget. Members have queried whether any consideration has been given to a process for match funding and to what extent approval of the indicative budget will influence the voluntary sector organisations' attempts to secure alternative methods of funding and investigate opportunities for shared accommodation.

3.3 A suggestion has been made that the proposed sum could alternatively be used to provide District Council services directly and, therefore, make up for some of the recent reductions within the Council. The Council should clarify its priorities in this respect.

3.4 With regard to the proposed delivery methods for providing future financial support to the voluntary sector, the Panel has endorsed the proposal to adopt a mix of methods of allocating funds. However, Members have commented that as the Council is moving away from commissioning, a mix of distribution methods will not be used, as is stated in the report. Members have queried the rationale behind the proposal to return to a grant process and how the Council will ensure that the organisations meet the objectives for which the grant had been awarded. European Procurement rules mean that it would be difficult to tender for a service on a set budget. However, the grants will be awarded for a maximum of three years and any performance issues could be addressed in the indicative budget for the following year.

3.5 The Panel has discussed in detail the proposal to establish a Community Chest to create an accessible source of funds to help local community projects on a rolling programme throughout the year. This initiative has been devised in response to a number of requests within the past year from organisations for small sums of monies to help with local projects. Whilst the majority of Members agree with the proposal, in the absence of further information as to how the process might operate, it is difficult for them to give full support to it. Differing views have been expressed as to whether Towns and Parishes should be able to apply to the Community Chest. Whilst some members support this approach, it is suggested that these organisations already have the opportunity to obtain funding via their precept. Another Member has suggested that this opportunity could be valuable to smaller parishes who are often unable to raise funds for

local projects. With regards to the administration of the process, it is suggested that, given the small sums involved, it should be straightforward and flexible.

4. RECOMMENDATION

- 4.1 The Cabinet is requested to take into consideration the views of the Overview and Scrutiny Panels (Social Well-Being) and (Economic Well-Being) as set out above when considering this item.

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