



# Fast Track Review of Voluntary Sector Funding

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# Context

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- 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

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- 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

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- 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



Community Strategy

Service-based strategies



Procurement Strategy which defines

- What kind of services are needed to meet strategic priorities
- What kind of organisation is best placed to deliver these services i.e. statutory? private sector? voluntary sector?



- If voluntary sector – then decision needed on appropriate funding mechanism i.e contract, service agreement or grant

How is decision to be taken? Chief Officer delegated powers or Members?



# Policy Recommendations

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- 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

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- 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

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- **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

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- **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*

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- 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*

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- 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*

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- 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 decision-making 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*

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- 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



# Other Issues

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



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