

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 27/09/2016

Title:

**FUNDING SCHEMES FOR VOLUNTARY SECTOR ORGANISATIONS –
PROPOSED CHANGES FROM 2017-18**

**[Portfolio Holder: Cllr Andrew Bolton]
[Wards Affected: All]**

Summary and purpose:

The purpose of this report is to seek the Executive's approval to continue to support funding to the voluntary sector through its various funding schemes.

The report proposes consolidating the way the Council funds voluntary organisations by focussing on Service Level Agreements and commissioning, to offer a more robust approach and achieve improved outcomes.

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

The Council funds voluntary 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. The Council's funding schemes particularly support the health and wellbeing of our residents, particularly meeting the new Community Wellbeing corporate priority. The Council's commissioning partnership with Surrey County Council offers value for money.

Financial Implications:

The annual budget provision for funding to the voluntary sector in 2016/17 was £744,530. Funding awarded was as follows:

Number of organisations/projects supported	Total funding awarded (£)	Scheme
12	158,650	Waverley Community Grant Scheme
13	42,770	Waverley Voluntary Partnership
7	108,000	SLA organisations
	210,000	Waverley Hoppa Community Transport
	32,490	Citizens Advice Waverley
	56,500	Farnham Maltings Outreach Service
	43,200	The Orchard Club
	54,000	The Clockhouse
	19,500	Age Concern Farncombe
		Cranleigh Arts Centre
	523,690	Total
	19,420	Reserved funds/emergency funding provision
Total funding	744,530	

This is a cost-effective way of helping to deliver the Council's Corporate Objectives in partnership with voluntary sector organisations. The overall 2017/18 budget for the voluntary sector will be subject to final decision as part of the Budget process to be concluded in February 2017. Given the significant projected shortfall in the Council's finances for 2017/18, Members will need to consider funding levels to the voluntary sector.

An emergency funding provision of £45,000 was created in 2013/14 for urgent requests for support to current and new partner organisations during the year. In addition to one-off emergency support, some of these funds were allocated to support an increase in funding to the organisations supported through a Service Level Agreement (SLA) for 2015/16. A balance of £19,420 remains unallocated and these funds are ring fenced to support unexpected or urgent requests for funding for support to the SLA organisations throughout 2016/17.

Legal Implications:

In awarding funding to voluntary organisations, the Council is required to obtain value for money for Borough residents.

Having robust funding schemes that are reviewed annually ensures that the Council is not open to dispute under the Surrey Compact Funding Code 2009, which is consistent with funding bodies' duty to achieve value for money, principles in accounting and European Union procurement law.

Introduction

1. The Council is hugely supportive of the voluntary organisations in the borough and is pleased to have maintained the overall budget at the same level since 2012/13, despite having to make significant savings on other services. The Council will continue to look to protect funding to the voluntary sector, which supports many of our most vulnerable residents, if at all possible.
2. The overall budget for voluntary sector funding is currently allocated through three schemes: Service Level Agreements, the Waverley Voluntary Partnership Commissioning Pilot and the Waverley Community Grant Scheme. It is felt that 2017/18 offers an opportunity to refresh and consolidate the Council's funding schemes.
3. The Waverley Community Grant Scheme has operated for over 10 years and has provided vital financial support towards the ongoing running costs of organisations. The Council is proud of this scheme which has enabled many organisations to deliver a wide range of services to residents including museums, day centres, support for families and youth services. Waverley Community Grant Scheme awards for 2016/17 are shown in Annexe 1.
4. Since 2012 seven organisations have been taken out of the grant scheme and signed Service Level Agreements as a pilot for this new way of working. Their funding was top sliced from the grants pot which reduced the overall amount available to organisations applying to the grant scheme. The overall Waverley Community Grant Scheme pot has reduced from £575,000 in 2011/12 to

£158,650 in 2015/16 as a result. This has meant that it has become increasingly challenging to introduce new organisations to the scheme, make decisions on funding and to manage expectations of organisations applying to the scheme. In addition, the scheme is labour intensive and requires a significant level of administration.

5. With the pressures on the funding pot, it is felt that the Waverley Community Grant Scheme is no longer fit for purpose. It is proposed that the Waverley Community Grant Scheme is suspended and the £158,650 balance of funding is transferred to support new Service Level Agreements and the Waverley Voluntary Partnership in future.

Current Service Level Agreements and Future Proposal

6. The Council currently funds seven organisations through three year SLAs from 1 April 2015 to 31 March 2018. This three year arrangement enables the organisations to budget and plan over the next three years. Whilst the Agreements are for a three year period, levels of funding are reviewed annually as part of the Council's budget setting process.
7. The Agreements set out the Service Expectations and Standards Waverley requires in return for its funding. The grants do not fully fund the services that the organisations are expected to deliver, but they make a significant contribution towards the delivery of identified high priority services. As part of the process monitoring meetings are held with the organisations to review their delivery of the SLA requirements and monitoring information.
8. The SLA process continues to provide a robust, outcomes focussed approach to funding voluntary organisations to deliver services in partnership with the Council. 2015-16 has been another successful year for the SLA process and it is felt that this is the right time to move five further organisations and top-slice their funding from the Waverley Community Grant Scheme to a SLA funding arrangement.
9. Organisations proposed to be introduced to SLAs are as follows:

Organisation	Current grant awarded through the Waverley Community Grant Scheme 2016-17
Rowleys Centre for the Community	£55,000
Gostrey Centre	£55,000
Farnham Assist	£8,000
Age UK Surrey	£15,000
Voluntary Action South West Surrey	£7,600
Total	£140,600

10. It is proposed that the five organisations are introduced to one year SLAs from 1 April 2017 to 31 March 2018, extending to 3 further years from 1 April 2018 to 31 March 2021.
11. A detailed report on the outcomes of the first year, 2015-16, of the current three year SLAs was considered by the Community Overview & Scrutiny Committee at its meeting on 12 September. The Overview & Scrutiny Committee noted the outcomes of the work of the seven SLA-funded organisations, and endorsed the proposal to extend the SLA approach to Rowleys, Gostrey Centre, Farnham Assist, Age UK Surrey and Voluntary Action South West Surrey.
12. There was no clear consensus on the proposal to put these organisations on 1–year SLAs for 2017/18, to help them transition to 3-year SLAs from 2018/19 which would bring them in line with the time periods of the current SLAs. Cllr Ramsdale in particular felt that a 1-year SLA was no different to the current 1-year grant arrangement; and that the SLAs should be for 3-years from next year, or delayed to commence the following year.

Waverley Voluntary Partnership Commissioning Pilot and Future Proposal

13. The Waverley Voluntary Partnership commissioning pilot funding scheme was developed in 2014 in partnership with Surrey County Council Adult Social Care Directorate. The commissioning pilot enabled both Councils to focus on funding their health and wellbeing priorities and develop emphasis on outcomes and different ways of achieving them. The process was informed by a range of different sources including the Joint Strategic Needs Assessment and Census.
14. Commissioning allows the funder to make fair, transparent decisions. A clear Assessment Criteria sets out how applications are scored using seven assessment criteria and a marking scheme. Decisions on funding are made by an Assessment Panel of Members and Officers from both Waverley and Surrey County Council.
15. Both Councils currently make an equal financial contribution towards the scheme and pool their funds of £42,770, bringing the total pot to £85,540. A detailed report reviewing the pilot process and key monitoring information of each funded organisations was considered by the Community Overview & Scrutiny Committee at its meeting on 12 September.
16. The commissioning pilot is considered a success: In particular, it enables both Waverley and Surrey County Council to identify funding priorities based on evidence, pool funds, deliver clear outcomes and build partnerships with organisations they have not worked with before. Commissioning also enables the priorities for the scheme to be reviewed annually in order to meet the changing needs of the community, based on evidence. The assessment process and marking scheme is clearly set out making decisions on funding transparent.
17. Given the significant budget shortfall identified in Waverley's Financial Strategy, the £18,050 remaining balance of funding from the Waverley Community Grant Scheme could be identified as a budget saving at this stage. In the event that

sufficient flexibility exists in the 2017/18 budget as the process develops, this amount could be transferred to boost the Waverley Voluntary Partnership commissioning pot. If this is possible, the scheme would be expanded to support activities for young people as well as adults to reflect Waverley's increased contribution. Surrey County Council has indicated that it is keen to continue to support the pilot for 2016/17 at the same funding level of £42,770, which offers both authorities the opportunity to align wellbeing funding priorities and match-funding to support outcomes for residents. It is proposed to continue with the same three commissioning priorities of mental health and emotional wellbeing, community transport and older adults for 2017/18. If the establishment of the commissioning scheme is confirmed, it is proposed to update the name of the scheme to the Waverley Voluntary Commissioning Partnership.

18. Proposed financial contribution to the 2017/18 pot:

Waverley Borough Council	£42,770
Surrey County Council Adult Social Care	£42,770
Total commissioning pot	£85,540

19. The Community Overview & Scrutiny Committee considered the proposal to confirm the establishment of the commissioning scheme as a way of funding organisations in partnership with Surrey County Council. The outcomes of the Commissioning Pilot were noted, and the Committee endorsed the proposal to confirm the commissioning approach as the operating model for the Waverley Voluntary Partnership with Surrey Adult Social Care.
20. With regard to the £18,050 left in the Waverley Community Grants Scheme, the Committee noted that it had been proposed to suspend the WCGS and add the £18,050 to the funding available to the Commissioning Partnership, albeit without there being any indication from Surrey Adult Social Care that they would match fund this additional funding. It was also noted that there was a suggestion that the £18,050 could be considered as a possible future budget saving.
21. The Committee had some concerns about the loss of influence over how the £18,050 would be dispensed in the commissioning scheme if SCC was not match-funding (ie Waverley's priorities would be diluted); there were concerns that the organisations whose grants currently made up the £18,050 would be disadvantaged by the move; and there had not been a good enough case made to suspend the Community Grants Scheme on the basis that there were administrative benefits for voluntary organisations and the Council.
22. Community Overview & Scrutiny Committee agreed that they felt that the £18,050 should be retained in the Waverley Community Grant Scheme and the scheme run to provide funding to organisations that meet Waverley's priorities.

Conclusion

23. The Council funds the voluntary sector in a number of ways and is proud of its track record in supporting their services. This funding mix enables the Council to get real value from its resources, meet its corporate priorities and deliver outcomes for its residents through partnerships with voluntary organisations. Whilst the Waverley Community Grant Scheme provided vital revenue funding to voluntary organisations, the success of the commissioning pilot offers a timely opportunity to develop this scheme further. With reducing budgets, there is a cultural shift to move away from more traditional grant schemes and focus funding where services are needed most. The commissioning scheme enables the Council, in partnership with the County Council, to put the wellbeing outcomes for residents at the heart of the process. In addition, the three year Service Level Agreements reaffirm the Council's commitment to working with organisations to support its residents. The funding schemes also facilitate and develop stronger partnerships with voluntary organisations.
24. The above proposals also reflect the outcomes of a Grants Review Special Interest Group that was established in 2011 to undertake a detailed review of Waverley's grant scheme. The Special Interest Group felt that organisations receiving larger grants should be asked to sign up to a Service Level Agreement.
25. The Council places great value on the work of the organisations that it supports through its funding schemes and their volunteers continue to work hard to deliver outcomes for the community in line with Waverley's corporate priorities. Many of the funded organisations provide vital services to the most vulnerable members of the community. Waverley's community is stronger and more resilient as a result of the partnership between the Council and voluntary sector. Waverley's funding also levers in funding through the work of its partner organisations and the other grants that they secure that the Council is unable to access, representing good value for money.
26. The possible future funding model is set out below, subject to overall budget availability:

Funding	Scheme
	SLA organisations
£108,000	Waverley Hoppa Community Transport
£210,000	Citizens Advice Waverley
£32,490	Farnham Maltings Outreach Service
£56,500	The Orchard Club
£43,200	The Clockhouse
£54,000	Age Concern Farncombe
£19,500	Cranleigh Arts Centre
£55,000	Rowleys Centre for the Community
£55,000	Gostrey Centre
£8,000	Farnham Assist
£15,000	Age UK Surrey
£7,600	Voluntary Action South West Surrey
£664,290	Total SLA pot

£42,770	Waverley Voluntary Partnership
£19,420	Emergency Funding Provision
£736,480	Total funding pot
<i>** Plus possible reinstatement of up to £18,050 if budget allows in 2017/18</i>	

27. To assist organisations with their financial planning and in the spirit of the Surrey Compact Funding Code 2009, organisations currently funded through the Waverley Community Grant Scheme will be advised of this change immediately. If organisations experience financial difficulties during the year, 2017/18, an application to the Council's emergency funding provision may be considered.

Recommendation

It is recommended that the Executive:

1. gives approval for discussions to take place with the nominated organisations namely Rowleys Centre for the Community, Gostrey Centre, Farnham Assist, Age UK Surrey and Voluntary Action South West Surrey, with a view to signing one year Service Level Agreements starting on 1 April 2017, extending to a further three years from 1 April 2018 to 31 March 2021;
2. following the successful pilot, agrees the establishment of the Waverley Voluntary Commissioning Partnership;
3. notes the option that £18,050 could be identified as a possible saving which will be considered as part of the budget setting process for 2017/18; and
4. approves the opening of the 2017/18 funding round of the Waverley Voluntary Commissioning Partnership.

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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