

APPENDIX E

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 7 OCTOBER 2008

Title:

**REVENUE FUNDING FOR COMMUNITY ORGANISATIONS IN 2009/10
GRANT ELIGIBILITY, CRITERIA & TIMETABLE**

[Portfolio Holder: Cllr B J Morgan]

[Wards Affected: All]

Summary and purpose:

The purpose of this report is to ask the Executive to agree the details of the scheme to provide revenue funding to community organisations in 2009/10 and to agree to continue to support the Waverley Voluntary Grants Partnership (WVGP).

Environmental Implications:

Many of the organisations receiving revenue funding contribute towards improving the environment in which Waverley residents live.

Social/community Implications:

The organisations that Waverley supports provide valuable services to the community which benefit a large number of Waverley's residents. Waverley's contribution to the WVGP helps support organisations specifically in the social and welfare area.

E-Government implications:

There are no direct E-Government implications arising from this report. Funding application forms and guidance notes are available on the grants pages of the website and electronically by email. The WVGP application forms and criteria are on the Guildford Borough Council website in its capacity as administrator of the scheme and Waverley's grants pages have a link to these.

Resource/Value for Money and Legal implications:

In the previous three years, the total Sponsored Organisation Scheme funding awarded was as follows:

	Number of Organisations	Total Funding Awarded (£)	
2006/07	25	571,010	SOS
	15	50,640	WVGP
Total	42	621,650	
2007/08	25	602,194	SOS
	15	52,412	WVGP
Total	40	654,606	
2008/09	28	628,926	SOS
	15	52,400	WVGP
Total	43	681,326	

The organisations receiving grants from the Sponsored organisations Fund in 2008/09 are detailed in [Annexe 1](#).

This combined funding represents nearly 5% of Waverley's total net General Fund revenue budget in 2008/09. The Council is facing major pressures on its budget in 2009/10 and in future years, with a real terms reduction in Government grant, declining income levels and new service pressures. Waverley has also set a Corporate Plan objective of balancing its budget by April 2011, eliminating the dependency on reserves. This report makes proposals to test the value of grants and to notify organisations of the financial position.

Background

1. The Council introduced the Sponsored Organisation Scheme to formalise the revenue support to community and voluntary organisations in Waverley.
2. The principal aim of the Sponsored Organisation Scheme is to provide financial support 'for the ongoing revenue costs of voluntary and charitable organisations that are delivering high priority services for the benefit Waverley residents in partnership with the Council'.
3. The scheme is reviewed annually to ensure that the grant criteria and assessment processes continue to meet the priorities of the Council.
4. The Council agreed the principle of three-year intention-to-fund agreements for larger Sponsored Organisations with approved grants of £10,000 and above. The current agreement provides one year approved funding for 2008/09 with two further years intention-to-fund for 2009/10 & 2010/11, dependent on sufficient budget being available and subject to an annual appraisal of the organisation's performance and an up-date of its financial status.

5. This policy was designed to provide the organisation with greater financial certainty (of particular comfort to organisations with staff costs) and an ongoing recognition of the value of the services to the Council. It would also improve the monitoring of outputs and the standards of service provided, and could provide encouragement for other funders to increase their grants.
6. This report considers the grant eligibility, criteria and timetable for the revenue grant funding round in 2009/10 and suggests that Members may wish to consider whether the 'Sponsored Organisations Scheme' name is still appropriate. The report also provides details of the proposals for contributing to the Waverley Voluntary Grants Partnership in 2009/10.

Existing Funding Levels and New Organisations

7. When awarding the grants for 2008/09 year the Council notified organisations of the likely future financial pressures on the Sponsored Organisation scheme and indicated that they should identify other sources of income. A copy of the letter sent to organisations is shown in Annexe 2. Whilst an inflation based increase would be of particular comfort to those organisations with staff costs and it may also encourage other funders to increase their grants, at this stage of the budget process, it is proposed that existing Sponsored Organisations be given notice of a likely inflation freeze on overall funding in 2009/10. Whilst an individual organisation's grant will be determined following the evaluation process for all applications, organisations will be asked to explain the potential impact of a funding freeze or reduction on their service delivery. This notification would take the form of a letter from the Deputy Chief Executive sent with the application packs.
8. In recent years, with limited resources and the Council's desire not to cut funding levels to existing organisations, there has been limited scope to introduce funding for new organisations. The only way to create 'headroom' to give a realistic chance of success in their application is to reduce the funding of existing organisations, either by a blanket percentage reduction or by a reassessment of the extent to which the organisation meets Waverley's grant criteria. The changes in the criteria and assessment process proposed in this report, and the offer of support to organisations to help find other sources of funding, may create an opportunity to fund new organisations. Therefore, it is proposed that application for revenue funding in 2009/10 should be open and not restricted to those organisations currently receiving grant.
9. The financial status, including the extent of external funding support, and business plans of applicants will be closely examined to ensure the Council is satisfied with the applicants' efficient, prudent and effective service delivery.

Linking the Scheme to the Corporate Plan and Performance Monitoring

10. The Corporate Plan brings a new level of clarity to the Council's priorities, supported by specific targets. One of the Council's key commitments is to improve the quality of life for all, particularly the vulnerable in our society. To achieve this outcome the Council has stated that it will work with voluntary sector organisations to ensure that there is a year-on-year increase in the number of people assisted by the services supported by Waverley revenue funding.

11. The Corporate Plan also identifies value for money as a key priority, including the achievement of value with partners. It is important that the performance of organisations receiving funding is monitored to assess the community value delivered.
12. It is appropriate for the evaluation criteria to be updated to measure the extent to which organisations will use funding to meet Corporate Plan objectives. How the partner organisations deliver their promises and provide services will also be assessed to ensure they continue to provide high standard, value for money services from the funds that the Council invests.

Re-launching the Funding Scheme

13. Under the Sponsored Organisations Scheme, organisations were agreed as being eligible to join the scheme and then the extent to which the Council would 'sponsor' their activities was reviewed each year. Officers suggest that "Waverley Community Partnership" better reflects the current aims of the scheme.

Eligibility & Criteria

14. The eligibility criteria for organisations wishing to be considered for funding will be revised to reflect the changes proposed in this report and will be included in the application guidance. (Copies of this guidance will be available on request from Democratic Services).
15. In particular, Members are asked to note that it is proposed that:
 - Social/Welfare Organisations in Waverley will continue to be funded through the Waverley Voluntary Grants Partnership (WVGP) for 2009/10.
 - Organisations with general reserves (excluding any designated funds for specific projects) should continue to be considered on a case-by-case basis. Those organisations with reserves will be required to submit a clear written reserves policy explaining the reason for the level of reserves and their proposed future uses. In considering organisations level of reserves, Waverley officers will consider the Charity Commission's current recommendations and advice.
 - Organisations will be assessed against the degree to which they contribute to Waverley's Corporate Plan, current priorities and their performance. To ensure that only organisations eligible to apply for revenue funding are considered, officers will continue to reject applications which clearly do not meet the eligibility criteria, thereby providing organisations with clarity at an early stage.

Assessments

16. Each application will be thoroughly assessed and scored against the grant criteria for 2009/10 and proposed grant levels will be present to members taking into account the overall amount available.

It is proposed to involve Members in the assessment process in future, forming an evaluation panel with officers. There will be three stages in the assessment of applications:

- Officers – will assess applications against the grant criteria, adequacy of policies, financial position and performance;
- Officer/Member Panel – will assess how applications meet the Council's corporate priorities, performance, local need;
- Members – should consider proposed grant levels in the context of the overall budget setting process by asking the Community Overview and Scrutiny Committee for any observations on the proposals in January 2008.

17. It is proposed that the Member/Link Officer panel use a standard assessment form to ensure equity in their assessment of applications.

Timetable

18. It is proposed that applications are invited to apply for revenue funding for the financial year 2009/10 with a closing date for applications of 17 November 2008.
19. Applications and assessment results will be considered by each of the relevant Overview and Scrutiny Committees in January 2009 and by Executive at the budget meeting on 3 February 2009. Applicants will be notified the outcome of their applications in writing after the Council meeting on 17 February 2009.

Support for Organisations

20. It is proposed that the link Officers and the Grants Officer work closely with organisations to identify and secure additional funding opportunities and efficiencies. By acquiring a 'GrantFinder' type system, officers will be alerted to potential and up-to-date national and local sources of grant funding. A further report to the Executive in November will set out proposals for developing this service.
21. To reflect the proposed changes to the revenue funding framework, the following key stages are proposed in the application and evaluation process:
- All existing, or potential new organisations, will be invited to attend an open session where Officers and the appropriate Portfolio Holder will explain Waverley's Corporate Priorities, its financial pressures and the application process for the Scheme.
 - Organisations will be offered 1:1 discussions with link officers and the Grants Officer to discuss their application and business plan.
 - An Officer/Member grants panel will be formed to assess applications

Voluntary Action South West Surrey

22. Waverley approved a £10,000 grant from the Community Partnerships Fund Main Grants Scheme 2006/07 for a project to prepare the ground for a Council for Voluntary Services in Waverley. This was based on 20% of the total costs of £50,000. A further ring-fenced grant of £10,000 was awarded from the Community Partnerships Fund in 2007/08 towards the organisation's costs of £40,000 from October 2007 to March 2008. This grant enabled the project to continue whilst awaiting the outcome of a grant application for lottery funding. The emerged Voluntary Action South West Surrey (VASWS) was awarded just under £500,000 from the lottery BASIS fund in November 2007.
23. VASWS supports the voluntary and community sector in Guildford and Waverley and has three main functions:
 - Help people find volunteering opportunities
 - Offers free information to community and voluntary groups
 - Acts as a point of contact to find out about the voluntary groups that operate in the area
24. Farnham Voluntary Services Council was also awarded a grant of £8,800 from the Waverley Voluntary Grants Partnership in 2008/09 for the Farnham Volunteer Centre Project.

Partnership Agreements

25. Once an revenue grant is approved and a grant offer made, a partnership agreement is prepared by each organisation and the relevant Waverley service officer, who forms the key link officer during the funding period. The partnership agreement details the key outputs and achievements for the year and is signed by both parties. The partnership agreement enables service officers to monitor each organisations performance against stated outcomes. In 2009/10, particular emphasis will be placed on the Council's requirement for publicity and visible evidence of Waverley's funding and on the need for the organisation to monitor and report on performance.

Waverley Voluntary Grants Partnership

26. The Waverley Voluntary Grants Partnership (WVGP) is a partnership fund with the Guildford and Waverley Primary Care Trust (PCT) and Surrey County Council Adults and Community Care and Children's Services which seeks to fund social welfare organisations. Waverley diverts a proportion of the Sponsored Organisations Scheme funding to the WVGP to aim to lever in a greater level of funding for Social/Welfare Organisations in the Borough. A separate report will be brought to the Executive later in the year following the WVGP funding decisions for 2009/10, informing Members of the grants approved to organisations.
27. Two nominated Members, supported by officers, represent Waverley on the WVGP. For 2009/10 they are Councillors Mrs Ellis and Mr Morgan. For the reasons explained in paragraph 7 it is proposed that Waverley's funding for the WVGP in 2009/10 be set at the same amount as in 2008/09 with no inflationary increase.

Recommendation

The Executive is recommended to agree that:

1. for budget planning purposes, the total amount of the revenue grants pot and the contribution to the Waverley Voluntary Grants Partnership in 2009/10 be frozen at the 2008/09 level;
2. the existing Sponsored Organisations be notified that the revenue grants fund will not be increased by inflation and requested to provide an impact analysis of no grant increase in 2009/10 and of potential grant reductions in future years;
3. the 2009/10 bidding round should be open to new organisations;
4. the application process, eligibility, grant criteria and timetable, revised to take account of the changes proposed in this report, be endorsed;
5. Waverley's contribution to the Waverley Voluntary Grants Partnership in 2009/10 will be at the same amount as in 2008/09 with two nominated members on the panel and with the results of the grants being reported back to the Overview and Scrutiny Committees and the Executive;
6. a Member/Link officer grants panel be formed to assess applications;
7. officers provide organisations with increased support to help them identify additional sources of funding; and
8. Members agree that the new name for the Sponsored Organisations Scheme is the Waverley Community Partnership.

Background Papers (DCEx)

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

CONTACT OFFICERS:

Name:	Graeme Clark	Telephone:	01483 523236
		E-mail:	graeme.clark@waverley.gov.uk
Name:	Paul Wenham	Telephone:	01483 523238
		E-mail:	paul.wenham@waverley.gov.uk

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