

# APPENDIX E

## WAVERLEY BOROUGH COUNCIL

### EXECUTIVE - 7 SEPTEMBER 2010

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#### Title:

#### **WAVERLEY COMMUNITY PARTNERSHIP AND WAVERLEY VOLUNTARY GRANTS PARTNERSHIP 2011/12 FUNDING ROUNDS**

[Portfolio Holder: Cllr David Munro]

[Wards Affected: All]

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#### Summary and purpose:

The purpose of this report is to seek the Executive's approval to continue to support the Waverley Community Partnership scheme and the Waverley Voluntary Grants Partnership (WVGP) in 2011/12.

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#### How this report relates to the Council's Corporate Priorities:

The Waverley Community Partnership (WCP) awards funding towards the running costs of organisations that provide high priority services for the benefit of Waverley residents, in partnership with the Council. The services that the partner organisations deliver cut across all corporate objectives and could fall in any of the 5 priority areas. In addition the Council made a specific commitment in the Corporate Plan to work with the voluntary sector organisations that Waverley supports to ensure that from April 2008, there is a year-on-year increase in the number of people assisted by these services. Waverley's contribution to the Waverley Voluntary Grants Partnership (WVGP) also helps support organisations specifically in the well-being and social welfare area.

#### Equality and Diversity Implications:

The organisations that Waverley supports under the Waverley Community Partnership provide access to key services in the borough, which benefit a wide range of users including the most vulnerable and disadvantaged.

#### Climate Change Implications:

There are no direct climate change implications arising specifically from this report.

#### Resource/Value for Money implications:

In the previous three years, the total Waverley Community Partnership (previously Sponsored Organisation Scheme) funding awarded was as follows:

	Number of Organisations supported	Total Funding Awarded (£)	
2008/09	28	628,926	SOS
	36	54,000	WVGP
Total	<u>64</u>	<u>682,926</u>	
2009/10	27	637,087	WCP
	40	54,000	WVGP
Total	<u>67</u>	<u>691,087</u>	
2010/11	27	638,926	WCP
	33	54,000	WVGP
Total	<u>60</u>	<u>692,926</u>	

The organisations receiving grants from the Waverley Community Partnership in 2010/11 are detailed in Annexe 1.

This combined funding represents nearly 5% of Waverley's total net General Fund revenue budget in 2010/11. The Council is facing major pressures on its budget in 2011/12 and in future years. Therefore, in June 2010, all existing partner organisations were informed that with the squeeze on our finances, including a freeze on council tax, the overall budget for the Waverley Community Partnership is likely to be reduced. This report makes proposals to test the value of grants and performance of existing partner organisations.

The proposed application timetable for the scheme will enable the Waverley Community Partnership applications to be considered as part of the budget process.

### **Legal Implications:**

Having a robust grant scheme that is reviewed annually ensures that the Council is not open to dispute under the Surrey Compact agreement.

### **Background**

1. The principal aim of the Waverley Community Partnership (WCP) 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'.
2. The scheme is reviewed annually by the Portfolio Holder for Community, supported by officers, to ensure that the grant criteria and assessment processes continue to meet the priorities of the Council and is fair and transparent. No major changes have been proposed and a copy of the draft scheme criteria is attached in Annexe 2. A copy of the application form is available if Members would like a copy.

### **Existing Funding Levels and New Organisations**

3. When awarding the grants for 2010/11 year the Council notified organisations of the likely future financial pressures on the WCP and indicated that they should identify other sources of income to avoid any 'emergency' action at the last minute. Organisations received a similar notification last year.
4. A further letter has been sent to existing partner organisations in June, which has provided organisations with the earliest possible notice of a potential budget reduction for 2011/12. Organisations were informed at that time that it was likely that the overall grant pot could be reduced by approximately 10%. Although the final decision on the budget will not be taken until February 2011, organisations were urged to take a potential reduction into account when starting their forward planning for next year and future years.
5. To provide reassurance and help organisations make medium term plans, when awarding grants in 2010/11, those organisations with approved grants of £10,000 and over were informed that the Council would endeavour to continue to provide funding at the current level in future years. At the time, it was explained that this would still be subject to annual budget approval.
6. 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 for new applications is to reduce or stop 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. With a potential overall reduction in the grants pot, the scheme will be even more challenging this year, and some organisations could receive a reduced grant or nil grant if that were considered appropriate. A robust assessment process, which includes measuring the performance of organisations, may create an opportunity to fund new organisations that provide priority services to the community. Therefore, it is proposed that application for revenue funding in 2011/12 should be open and not restricted to those organisations currently receiving grant. In 2010/11 2 'new' organisations applied for funding, one of which was successful.
7. The financial status, including the extent of external funding support, efficiency savings, and business plans of applicants will be closely examined to ensure the Council is satisfied with the applicants' efficient, prudent and effective service delivery.

## **Task Group Review**

8. At its meeting in June 2009, the Community Overview and Scrutiny Committee agreed to undertake an in-depth review of the Council's approach to working with and funding the voluntary sector. A Task and Finish Group has met 5 times including meeting in 'Select Committee' mode with representatives of the voluntary and community sector and infrastructure support organisations. It is interesting to note the emphasis of the new coalition government on the value and opportunities afforded by the voluntary and community sector. Members may wish to take a view on the role of the voluntary and community sector in supporting the delivery of Waverley's key outcomes in the coming years.
9. The group is considering the current level of financial support and non-financial support that the Council provides through the WCP and the Voluntary Grants Partnership. Members of the Overview and Scrutiny Committee will be asked to consider the Task Group's recommendations in the autumn and the Group's views will be considered by the Portfolio Holder for Community ahead of the evaluation meeting for grant applications.

## **2011/12 Timetable**

10. It is proposed that applications are invited to apply for revenue funding for the financial year 2011/12 with a closing date for applications of 26 October 2010.
11. Key 2011/12 dates:

8 September 2010	2011/12 application round opens
26 October – 13 December 2010	Application deadline & assessment of applications
17/18 January 2011	O&S Committees to comment on proposed grants
1 February 2011	Executive
15 February 2011	Council
16 February 2011	Grant award letters sent to applicants

## **Application Process & Criteria**

12. The existing process was reviewed against the principles of the Surrey Compact, to which the Council is committed. The Compact encourages funders to make it easier for voluntary organisations to seek funding, to improve the process for funding and evaluation is appropriate and proportionate.
13. It is suggested that the eligibility criteria for organisations wishing to be considered for funding be retained.

14. In particular, Members are asked to note that :
- The Waverley Voluntary Grants Partnership (WVGP) will continue to fund organisations that provide health and well-being or social welfare related projects in 2011/12.
  - Levels of reserves/funds will be scrutinised as part of each applicant's financial assessment. The Council recognises that it is prudent for organisations to have reserves/funds and acknowledges good financial management, therefore, organisations with general reserves/funds (excluding any designated funds) should be considered on a case-by-case basis. Those organisations with reserves will be required to submit a written reserves policy explaining the reason for the level of reserves and their proposed future uses. In considering the adequacy of each organisation's 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.
  - Organisations will be asked to report on their performance and delivery of their current partnership agreement as part of their application. Where an organisation has a nominated Member representative they will be invited to comment on the organisation's performance since April 2010.

### **Assessment Process**

15. Applications will be assessed against key criteria including value for money, the extent to which Corporate Plan objectives will be met, the extent to which Partnership Agreement activities have been met, performance, other sources of funding and clear, feasible details of how the money will be spent. 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.
16. The findings of the budget consultation exercise in the autumn 2009 will be taken into account when prioritising applications.
17. Applications will be assessed by link officers in the first instance, then subjected to a moderation process led by the Portfolio Holder for Community, supported by the Portfolio Holders for Leisure and Youth and link officers. The moderation panel will meet before suggested

grant levels are prepared and reported to Overview and Scrutiny Committees in January. The financial position of organisations will be scrutinised by the Head of Finance and Performance.

### **Partnership Agreements**

18. Once a revenue grant is approved and a grant offer made, each organisation and the relevant Waverley service officer, who forms the key link officer during the funding period, prepare a Partnership Agreement. 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.

### **Waverley Voluntary Grants Partnership**

19. The Waverley Voluntary Grants Partnership (WVGP) is a tripartite grant scheme to which Waverley Borough Council, Surrey County Council and NHS Surrey contribute funding. The WVGP is open to voluntary and community organisations providing health and well-being or social welfare services in Waverley. A similar partnership arrangement operates for Guildford, but these are the only examples of this type of funding arrangement in Surrey.
20. At the time of writing (early August), there is considerable uncertainty about the future of the WVGP for 2011/12 and beyond. This is in part due to changes in the way that both Surrey County Council and NHS Surrey want to commission and procure services from the voluntary and community sector. The need for both Surrey County Council and NHS Surrey to make significant budget savings, and the recent health White Paper proposals to put health commissioning in the control of GP consortia, have added to the uncertainty of how much funding – if any – either party might be prepared to commit to the Partnership for 2011/12. There is concern that although Waverley is continuing to adhere to the principles of the Surrey Compact, other organisations may not be.
21. Waverley has made a public commitment to continue its support for the WVGP for 2011/12, on the same basis as is proposed for the Community Partnership Fund, i.e. Waverley's contribution could be reduced by 10% compared to 2010/11. It is proposed that the revenue contribution towards the administration of the WVGP should remain the same as last year. The Chief Executive has written to the Interim Chief Executive of NHS Surrey to press for their continued participation in the WVGP; and the Portfolio Holder has written to his counterparts in Surrey County Council and Guildford Borough Council to seek their public commitment to the arrangements for a further year. Voluntary Action South West Surrey is making representations to all the funding partners on behalf of the voluntary and community sector organisations

that are affected by the on-going uncertainty about the 2011/12 grant funding round.

22. Officers are concerned that the uncertainty and the likelihood of funding reductions for the voluntary and community sector will result in poorer outcomes for vulnerable members of the community, and some community organisations themselves becoming vulnerable.
23. An oral update will be provided on the latest position of the other funding partners at the Executive meeting. If Partners agree to continue funding along previous lines, albeit at a reduced level, a report will come to the Executive in February 2011 with details of the grant allocations made.

### **Recommendation**

The Executive is recommended to agree:

1. that for budget planning purposes, the total amount of Waverley Community Partnership grants pot be reduced by 10% overall, and the contribution to the Waverley Voluntary Grants Partnership tripartite pot be reduced by 10% overall;
2. that the 2011/12 bidding round should be opened and that applications from organisations not previously in receipt of a grant be considered;
3. that a panel chaired by the Portfolio Holder for Community, with the Portfolio Holders for Leisure and Youth, and advised by relevant link officers, meet to moderate initial suggested grant levels. The panel's recommendations will be considered by the Overview and Scrutiny Committees and their observations will be passed to the Executive. The Executive will consider the allocations and observations and recommend grant levels for each organisation to Council in February 2011.

### **Background Papers (DoF)**

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

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