



Fast Track Review of the Voluntary Sector

An initial response from the Voluntary Sector

For the LBS Scrutiny Panel: 15/07/03

64 Camberwell Road, London SE5 0EN

Tel: 020 7703 8733 Fax 020 7703 9393

Email: info@savo.org.uk

Web www.savo.org.uk

1) We Welcome

- Learning lessons from last year's grants round
- Commitment to the sector and the realisation at the heart of this review – that the VCS is not an 'optional extra' or a peripheral concern – it is no 'minority interest' standing apart from the council's 'serious' business. This review makes it clear that the VCS is an important player in ALL areas of council business and it has a valuable role to play in working with the council to deliver policy objectives.
- Acknowledgement that investing in our sector is investment for the future – we're not just the recipients of aid!
- Procurement led strategy – leading to a potential expansion in the number and range of services for which the VCS will in future be able to bid for and provide
- Responsibility on all departments to demonstrate how they are building the capacity of the sector to take on greater service delivery functions in key service areas.
- New Focus for the Community Support programmes: Equality, Cohesion, Anti Poverty and Community Safety
- More transparency in grant giving
- Monitoring to be proportionate to the size of the grant
- Mixed economy of grants, service level agreements and contracts – leading to more stability and the expectation of inflation-linked increases year to year.
- Shift from funding organisations to funding *outputs and outcomes*
- The requirement on council officers to track and meet new and emerging needs (specific needs of the LGBT community presently unrecognised and another strength of the Borough – our distinctively dynamic population of refugees and immigrants need more support). Support for these latter groups needs to be delivered in a way which recognises the quickly-changing nature and needs of Southwark's most recently arrived communities.
- Commitment to carry on working with SAVO to fine tune the agreed procedures

2) Our concerns

NB: Time for consultation has been very short – these are concerns we have picked up thus far – including at the Council's own event last week. We shall be mailing our members and asking for more detailed feedback.

- This is a great opportunity to celebrate and cost the contribution of the sector. There is work to be done in defining the contribution that the sector makes to Southwark's economy – this research should be the bedrock of any new funding arrangements.
- Flexibility is retained (the promise of the continuation of a mixed economy of grants, service level agreements and contracts). However, can Councillors guarantee that this shift to a service delivery approach will not penalise those groups who play an essential role within a community but who may not have readily identifiable, economically quantifiable 'outputs and outcomes'?

Director: Pat Tulloch

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- (Linked to the above) What about groups who don't wish to become service providers but just need grants? - We'd like guarantees about the level of grant funding relative to the level of funds provided for SLAs and contracts.
- The shift to a policy-driven allocation of funding is laudable but our concern is the extent to which the sector can meaningfully influence the policy decisions that will determine their funding – the sector needs assistance and enhanced access in this regard.
- Information about tendering processes, grants programmes and opportunities for funding under the new framework will have to be carefully and widely publicised to the sector since access to council information is a challenge for many groups.
- Move to contracts = a significant shift for the sector. Many agencies have demonstrated their ability to excel within this new environment but what about those who lack experience in negotiating with council officers? These new arrangements will require investment in the sector: training in negotiation skills and a **significant amount of legal advice!**
- We acknowledge the dedication and expertise of officers within the Community Support Unit. We hope that their understanding of the specific strengths, needs and potential of the VCS will be shared amongst other council departments in an effective manner, especially as this review process is based on the premise of 'mainstreaming' funding from other units to the VCS in a new way.
- Shift to funding outputs welcome – but who defines the outputs? – The Council has the power! We need to be part of setting the Commissioning Framework
- Grants/SLA's/Contracts must acknowledge the CORE costs that facilitate delivery – especially as other funding organisations will fund services, but few will contribute to core costs.
- We seek assurance that the move to a contracting process will not disadvantage local groups vis a vis larger London/national organisations, in the light of the potentially serious and negative impact on community cohesion that any such outcome might create
- Contracts, etc can create a static relationship between funder and recipient which inhibits creativity and innovation – both hallmarks of Southwark's flourishing Voluntary and Community sector – we seek assurances that contracts will allow sufficient scope for flexibility and the development of new and innovative services.

3) The Options

We understand that options 'A' (status quo) and 'D' (complete delegation of decision making to officers) have been effectively discounted. We therefore recommend that a combination of options B and C are adopted, noting that the sector has, to date preferred B to C.

4) The future

- Our members have been informed about this consultation and we will be undertaking detailed consultation in the forthcoming weeks.
- We expect that the principles of the Compact will be fully adhered to as these important changes are consulted upon, finalised and implemented.
- We look forward to working with you to ensure that these important changes are delivered in a way that maximises the enormous potential of the VCS to tackle need and deliver change, and understand that our ongoing contribution to this process will include:
Consultation over the finer details of the adopted model following the Council's decision at the end of this month, *and* playing an integral role in developing the Commissioning Framework which will set the terms of reference on which the findings of the Review will be implemented.

Thank you for considering our submission – please do not hesitate to contact me if we can provide any further information or clarification.

Nathan Oley
Policy and Research Manager
Nathan@savo.org.uk
T: 020 7358 4186

Director: Pat Tulloch