Fast Track Review of Voluntary Sector Funding

Context

- Comparison visits to other authorities did not reveal any practice significantly better than in Southwark
- Southwark in fact is viewed as a good practice authority. This is based on views of District Auditor, ALG, NOF, local trusts and a number of 'experts'
 - Extensive range of voluntary sector activity
 - One of first local authorities to develop use of service agreements outside social care field
 - One of first authorities to use contracts outside social care field
 - Application form
 - Grants Handbook

Issues for the Review

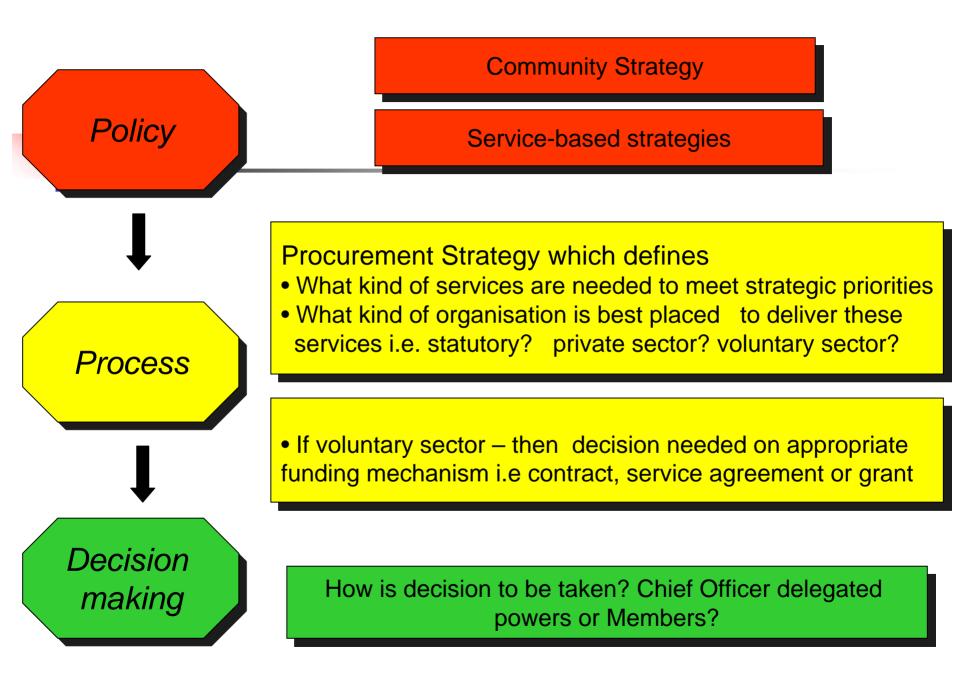
- Lack of clarity around alignment of current programmes with Council priorities
- New and emerging needs not being addressed
- Concerns around decision making arrangements
- Lack of clarity around use of contracts, service agreements and grant aid

Opposing Models

- Ring-fenced centrally-managed voluntary sector budget/programme
 - Implies voluntary sector operates in and contributes to discrete area of activity
 - Disconnected from other activities
 - Focus on organisation rather than service

VS

- Service-led programme
 - Led by core Council policies
 - Linked to procurement strategy/commissioning process
 - Focus on service delivery outputs and outcomes
 - In line with modernising agenda



Policy Recommendations

- Adopt approach driven by corporate policy and linked to service outcomes. This will entail:
 - Review of programmes
 - Policy review to be sensitive to new and emerging needs
 - CO's to include specific mechanism in commissioning process to identify new needs and capacity within programmes to address these
 - Community Support programme to be realigned to address equality and cohesion, anti-poverty and community safety

Process recommendations

- A commissioning framework to be adopted for voluntary sector which is:
 - Linked to overall procurement strategy
 - Retains mixed economy approach of contracts, service agreements and grants
 - Ensures regular review and advertising of contracts, service agreements and grants

Decision making recommendations

- Option A Status Quo. Members make decisions on all grants > £2.5k and service agreements. Chief Officers decide on grants < £2.5k. Decisions on contracts made under CSOs.
- Option B Policy Led Approach. Decisions taken in line with other decision making processes (delegated/individual member/Executive) on all programmes led by corporate drivers/service needs. Executive take decisions on Community Support programme re equality, cohesion and anti-poverty.

Decision making recommendations

- Option C Financial threshold. Chief Officers decide on grants and service agreements < £25k. Members decide > £25k. Contracts decided under CSOs.
- Option D Full delegation. Chief Officers make all decisions in consultation with appropriate Executive members. Reports to Executive for information.

Option A: Status Quo

Members retain full engagement in the decisions on voluntary sector grant funding

 Members have a fuller view of Council support for voluntary sector

- Out of step with best practice and modernising process
- Members and voluntary sector unhappy with current arrangements.
- Out of step with other decision making processes
- Members taking operational rather than strategic decisions.

Option B: Policy-led

- Delegated decisions driven by service strategies.
- Members oversee cross cutting corporate programme that support community leadership role
- COs accountable for decisions on VS service delivery
- COs responsible for commissioning
- Innovative approach

- Members have less of a picture of organisations being funded.
- Members would be making decisions on relatively small amounts of money.
- Decentralised arrangements may result in inconsistent approaches
- Would require changes to Constitution

Option C: Financial threshold

- Members play a more strategic role in taking major funding decisions.
- In line with modernisation
- Removes four programmes from Member decision
- Members have overview of organisations receiving >£25k funding.
- In line with other decisionmaking processes

- Members have a limited picture
- Small orgs that receive <£25k end up with less influence over decisions.
- Members still take some service specific decisions in isolation from overall service arrangements.
- Divorces link between commissioning and integrated planning of service delivery
- Would require changes to Constitution

Option D: Full Delegation

- Decision making in line with other decision making processes
- Members able to focus on strategic service planning rather operational delivery.
- COs make integrated decisions that affect own service areas
- In line with modernising agenda and approach in best practice councils.

- Members lose direct engagement with decision making on all VS funding.
- Voluntary sector lose access to decision making process
- Potential lack of transparency in process
- No co-ordination of overall funding
- Would require changes to Constitution



- Improving the monitoring framework
- The role of the Central Grants Unit & Grants Officers in Department
- Outsourcing
- Consultation

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