



# **Executive Committee**

No Direct Ward Relevance

**13 January 2009**

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## **THIRD SECTOR TASK AND FINISH GROUP DRAFT PRESENTATION REPORT**

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(Report of Councillors Shurmer and Thomas)

### **1. Purpose of Report**

The purpose of this draft report is to inform the Executive Committee of the final recommendations that have been made by the Third Sector Task and Finish Group.

### **2. Recommendations**

The Committee is asked to **RECOMMEND** that

- 1) the Council adopt a written Grants Policy and Procedure;**
- 2a) the Council's purpose for funding the third sector should be aligned to the following mission statement "Redditch Borough Council supports Voluntary and Community Sector organisations because we believe that a vibrant third sector is vital to our community";**
- 2b) the criteria for grants applications be aligned to the Redditch Sustainable Community Strategy priorities;**
- 3) the Shopping, Investing and Giving funding framework be adopted for the Council's grants process;**
- 4) the Council officially endorse the Worcestershire Compact;**
- 5) further work be undertaken into the following issues:**
  - a) a review of ways to enhance Voluntary and Community Sector involvement in the Redditch Partnership;**
  - b) a review of the Council's provision of non-grant support to the Voluntary and Community Sector;**
  - c) a review of how the Council should meet its responsibilities as set out in the Worcestershire Compact agreement;**

- d) a review of how the six equalities strands could be embedded in the working practices of Redditch Borough Council and the Redditch Partnership;
  - e) a review of the Council's procurement code; and
  - f) a review of how multi-year funding arrangements should be implemented as part of the Council's grants process; and
- 6) subject to the successful submission and approval of a revenue bid, the Council introduce a clerical support role in the policy team to support the grants process; or
- subject to funding using a portion of the grants budget the Council introduce a clerical support role in the policy team to support the grants process.

### 3. Objectives of the Review

- 3.1 The Third Sector Task and Finish Group was established in July 2008. The Group consisted of six Members: Councillor Thomas who chaired the Group; and Councillors Banks; Cookson; Farooqui; Pearce; and Shurmer. Mrs Ann Sowton, from the Bromsgrove and Redditch Network, (BARN), an infrastructure organisation that supports the third sector, acted as a co-opted member on the Group.
- 3.2 The Task and Finish Group were commissioned to undertake a strategic review of the Council's overarching approach to funding third sector organisations. The Group were specifically tasked with reviewing the Council's arrangements for awarding grants and donations to third sector organisations. They were asked to bring forward proposals that would shape the Council's grants process from 2010/11 onwards.

### 4. Methods and Activities

- 4.1 The Task and Finish Group interviewed relevant Officers from Redditch Borough Council to develop an understanding of the existing grants process. They also interviewed the leaders of each of the political party groups represented on the Council to develop an understanding of political perspectives on the grants process. During the course of these interviews the Group sought to identify what both Officers and Members perceived to be the Council's purpose for funding third sector organisations as they felt that the purpose should inform the Council's grants process.

- 4.2 Throughout the course of the review the Group scrutinised the contents of relevant publications published by the Cabinet Office; the Department for Communities and Local Government; the Improvement and Development Agency (I&DeA); and HM Treasury. From this critical analysis the Group familiarised themselves with the national context.
- 4.3 The Task and Finish Group also interviewed relevant Officers from Gloucester City Council and Worcestershire County Council. These Officers were interviewed because the grants processes at their Councils were identified as examples of best practice by the Improvement and Development Agency (I&DeA). The Group were keen to ensure that they learned from these examples of best practice.
- 4.4 The Group hosted a Voluntary Sector Grants Consultation Event on 21 November which provided an opportunity to engage with local representatives of the third sector. The event was widely advertised and twenty-five representatives from the sector attended. Delegates were consulted through a mixture of information sessions and interactive workshops. The information provided by delegates during the Consultation Event was considered by the Group at subsequent meetings and informed their final recommendations.

## **5. Recommendations – Further Details**

- 5.1 More detailed information about each of the recommendations has been provided in the additional scrutiny report produced by the Task and Finish Group. However, some brief details are also provided in this Executive Summary:

### **1) The Council adopt a written Grants Policy and Procedure.**

- 5.1.1 In the past few years numerous reviews of the Council's grants process have been undertaken. However, these generally resulted in piecemeal solutions that did not improve funding arrangements in a manner considered value for money for either the Council or local third sector organisations. This also had a detrimental effect on the third sector's confidence in the Council and on relations between the Council and Voluntary Sector organisations. The Task and Finish Group feel that a written Policy and Procedures document would enable the Council to address this problem.
- 5.1.2 The Task and Finish Group have identified a number of principles which they feel should be included in this policy and procedure document. The Group intend that these principles should provide guidelines for the Officers who will be asked to produce this written document. These principles include the following:

- a) the Council should utilise the Shopping, Investing and Giving funding framework;
- b) the Council's mission statement, (as recorded in recommendation two above), should be included within the body of the Policy and Procedure document;
- c) the Executive Committee and full Council should make decisions about what should be bought by the Council when "Shopping" for services;
- d) Shopping arrangements should be funded using a portion of the grants budget;
- e) third sector organisations should have opportunities to bid for both Strategic Grants and contracts as part of the Council's Shopping arrangements (the latter option would be subject to the review of the Council's procurement code, as set out in recommendation 5e);
- f) there should be annual decision making about funding for both the Shopping, Investing and Giving parts of the funding framework;
- g) the Council's Grants Panel should continue to make decisions about grants awarded as part of the Investing and Giving side of the framework, although this will be subject to members of the Grants Panel receiving training on assessing and making decisions about applications for funding;
- h) decisions about grants and donations should be made in accordance with assessment of need rather than in accordance with demographic considerations;
- i) organisations should demonstrate an outcomes focus in applications for funding;
- j) the Council's funding application forms should be aligned with Worcestershire County Council's application forms;
- k) monitoring arrangements should be commensurate with the size of the grant provided;
- l) organisations should be able to secure full cost recovery with all applications for full cost recovery being assessed on a case by case basis; and

m) small grants should be regarded as sums valued at a maximum of £5,000 and large grants should be regarded as grants valued at over £5,000.

**2a) The Council's purpose for funding the third sector should be aligned to the following mission statement "Redditch Borough Council supports Voluntary and Community Sector organisations because we believe that a vibrant Third Sector is vital to our community".**

5.2.1 The Task and Finish Group were of the opinion that the Council's grants process should be informed by the Council's purpose for funding third sector organisations. During the course of their review members interviewed representatives of both the Council and other organisations to determine what the purpose of funding arrangements was perceived to be. The Group concluded that there was no definitive interpretation of the purpose for providing funds to the third sector at either Redditch Borough Council or many other local authorities. They agreed that this weakened local authority grants processes.

5.2.2 The Group therefore identified a mission statement which they believed should be the Council's purpose for funding third sector organisations. They agreed that this mission statement should reflect recognition of the importance of third sector organisations to the local community and the Council's commitment to working in partnership with the third sector.

**2b) The criteria for grants applications be aligned to the Redditch Sustainable Community Strategy priorities.**

5.2.3 The Group agreed that in the current public sector context the criteria for applications should be aligned to the Redditch Sustainable Community Strategy priorities. They believe that in the present context this arrangement would enable the Council to ensure that funding is delivered in accordance with the purpose for providing funding to Third Sector organisations (outlined in recommendation 2a).

5.2.4 However, Members are aware that there is no guarantee that the priorities of the Redditch Sustainable Community Strategy will remain aligned to the Council's priorities or that the Sustainable Community Strategy document will remain a permanent fixture of local government. Therefore, the Group agreed that this arrangement should be reviewed frequently and should not be recorded in the Council's Policy and Procedure document.

**3) The Shopping, Investing and Giving funding framework be adopted for the Council's grants process.**

- 5.3.1 During the course of this research Members analysed the Shopping, Investing and Giving funding framework. This funding framework has been increasingly promoted by central government as an example of best practice for managing funding relations with external organisations, including third sector bodies.
- 5.3.2 Worcestershire County Council operates a model of Shopping, Investing and Giving. This funding framework had been implemented successfully by that Council, thereby demonstrating that the model can be utilised in the local area. Consequently many local third sector organisations should already be familiar with the requirements from applicant organisations that arise in accordance with this model. The Group believed that this, together with aligning the two Councils' application forms, should help to clarify application processes to the benefit of both applicants; local residents receiving services delivered by third sector organisations; and the Council.
- 5.3.3 Shopping, Investing and Giving is a suitable framework for implementing the stated purpose for providing grants and donations to third sector organisations.

**4) The Council officially endorse the Worcestershire Compact.**

- 5.4.1 The Worcestershire Compact agreement is an agreement between the Statutory Sector and the Voluntary and Community Sector. The agreement sets out how organisations from both sectors can work together to deliver the best services possible to people within Worcestershire.
- 5.4.2 During the course of the review it became apparent that this document had never been officially endorsed by full Council. The Group believed that this situation was unacceptable. They believed that the Worcestershire Compact agreement represented best practice. The Group therefore agreed that Members should officially endorse the agreement.

**5) Further work should be undertaken to address recommendations 5 a-f (listed above).**

- 5.5.1 The Group identified a number of relevant issues during the course of their review which they believe needed to be addressed in order to improve the Council's working relations with the third sector. Members did not scrutinise these issues further during the course of

their exercise because the subject areas were outside the scope of their review. They have therefore recommended that further work be undertaken, by appropriate working bodies, to address these issues.

5.5.2 The Group agreed that a review of how the six equalities strands could be embedded in the working practices of Redditch Borough Council and the Redditch Partnership should be undertaken. These six equalities strands consist of: age; disability; gender; race, religion or belief; and sexual orientation.

5.5.3 Members also recommended that further work be undertaken to review the possible introduction of multi-year funding arrangements. The Group did undertake an initial investigation of multi-year funding arrangements. Moreover, responses provided by delegates during the Consultation Event indicated widespread support for multi-year funding arrangements within the third sector. However, the Group felt that this was a complex issue that required further time to scrutinise than had been provided for their Task and Finish Review. For this reason recommendation 5 f was proposed by the Group.

**6) subject to the successful submission and approval of a revenue bid, the Council introduce a clerical support role in the policy team to support the grants process; or**

**subject to funding using a portion of the grants budget the Council introduce a clerical support role in the policy team to support the grants process.**

5.6.1 During the Course of the review the Group scrutinised the issue of Officer support for the grants process. The Group recognised that collectively the recommendations they proposed, if approved, would create more work for Officers. Members believed that under these circumstances additional Officer support would be appropriate.

5.6.2 Members were aware that there were various options available that could enable the Council to fund the post. They were also aware, though, that for each of these options there would be financial implications for the Council. The Group recognised that this might not be appropriate in the current economic climate for the Council.

5.6.3 However, the Group were concerned about the consequences that might arise if no further resources could be appointed to co-ordinate the grants process. Under these circumstances the Group were of the opinion that either part of the recommended grants process could not be implemented or duties that are currently undertaken by existing Officers could no longer be delivered. Moreover, during the

- Consultation Event delegates expressed their approval for the provision of appropriate Officer support for the grants process.
- 5.6.4 The Group were unable to agree a final recommendation in relation to Officer support. They therefore asked the Overview and Scrutiny Committee to consider a number of options and to agree an appropriate recommendation for the consideration of the Executive Committee.
- 5.6.5 The Overview and Scrutiny Committee agreed that a clerical support role should be introduced to support the Council's policy team, which currently has responsibility for managing the grants process. The costs involved in funding this clerical support role are outlined in Appendix A.
- 5.6.6 The Committee had a preferred option for financing this role: using funds obtained as a result of a successful revenue bid. This would ensure that funding was not diverted from the Council's grants budget.
- 5.6.7 The use of a portion of the grants budget to finance the clerical support post, as outlined in the second option for this recommendation, would ensure that funding would not need to be obtained from additional Council budgets. However, both the Third Sector Task and Finish Group and the Overview and Scrutiny Committee were concerned that this option would involve the Council diverting funds that could have been distributed to third sector organisations. Furthermore, during the Consultation Event the delegates clearly indicated that they would not be in favour of using a portion of the grants budget to finance an Officer role at the Council.
- 5.6.8 Therefore, the Executive Committee is urged to only consider this second option for funding an Officer support role if the revenue bid arrangement receives no support.

## **6. Conclusion**

The Group have undertaken a thorough piece of scrutiny over the past six months. They believe that the recommendations that they have proposed should enable the Council's grants process to become fit for purpose from 2010/11 onwards. They therefore urge the Executive Committee to approve these recommendations.

## **7. Background Papers**

The Third Sector Task and Finish Group Report. A full Bibliography of the sources that were scrutinised by the Group during the course of the review have been provided in this document.

## 8. Consultation

- 8.1 There has been extensive consultation with representatives of external bodies.
- 8.2 This occurred in the form of interviews with Officers from Gloucester City Council and Worcestershire County Council.
- 8.3 The Task and Finish Group also engaged representatives of local third sector organisations in the review during the Voluntary Sector Grants Consultation Event on 21 November. During the Consultation Event delegates proposed three key statements on behalf of the third sector for the consideration of the Council (Appendix B).

## 9. Author of Report

The authors of this report are the Chair of the Third Sector Task and Finish Group, Councillor Diane Thomas, and a member of the Group, Councillor Mark Shurmer. Further information about this report can be obtained from Jess Bayley, (Overview and Scrutiny Support Officer) who can be contacted on extension 3268 or e.mail: [jess.bayley@redditchbc.gov.uk](mailto:jess.bayley@redditchbc.gov.uk) .

The costs involved in supporting the clerical support role, as detailed in recommendation six, are outlined below.

The costs detailed below represent estimated salary costs and do not include operational budgets.

Staff	Grade	Salary bottom of grade (excluding oncosts)	Salary top of grade (excluding oncosts)	Salary bottom of grade (including oncosts)	Salary Top of grade (including oncosts)
Admin Post	Scale 3	£15,520	£16,610	£19,923	£21,358

**Three Key Statements from the Voluntary and Community Sector**

During the Voluntary Sector Grants Consultation Event delegates proposed three key statements on behalf of the Third Sector for consideration of the Council. These are detailed below:

- 1) Redditch Borough Council should ensure that the needs of the Borough are considered when making decisions. In the absence of this awareness some needs within the Borough may fail to be addressed.
- 2) Redditch Borough Council should ensure that some basic expectations inform decisions about distributing funding to third sector organisations. Funding should be fairly distributed across different communities and organisations within the Borough. The Council should seek to fund organisations that serve a range of communities as well as to award funding to a mix of small, medium and large organisations.
- 3) Redditch Borough Council needs to needs to develop more proactive communications arrangements. The Council should do more to publicise local events and opportunities, including opportunities for third sector organisations to apply for funding. The achievements of, and activities delivered by, third sector organisations using Council sources of funding should also be publicised. Relevant articles in a Council newspaper could help to address this issue. The Council could invite representatives of local third sector to contribute relevant articles to a Council newspaper.