

BASFORD & BESTWOOD (AREA 2) COMMITTEE 19TH SEPTEMBER 2012

Title of paper:	Streamlining Investment to the Voluntary Community Sector	
Director(s)/ Corporate Director(s):	Candida Brudenell, Director for Quality and Commissioning, NCC Ian Curryer, Corporate Director for Children and Families, NCC	Wards affected: Basford & Bestwood
Report author(s) and contact details:	Irene Andrews, Market Development Programme Manager and Katy Ball, Head of Service for Early Intervention and Market Development Quality and Commissioning 0115 8765506	
Other colleagues who have provided input:	Geoff Walker, Head of Departmental Finance, Corporate Finance, NCC, and Malcolm Townroe, Legal Services Manager, Legal Services, NCC	
Relevant Council Plan Strategic Priority: (you must mark X in the relevant boxes below)		
World Class Nottingham		
Work in Nottingham		X
Safer Nottingham		X
Neighbourhood Nottingham		X
Family Nottingham		X
Healthy Nottingham		X
Leading Nottingham		
Summary of issues (including benefits to citizens/service users):		
<p>This report summarises historical arrangements regarding Nottingham City Council's investment in the Voluntary and Community Sector (VCS) in Nottingham and outlines future proposals to create a more streamlined, transparent system at city-wide, Area Committee and Councillor levels, building on feedback from the VCS.</p> <p>Reports brought to the Executive Board Commissioning Sub Committee (EBCSC) on 23rd May 2012 and 27th July 2012 gained agreement to undertake this work. Benefits of a more streamlined model include greater transparency and accessibility around how funding is allocated, an outcomes-based system that more clearly demonstrates impact, and a collated picture of how money is spent in local communities.</p> <p>This is a summary of the current funding which has been devolved through an Area level and opens discussion with Area Committees to agree how a future model will work and the types of priority outcomes that need to be supported. It is proposed that a funding formula will be used over the next few years to move to a fair system between Areas.</p>		
Recommendation(s):		
1	Note the new model for streamlining funding to the VCS that includes Area Committees as a geographical basis for the dissemination of funding.	
2	Note the current spend detailed in the Area Funding Schedule for Area 2 (appendix 1).	

1. BACKGROUND

Nottingham City Council is committed to supporting a thriving local Voluntary and Community Sector (VCS), indicated through the Nottingham Plan and the Corporate Commissioning Framework. Approximately £31.2m of funding is invested in the VCS each year. This is currently through a range of channels and departments.

Historically, a number of different grant programmes were administered across the Council. Over the past year work has commenced to streamline this approach in order to make investment simpler, more transparent and easier to understand for the sector.

During 2011 a review took place of support services to the VCS that were funded under the Voluntary Sector Investment Programme that was due to end in March 2012. A new contract was awarded and came into effect on April 1st 2012. A small grants programme was also agreed to ensure that there was a fund available for Area Committees to support VCS groups during 2012/13.

On 14th March 2012, the Executive Board Commissioning Sub-Committee (EBCSC), agreed to move to a more streamlined approach to allocating funding by 1st April 2013, to replace all existing grant programmes. It was also agreed that a range of existing grant arrangements should be extended whilst this programme of work is undertaken.

On 23rd May 2012, the EBCSC agreed the Programme Plan and timescale for the work followed by a report on 27th July 2012 to agree what funding was in scope and a new three tiered model for investing funding.

Current Position

All current contracts and grant-giving arrangements have been mapped and broken down into departments and areas. The scope of what funding is included has been identified. The current investment to the VCS is £31.2m. Most of this (£29.5m) is through City-wide arrangements and £1.78m is through an area basis. An overview of the current funding for Area 2 by category is provided in Area Funding Schedule (appendix 1).

Important note related to the scope of the funding:

- The funding amounts for Sport and Leisure and Parks and Open Spaces are the actual amounts achieved last financial year 2011/12. They include external funding which has been brought into Nottingham, for example from Sport England, and cannot be guaranteed at the same level this financial year.

Proposed Model

A new model to allocate funding has been agreed. It is proposed that a more streamlined approach would improve transparency and accessibility, shift to an outcomes-based system that more clearly demonstrates impact, and will provide a collated picture of how money is spent in local communities.

The proposed model will work on three levels:

- Councillors' individual budgets
- Robust arrangements at Area Committee level, including scope for small grants
- Through commissioned services let on a City-wide basis.

Using the eight Areas was deemed the most appropriate geographical basis. Localities would be too large to enable a focus on all neighbourhoods. Wards would create the risk of recreating a burdensome system with duplication for the VCS and would be too complicated for consortia arrangements.

Consultation with each Area Committee by the end of September will explore:

- How arrangements at area level will work
- How Area Committees would envisage top slicing a budget to create a small grants fund
- How consortia working in areas could be supported
- The types of priority outcomes that the money can and cannot support.

Options to create a financial process to support this are being consulted on with the VCS.

Timescales:

	Timescale
Undertake consultation with Area Committees and the VCS.	August – Sept 2012
Agree financial process for investing funding in the VCS at EBCSC.	September 2012
Agree specifications for Area Committees at EBCSC.	October 2012

2. REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

These recommendations will create a more consistent process for investment within the VCS, in order to improve transparency and accessibility to funding, ensure an outcomes-based system that more clearly demonstrates impact, and provide a collated picture of how money is spent in local communities. Feedback from consultation with the VCS highlighted that they need more time to prepare for these processes so that they can participate fully and that processes need to be visible and accessible to smaller organisations. The sector still want to see small grants available for local projects which can meet local need.

3. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

Doing nothing and continuing with fragmented arrangements and differing timescales could lead to unplanned outcomes and added confusion within the VCS.

4. FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

Appendix 1 identifies the initial scope of voluntary sector funding from a wide range of budgets for Area 2 from the total funding of £31.5m identified for VCI across the city. There is a requirement to deliver £495k saving separately from voluntary sector grants. It is yet to be determined how this will be delivered and could impact upon the levels of funding available for districts from the area committee in the future.

5. RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

- New contracts not in place by 1st April, due to the potential for procurement and contract issues to preventing this timescale being possible. Any procurement need to be made in accordance with the Councils Financial Regulations and where appropriate, European Union tendering requirements. There will be a need to revisit timescale at the end of the 'Plan Phase'.
- A reduction in grants spend required to be delivered in 2012/13 is £495k. Some plans are in place to deliver this but not a wide reaching plan. This work provides the scope to bring together all funding streams to the VCS, reduce duplication and mitigate against the reduction.

- Savings from existing VCS programme are not identified in 12/13 to fund the Small Grants Programme creating an additional budget pressure of £250k.

6. **EQUALITY IMPACT ASSESSMENT**

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)
- (b) No
Where there have been reviews on some elements of this funding some EIAs have been undertaken. The next stage of this programme will include further EIA work.
- (c) Yes – Equality Impact Assessment attached

7. **LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

EBCSC Strategic Commissioning Intentions Report – July 2011
Quality and Commissioning Directorate Business case: Transitioning Infrastructure Support and Grant Funding to Commissioned Services – June 2011
City Council Funding for the Voluntary Sector – March 2012
Streamlining Funding to the VCS – May 2012
EBCSC Streamlining Investment to the VCS – Progress July 2012

8. **PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

The Nottingham Plan to 2020
The Commissioning Framework, Nottingham City Council – 2010