

APPENDIX F

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 4 OCTOBER 2011

Title:

**WAVERLEY COMMUNITY PARTNERSHIP AND WAVERLEY VOLUNTARY
GRANTS PARTNERSHIP 2012/13 FUNDING ROUND**

**[Portfolio Holder: Cllr David Munro]
[Wards Affected: All]**

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 in 2012/13.

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

The Waverley Community Partnership (WCP) awards funds to 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. Waverley's Partnership Agreements with the voluntary and community sector have specific clauses promoting equality and diversity issues.

Environment and Climate Change Implications:

Some of the organisations funded by Waverley have a specific environmental remit.

Resource/Value for Money Implications:

In the previous three years, the total Waverley Community Partnership funding awarded was as follows:

		Number of Organisations supported	Total Funding Awarded (£)	
2009/10		27	637,087	WCP
		40	54,000	WVGP
	Total	67	691,087	
2010/11		27	638,926	WCP
		33	54,000	WVGP
	Total	60	692,926	
2011/12		24	593,420	WCP
			2,710	WCP emergency funding balance
	Total	29	48,600	WVGP
	Total	53	644,730	

The organisations receiving grants from the Waverley Community Partnership in 2011/12 are detailed in Annexe 1.

The Council is facing major pressures on its budget in 2012/13 and in future years. Last year's overall budget for the WCP was reduced by 6.6%. As a result, 7 organisations received a nil grant and 16 received a reduced grant. In June 2011, all existing partner organisations were informed that the council is facing a further 12% reduction in its Government grant and that it will be extremely difficult for the Council to maintain current grant levels for 2012/13 putting further pressure on the scheme. Organisations were asked to assume a similar 12% reduction in their grant as they do their financial planning for 2012/13: This is in line with the Council's Best Value Duty. The Department for Communities and Local Government has said that Councils should not be passing on larger reductions to voluntary and community sector partners than it takes on itself. As the overall grants pot may be reduced by up to 12%, the support for organisations may vary.

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 Funding Code 2009.

Introduction and background

1. The principal aim of the Waverley Community Partnership (WCP) is to provide financial support for voluntary and charitable organisations that deliver high priority services for the benefit of Waverley residents in partnership with the Council.
2. The scheme is reviewed annually by the Portfolio Holder for Economic Development and Communities, 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. For the next funding round, no major

changes have been proposed. A copy of the draft application form, which has been simplified, and draft scheme criteria is attached in Annexe 2.

Existing Funding Levels and New Organisations

3. A letter was sent to existing partner organisations in June, which provided them with the earliest possible notice of a potential budget reduction for 2012/13. Organisations were informed at that time that it would be extremely difficult for the Council to maintain current grant levels for 2012/13 and that they should assume a 12% reduction in their grant as they do their financial planning for 2012/13. 19 organisations received a reduced or nil grant in 2011/12 compared to the previous year and it may be increasingly difficult for organisations to absorb further reductions in their core funding.
4. 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 this year, and in addition to the overall 6.6% reduction last year, the scheme will be even more challenging. A robust assessment process may create an opportunity to fund new organisations that provide priority services to the community. Therefore, it is proposed that applications for revenue funding in 2012/13 should be open and not restricted to those organisations currently receiving grant. In 2011/12 four 'new' organisations applied for funding, one of which was successful.
5. 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.

Grants Review SIG

6. At its meeting on 25 January 2011, the Executive agreed to undertake a detailed review of Waverley's grant schemes in preparation for the 2012/13 budget. A Member Special Interest Group (SIG) was established to undertake the review and met 5 times in the period June-September 2011.
7. The SIG has reviewed Waverley's two grant schemes, the Waverley Community Partnership and the Waverley Voluntary Grants Partnership, as the principal method of supporting voluntary, community and faith sector organisations. The SIG looked at Meals on Wheels as a model example of a Service Level Agreement approach to funding a voluntary organisation. The SIG also examined the work of Voluntary Action South West Surrey, an infrastructure organisation, and its role in supporting Waverley's relationships with voluntary and community organisations. Within their work, the SIG also considered the findings of the in depth reviews of Waverley's support for the voluntary sector (2011) and day centres (2008).

8. The SIG has made a number of observations and identified areas for future work, particularly in relation to the future operation of the WCP from 2013/14. The final report detailing the work and observations of the SIG are on the agenda for this meeting at Item 10 (Appendix E).
9. Of particular relevance to the WCP, the SIG felt that:
 - Organisations receiving a grant of £10,000 and above (also including Disability Challengers whose 2011/12 grant was £8,640) should be asked to sign up to a Service Level Agreement (SLA) with effect from April 2013.
 - Other organisations receiving smaller grants of less than £10,000 should continue to apply to an annual grant scheme. The bureaucracy to currently complete a grant application is felt to be too great for organisations receiving smaller grant and the scheme should be simplified.
10. The SIG felt that a pilot scheme could help address some of the issues that may arise when moving other organisations to a SLA arrangement. Farnham Maltings, Citizens Advice Waverley and HOPPA have been identified as being best placed to make any transition sooner rather than later. Farnham Maltings and Citizens Advice Waverley are currently funded through the WCP. This would mean that these 2 organisations would not apply to the WCP in 2012/13. HOPPA are currently funded through the Community Services direct budget.

2012/13 Timetable

11. It is proposed that organisations are invited to apply for revenue funding for the financial year 2012/13 with a closing date for applications of 9 November 2011.
12. Key 2012/13 dates:

5 October 2011	2012/13 application round opens
9 November 2011	Application deadline
10 November 2011 to early December	Processing and assessment of applications
16 January 2012	Community O&S Committee to comment on proposed grants
7 February 2012	Executive
21 February 2012	Council
22 February 2012	Grant award letters sent to applicants

Application Process & Criteria

13. 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.

14. It is suggested that the eligibility criteria for organisations wishing to be considered for funding be retained.
15. In particular, Members are asked to note that:
 - The Waverley Voluntary Grants Partnership (WVGP) will fund organisations that provide well-being or social welfare related projects in 2012/13. Following NHS Surrey's withdrawal from the partnership and Surrey County Council Children's Services, the scheme's priorities have been updated.
 - 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.
 - As the organisations applying to the scheme are diverse and offer a varying range of services, a scoring system to assess applications is not appropriate. When assessing applications an overall judgement will be made on whether to award a grant, based on information supplied in the application form, the information in the applicant's accounts and the degree of priority awarded to the service that the organisation provides. Relevant link officers will provide supporting summary information on applications to the grants panel and respond to any questions that may arise. The overall budget of the scheme is limited and requests for funding usually exceed the budget. The panel will make a judgement on applications and make recommendations on grant awards within the overall budget.
 - The application form for existing partners has been reduced to simplify the process. New organisations will be asked to complete a more in-depth application form.
 - Officers will continue to reject applications, which clearly do not meet the eligibility criteria, thereby providing organisations with clarity at an early stage.
 - Where an organisation has a nominated Member representative they will be invited to comment in general on the work of the organisation.

Assessment Process

16. Applications will be assessed within the overall budget of the scheme by a grants panel. When making a judgement on grant levels the panel will take into account a number of factors including: summary information provided by officers, information from the organisation's application form, information from the applicant's accounts, the extent to which the Corporate Plan objectives will be met, value for money, the extent to which Partnership Agreement activities have been met, general performance and other sources of funding. 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.
17. The findings of the budget consultation exercise in the autumn 2009 will be taken into account when prioritising applications.
18. Link officers will provide an initial assessment of the application. The financial position of organisations will be scrutinised by officers. Summary information on each application will be provided to a grants panel chaired by the Portfolio Holder for Economic Development and Communities, supported by the portfolio holders for Children & Young People and Leisure & Culture and officers. The grants panel will meet before suggested grant levels are prepared and reported to Community Overview and Scrutiny Committee in January. The Executive will consider the allocations and observations of the Overview & Scrutiny Committee and recommend grant levels for each organisation to Council in February 2012.

Partnership Agreements

19. 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

20. The Waverley Voluntary Grants Partnership (WVGP) was previously a tripartite grant scheme to which Waverley Borough Council, Surrey County Council and NHS Surrey contributed funding. There was considerable uncertainty about the future of the WVGP throughout 2010/11 due to a number of factors including changes in the way that both Surrey County Council and NHS Surrey wanted to commission and procure services from the voluntary and community sector, the need for both organisations to make budget savings and the Health White Paper. There was also considerable delay in informing organisations of their grant awards for 2011/12 caused by the difficulties in obtaining information from NHS Surrey about the amount they would contribute to the panels. At one point it was thought that they would remove their contribution completely, which would have meant that all grants would be reduced significantly. In April 2011, NHS Surrey advised that

it would fund the panels only until the end of November 2011, resulting in less money being available this year. Surrey County Council's Children's Services has also withdrawn from the 2012/13 funding round, although their financial contribution was minimal. Surrey County Council Adult Services will continue to be part of the scheme. Voluntary Action South West Surrey has lodged a complaint through the National Compact Advocacy Project, as a result of NHS Surrey's withdrawal from the scheme at short notice and without consultation.

21. Despite NHS Surrey's and Surrey County Council's Children's Services withdrawal from the partnership, Waverley is continuing to work with Surrey County Council Adult Social Care and the 2012/13 funding round opened on 22 August 2011 with a significantly reduced provisional budget as NHS Surrey previously contributed 63% to the Waverley Grants Panel pot.
22. In particular The WVGP is open to voluntary and community organisations providing well-being or social welfare projects in Waverley. A similar partnership arrangement operates for Guildford, but these are the only examples of this type of funding arrangement in Surrey.
23. Waverley has made a public commitment to continue its support for the WVGP for 2012/13, on the same basis as is proposed for the Community Partnership Fund, i.e. Waverley's contribution could be reduced by 12% compared to 2011/12. It is proposed that the revenue contribution towards the administration of the WVGP should remain the same as last year.

Conclusion

24. The Waverley Community Partnership continues to provide vital revenue funding to voluntary and community organisations which is often difficult to secure from funders who tend to prefer to support one-off projects. The Council places great value on the work of the organisations that it supports through its grant schemes. Organisations and volunteers continue to work hard to deliver outcomes for the community in line with Waverley's corporate priorities. The scheme is highly regarded by organisations and requests for funding exceed the grants budget each year. Many of the funded organisations provide vital services to the most vulnerable members of the community. Waverley's grant also levers in funding through the work of its partner organisations and the other grants that they secure, representing good value for money.

Recommendation

It is recommended that

1. for budget planning purposes, the total amount of the Waverley Community Partnership grants pot be reduced by 12% and the contribution to the Waverley Voluntary Grants Partnership pot be reduced by 12%;
 2. the overall funding process be agreed, as detailed within the report.
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Background Papers

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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