

WAVERLEY BOROUGH COUNCIL

COMMUNITY OVERVIEW AND SCRUTINY COMMITTEE – 19 JANUARY 2016

EXECUTIVE – 2 FEBRUARY 2016

Title:

FUNDING FOR VOLUNTARY SECTOR ORGANISATIONS 2016/17

**[Portfolio Holder: Cllr Stefan Reynolds]
[Wards Affected: All]**

Summary and purpose:

The purpose of this report is to consider the applications to the Waverley Community Grant Scheme for revenue funding in 2016/17, taking into account the observations made by the Community Overview and Scrutiny Grants Sub-Committee and Community Overview and Scrutiny Committee.

The report proposes to continue to protect the Council's overall level of discretionary spending allocated in grants at £725,110 to the voluntary sector despite significant reductions in Waverley's government funding.

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

The Waverley Community Grant Scheme 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 across all corporate objectives could fall into any of the 5 priority areas. In addition the Council made a specific commitment in the Corporate Plan to work with voluntary groups to meet the needs of residents. Waverley's contribution to the Waverley Voluntary Partnership also helps support organisations to deliver wellbeing activities.

Financial Implications:

- i. The Council's total grants allocated to Community organisations in 2016/17 are £725,110 showing the Council's continued commitment to its partnerships with voluntary organisations. This overall budget has been maintained over the past four years, despite the Council's significant reductions in its government grant. As a proportion of the Council's overall net budget spend, the level of financial support has increased.
- ii. Summary of grant and Service Level Agreement funding proposed in 2016/17:

	Proposed 2016/17	Actual 2015/16
Waverley Community Grant Scheme (grants)	£158,650	£158,650
Waverley Voluntary Partnership (commissioning)	£42,770	£42,770
Service Level Agreements	£523,690	£523,690
Total proposed funding allocated to Voluntary Sector organisations	£725,110	£725,110

- iii. In addition to the above funding, the Council supports these and additional organisations in many other ways including assistance with accessing other sources of funding, one-off capital investment, discretionary rate relief and rent relief.

Waverley Community Grant Scheme

- iv. At its meeting on 6 October 2015, the Executive agreed to open the 2016/17 funding round of the Waverley Community Grant Scheme (previously called the Waverley Community Partnership) to coincide with the budget setting process. In the current year 2015/16, the Council maintained its overall financial package for the voluntary sector and the total funding for the Waverley Community Grants Scheme was £158,650.
- v. The Council will receive a further 52% reduction in its grant from the Government for 2016/17 and will need to identify cost savings to balance its budget. However, Members recognise the vital services delivered in partnership with the voluntary sector and are mindful of the potential impact that any cut would have on our voluntary organisations. Members are also keen to ensure services that support Waverley's growing older population and more vulnerable residents are prioritised in the current economic climate. It is currently proposed in the draft budget 2016/17 that the overall funding budget for voluntary organisations be maintained at the same level as the current year. Within this, the budgets for the Waverley Community Grant Scheme, Voluntary Grants Partnership and Service Level Agreements will vary.
- vi. The Council has not decreased its overall funding to the voluntary sector for five years and this clearly demonstrates Waverley's continued commitment to the voluntary sector despite the Council having to make its own budget reductions.

Waverley Voluntary Partnership (WVP)

- vii. Despite further significant reductions in Government funding, it is proposed that the total amount of money that Waverley contributes to the Waverley Voluntary Partnership (WVP) commissioning pilot scheme should remain at the same level for 2016/17 at £42,770. Given this, Surrey County Council has also agreed to maintain its contribution at the same level as the current year, bringing the total pot to £85,540. It is proposed to continue with this pilot for 2016/17 and its

success is reported to Committee after one full year of the pilot to agree whether to continue with the scheme for 2017/18.

Service Level Agreements (SLAs)

- viii. The Council financially supports seven other voluntary organisations to deliver high priority services through SLA arrangements. Following a successful nominated pilot project to sign three organisations up to this new way of working in 2012/13, at its meeting on 3 February 2015 the Executive agreed to move four other organisations out of the Waverley Community Grant scheme process on to three year SLAs from April 2015. This meant that their combined funding of £160,250 was transferred out of the Waverley Community Grant Scheme overall pot for 2015/16. In addition, the overall SLA funding to voluntary sector organisations for the next three years, 2015-2018, was increased by 6.7%. A one-off reserve of £19,420 was set up in 2015/16 to invest in any further opportunities to meet community needs and to enable the SLA organisations to deliver even better outcomes where a clear case can be made. No additional funding has been awarded in 2015/16 to date and it is proposed to carry forward the ring-fenced SLA provision to 2016/17.
- ix. The Royal Voluntary Service is also funded through an SLA for the Meals on Wheels service in partnership with Surrey County Council. Waverley's contribution of £30,000 is matched by the County Council Adult Social Care directorate to provide a service to residents in the borough.
- x. The SLAs enable key voluntary sector organisations to continue to work in partnership with the Council to deliver and develop vital services for the most vulnerable residents and older people. The Council will be working to increase the number of organisations funded through SLAs in future years.

Legal Implications:

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

Having a robust grant scheme that is reviewed annually ensures that the Council is not open to challenge 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 principal aim of the Waverley Community Grant Scheme is to provide financial support for not-for-profit organisations that deliver high priority services for the benefit of Waverley residents in partnership with the Council.

Applications

2. A total of 23 applications to the Waverley Community Grant Scheme have been received with 7 new applications. The total level of funding requested by

organisations for 2016/17 was £275,050 and Annexe 1 details all the applications received and proposed allocations.

The Waverley Community Grant Scheme Assessment Process

3. Each grant application has been reviewed by the relevant 'link officer' within each service area. In addition, a financial assessment of each organisation's annual accounts has been undertaken to identify any changes/concerns in the financial position of partner organisations. Where appropriate, Member Representatives for organisations were invited to comment in general on their work.
4. A Grants Panel, chaired by the Portfolio Holder for Grants, made proposals on funding levels. The Chairman was supported by the Portfolio Holder for Operational Services, the Portfolio Holder for Leisure and Environment and the Portfolio Holder for Housing, plus officers from Finance and Communities. The Panel made proposals on levels of funding ahead of the Community Overview and Scrutiny Committee consideration.
5. Annexe 1 shows notes on the reasons for the proposed grant levels for some organisations where this is considered to be particularly relevant. Information on other discretionary financial support that the Council provides to partner organisations is detailed in Annexe 2.
6. Requests for funding exceeded the overall budget by £116,400 which meant the Grants Panel had to make very difficult decisions. The Panel's proposed allocations reflect the clear outcomes being delivered by organisations to our most vulnerable residents including both older people and vulnerable families. It was also mindful that in recent years organisations have been advised to continue to identify other sources of income as continued support from the Council cannot be relied upon. As a result, the Panel carefully considered the applications and financial information from organisations that continue to receive smaller grants year-on-year. It felt that some of these organisations would be in a position to absorb a nil grant, which would enable the scheme to award funding to new organisations. It, however, also felt that if some services became affected as a result of not receiving funding, the Council may be able to provide support through its Emergency Funding provision. The Panel proposed to increase funding to one organisation and to award funding to two new applicants.

Rowleys Centre for the Community

7. The Council is hugely committed to the current and future success of Rowleys Centre for the Community which supports the needs of older people and has almost 300 members. The service is currently delivered through Age UK Waverley. The Council increased its funding for Rowleys by 16% to £55,000 for 2015/16 recognising that it is a popular local venue and much valued by the community and its users.
8. At its meeting on 3 February 2015 the Executive agreed that the funding for Rowleys be ring-fenced to support its running costs and that the full grant be held in restricted funds within the Age UK Waverley financial accounts for Rowleys. In addition the Council requested full and transparent accounts detailing income,

expenditure and a balance sheet for Rowleys (excluding other Age UK Waverley activities).

9. Whilst holding the balance of funding for the Rowleys grant, the Council has been seeking clarity with Age UK Waverley on the required financial information and a number of issues in relation to the 2015/16 Funding Agreement for Rowleys. Progress has recently been made and the Council has now released the full grant of £55,000. The Council continues to work in partnership with the newly formed Rowleys Centre for the Community Management Committee.
10. The Grants Panel did not wish any funding award for 2016/17 to be affected as a result of Age UK Waverley's actions during 2015/16 and therefore proposed that the funding for Rowleys should be maintained for 2016/17 on the condition that:
 - Rowleys makes progress to become an independent registered charity to operate as a separate entity with its own constitution and separate governance procedures;
 - The funds are ring-fenced to support the direct running costs of the Rowleys day centre service;
 - The Council continues to receive full and transparent accounts detailing income, expenditure and a balance sheet for Rowleys (excluding other Age UK Waverley activities);
11. The Council will work with Rowleys over the coming year to prepare them for a possible move to a Service Level Agreement in 2017/18 including the condition that a new lease arrangement is in place, which will help strengthen their ability to meet the needs of older people in their community and provide additional certainty over future years funding levels.

Age UK Surrey

12. The Council has started to build a strong partnership with Age UK Surrey during the year. It is providing information and advice to Waverley residents as well as projects enabling older people to be socially connected such as Farnham Making Connections, Living Well and computer drop-in etc. In the grant round of 2015/16 it was agreed not to award funding to Age UK Waverley towards its information and advice service due to continuing concerns about not operating a borough-wide service and not providing value for money compared to other information and advice providers in Waverley. Age UK Surrey plan to develop, extend and enhance its existing information and advice service to increase provision for Waverley residents in 2016/17. This will be delivered at drop-in accessible venues across the borough, telephone helplines, surgeries on particular issues affecting older people and home visits to ensure it reaches the most vulnerable and isolated older people. The Grants Panel proposed awarding funding of £9,000 towards the enhanced information and advice outreach service across Waverley on the condition that Age UK Surrey funds the balance required to deliver the service. It also proposed to award a further £6,000 to enable Age UK Surrey to build its partnership and wider work supporting older residents, bringing the total funding to £15,000.

Community Overview and Scrutiny Grants Sub-Committee

13. A Sub-Committee was established in November 2011 to review application documentation and scrutinise the Grants Panel's initial allocations. At its meeting on 14 September 2015 the Community O&S agreed to re-appoint the Sub-Committee this year to consider the initial allocations in more detail before bringing observations back to the O&S Committee at its meeting in January 2016. The Sub-Committee met on 9 December 2015 and the minutes of the meeting are attached at Annexe 3.

Service Level Agreements

14. Following the work of a Member Special Interest Group (SIG) in 2011, the Executive agreed to invite three organisations to negotiate SLAs. In 2012, Farnham Maltings, Citizens Advice Waverley and Waverley Hoppa Community Transport signed three year Service Level Agreements, as a pilot for this new way of working. The Agreements ensure the Council has greater control and influence over the services delivered with its funding. They provide greater accountability for the funding given and the delivery of clear outcomes with robust performance measures.

15. Due to the success of the pilot, at its budget setting meeting on 17 February 2015, the Council agreed to fund these organisations and four further organisations under new SLAs for a further three years. The four additional organisations are The Orchard Club, The Clockhouse, Age Concern Farncombe and Cranleigh Arts Centre. These seven organisations are being funded from 1 April 2015 to 31 March 2018.

Conclusion

16. Despite year on year reductions in Government funding the Grants Panel felt that it was important to maintain the overall financial package to the voluntary sector next year while at the same time recognising the best performing services that deliver clear outcomes for residents. The proposal is to continue to maintain the overall financial support allocated to the voluntary sector for the fifth year running at £725,110 emphasising the important role high performing voluntary organisations play in supporting local communities. This funding enables the Council to work with voluntary organisations to deliver vital services to residents, particularly older people, and build partnership collaboration which is increasingly important in order to meet the scale of financial challenge and needs of our communities. In addition these organisations provide volunteering opportunities that keep residents active and involved in their local communities, which contribute towards their overall happiness and wellbeing. This clearly demonstrates the value and continued commitment to those organisations working on the Council's behalf to deliver high quality services that meet local need.

17. Financial support through its funding schemes is just one way in which the Council supports and works with voluntary sector organisations. The Council financially supports voluntary organisations in many other ways including

assistance with accessing other sources of funding through its investment in a free-to-use funding portal, one-off capital investment, discretionary rate relief, Section 106 funds and rent relief.

18. In addition the Council works in partnership with many other voluntary organisations across the borough including developing community projects and services, providing information to support their sustainability, championing their services and facilitating links with partners.
19. Both the Grants Panel and Community O&S Committee have had to make difficult decisions this year as requests for financial support increased hugely compared to 2015/16. Both have recognised the need to prioritise funding on those activities that best meet local need and recognise those organisations that achieve meaningful outcomes for residents, particularly older people and vulnerable families.
20. The final approval of funding levels will not be made until the Council meeting on 16 February 2016, four months after organisations submitted their applications. To assist organisations with their financial planning and in the spirit of the Surrey Compact Funding Code 2009, a letter has been sent to all applicants informing them of their draft initial grant allocations. The letter has made it clear to organisations that the proposed draft allocations are subject to Member scrutiny and final approval by full Council on 16 February 2016.

Community Overview and Scrutiny Committee

21. The Community Overview and Scrutiny Committee considered this report at its meeting on 19 January 2016 and made the following observations:-
 - The Committee had concerns about ring-fencing the grant funding to Rowleys and wanted confidence that it would receive its whole grant. There was frustration that it was still necessary to look into detail of the accounts and residents were worried about the continuation of the service. The Committee wanted to give residents confidence that there was no reason to close the service and that Waverley would continue to support Rowleys; and
 - The Committee was concerned about a reduction in funding for organisations and the effect of this on the morale of volunteers in trying to raise funds.

Recommendation

It is recommended that the Executive:

1. confirms the overall funding to the voluntary sector at £725,110 for 2016/17;
2. considers the applications for Waverley Community Partnership funding in 2016/17, having regard to the comments of the Community Overview and Scrutiny Committee and Grants Sub-Committee; and

3. recommends grant levels for each organisation, as detailed in Annexe 1 to the report, to the Council for approval.

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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