

WINCHESTER TOWN FORUM

26 January 2011

MOVING TO A COMMISSIONING APPROACH FOR NOT FOR PROFIT SECTOR FUNDING

REPORT OF ASSISTANT DIRECTOR (ACTIVE COMMUNITIES)

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RECENT REFERENCES:

[CAB 2098](#) – Proposals for a Commissioning Approach – 8 December 2010

EXECUTIVE SUMMARY:

Cabinet has approved a new approach to funding for not-for-profit organisations working in the Winchester District and this has implications for the Town Forum's own grant giving. This paper sets out the process for a transitional year during 2011/12, and proposals for determining the Town Forum's contribution to the future process.

RECOMMENDATIONS:

1. That the Town Account Informal Grants Group meets to review applications for grants to not-for-profit organisations in 2011/12, and that final decisions are taken at the Town Forum meeting on 23 March 2011.
2. That officers liaise with the Chairman about the future role of the Forum in the commissioning process relating to grants, and that a recommendation is made as to this role to a future meeting of the Forum.

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##### DETAIL:

##### 1 Introduction

- 1.1 At the meeting on 8 December 2010, Cabinet approved the principle of rolling out a new commissioning approach from April 2011 ([CAB 2098](#) refers). This new approach will apply to grants given by the Council which will in future be more actively specified to deliver Council priorities. The supporting policy and procedure for this new approach to funding will be drawn up over the next few months and launched in the new financial year. Winchester Area Community Action is working with the Council and with non-for-profit organisations to ensure that all parts of the sector are aware of the new approach and able to access it. This includes community groups, charities, arts and heritage organisations, sports clubs and any other group which has traditionally been eligible for the Council's community grants programme.
- 1.2 This new approach has implications for the Town Forum which has its own budget for grant giving and has previously made a contribution to organisations which applied through the Council's former grants process. The future role of the Town Forum in the new commissioning process has yet to be determined.
- 1.3 2010/11 has been a year of change. Alongside the desire to move towards commissioning there were concerns in advance of the Comprehensive Spending Review about whether Council funding could be made available for one-off grants. The usual grants process was therefore suspended and applications were not invited in the usual way. Initially officers wrote to organisations given one-off grants last year to let them know they should assume that funding would not be available for the financial year 2011/12. A special seminar was arranged in November to explain to organisations the nature of the changes being proposed, and the help which could be provided through partner organisations such as Winchester Area Community Action.
- 1.4 As the financial picture became clearer officers worked with leading Members to consider funding priorities for 2011/12, with a view not only to moving to the commissioning approach but also reducing the overall grants budget in line with the Council-wide service redesign process. As a result of these discussions, three groups were identified as followed:

- a) Recipients of grants in the past which were less well placed to support the delivery of community outcomes, and for which no funding would be proposed in 2011/12. Officers wrote again in November 2010 to inform these organisations of the likelihood, subject to final budget considerations.
  - b) Previously funded organisations considered to be providing vital services in support of the current Community Strategy priorities. These organisations received a different letter, followed up with individual telephone calls this month. Officers are discussing with them whether, with some continued funding (likely to be around 25% less than they received last year), they will be able to focus on the contribution they make to delivering against priority outcomes during 2011/12. Those organisations able to respond positively to this request will then be asked to apply for funding with a final decision at Cabinet on 16 March 2011.
  - c) The Council's five key clients (CAB (Winchester), CAB (Bishops Waltham), Hat Fair, Trinity Winchester, and Winchester Area Community Action) and also the Theatre Royal Winchester – which has traditionally sat outside the community grants programme, but which is the biggest single grant made by the Council - have been asked to expect a reduction of 25% in the funding available to them over the next three years (subject to the budget process). Smaller grants will require key clients to reduce costs by re-designing the way they work and, in the case of the two Citizens' Advice Bureaux, to work closer together to maintain service provision across the District within the funding available. Officers and Members have been working closely with these clients to find solutions which will help to mitigate funding reductions.
- 1.5 An overall sum available for not-for-profit (community) revenue support will be agreed as part of the budget at Cabinet in February 2011. A further report will then be brought to Cabinet in March, setting out recommendations for grant aid in line with the considerations set out above.
- 2 The Role of the Town Forum in Grants for 2011/12
- 2.1 Of the key clients, and the list of organisations likely to be recommended for some grant funding, most will be active in the town area. Some are included on the list specifically because they will be delivering services in the priority neighbourhoods of Stanmore and Winnall. The Town Forum may wish to consider making a contribution to organisations relevant to the Town area as it has done in the past. It is recommended that the Town Forum input is achieved through a meeting of the Town Account Informal Grants Group to review applications, and through final decisions at its meeting on 23 March 2011.

### 3 The Role of the Town Forum in the Future Commissioning Process

- 3.1 It should be noted that the grant allocation process for 2011/12 is a transitional one, moving to a full commissioning model from 2012/13. As part of the service redesign process and in line with feedback from voluntary groups, officers are developing a 'light touch' application process for the year ahead. For future years, officers are seeking to introduce a web-based system which reduces the administrative workload associated with the traditional grants process but maximises partnership working with organisations funded by the Council.
- 3.2 The commissioning approach will provide opportunities for new organisations to apply for funding, or for existing ones to receive commissions for more than one project or service at a time. It will enable the Council to use its limited funds in a more flexible and effective way for local people.
- 3.3 It is therefore recommended that officers liaise with the Chairman about the future role of the Forum in the commissioning process and that a recommendation is made at to a future meeting of the Forum.

### 4 SUSTAINABLE COMMUNITY STRATEGY (RELEVANCE TO):

- 4.1 Grants to voluntary organisations are made in order to achieve outcomes set out in the Sustainable Community Strategy and associated Change Plans.

### 5 RESOURCE IMPLICATIONS:

- 5.1 The amount allocated for spending on grants in the Town Forum draft budget for 2011/12 (for decision on this agenda) is £ 41,813, and £20,000 for the Theatre Royal.

### 6 RISK MANAGEMENT ISSUES

- 6.1 There are two key risks associated with the proposals outlined in this paper.
- a) The survival of not-for-profit organisations may be jeopardised by funding reductions of any kind, particularly in combination with reductions from Hampshire County Council and – in view of the economic climate – possibly in charitable giving to such work by the public. Officers are working closely with Winchester Area Community Action to offer training, advisory support and networking which will help groups to overcome current funding challenges. However, this will not prevent some 'churn' in the line-up of local organisations: some may have to consider winding up, but others see opportunities in these changes and are already identifying the benefits.
  - b) The allocation of any public funding carries some risk in terms of the end-use of those monies. Financial checks are carried out to try to ascertain that the grant is needed and will be properly applied, and service level agreements are drawn up to measure the performance of

the organisations in deploying the grant. Officers aim to build strong and open relationships so that they have a clear insight into the management and effectiveness of funded organisations, and can address poor performance at an early stage.

BACKGROUND DOCUMENTS:

None

APPENDICES:

None