

EXECUTIVE BOARD COMMISSIONING SUB COMMITTEE (EBCSC)**27TH July 2012**

Title of paper:	Streamlining Investment to the VCS - Progress	
Director(s)/ Corporate Director(s):	Candida Brudenell, Director for Quality and Commissioning, NCC Ian Curryer, Corporate Director for Children and Families, NCC	Wards affected: All
Portfolio Holder(s):	Cllr Collins, Portfolio Holder for Health, Commissioning and Human Resources.	Date of consultation with Portfolio Holder(s): 2 nd July 2012
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Other colleagues who have provided input:	Geoff Walker, Head of Departmental Finance, Corporate Finance, NCC Ceri Walters, Finance Service Partner, Corporate Finance, NCC Representatives from all four NCC departments	
Key Decision:	Yes	
Reasons for Key Decision:		
Expenditure, income or savings of £1,000,000 or more taking account of the overall impact of the decision:	✓	
• Revenue expenditure		
• Revenue income		
• Savings		
• Capital expenditure		
• Capital income		
To be significant in terms of its effects on communities living or working in an area consisting two or more wards in the City	✓	
Relevant Council Plan Strategic Priority:		
World Class Nottingham		
Work in Nottingham	✓	
Safer Nottingham	✓	
Neighbourhood Nottingham	✓	
Family Nottingham	✓	
Healthy Nottingham	✓	
Leading Nottingham	✓	
Summary of issues (including benefits to citizens/service users):		
<p>This report summarises the recent history regarding Nottingham City Council's investment in the Voluntary and Community Sector in Nottingham and outlines future proposals.</p> <p>It builds upon the report brought to the EBCSC on 23rd May 2012 which gained agreement to move to a more streamlined model of investment to the Voluntary and Community Sector (VCS). 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>		

This report provides an update on progress, outlines the funding which has been identified as part of this work, and proposes further detail on a new three-tiered model for agreement, to streamline funding going forwards.

Appendix 2 is exempt from publication under paragraph 3 part 4 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial or business affairs of particular persons namely the organisations named therein and the City Council and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Recommendation(s):

- | | |
|----------|---|
| 1 | Note the content of this report including the scale of investment to the Voluntary Community Sector which is £31.2m |
| 2 | Agree a three tiered model that includes Area Committees as the geographical basis for the dissemination of funding |

1 BACKGROUND

- 1.1 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 (see Appendix One), requesting a progress report in July to consider the funding, and a report in September to consider specifications for new contracts.

1.2 Current Position

The programmed work is on track. Clear governance has been put in place around this work and all senior leaders have been briefed. A Programme Team has been identified, with all key colleagues who have been involved in grant-giving processes. All current contracts and grant-giving arrangements have been mapped and broken down into departments and areas. Communications with the VCS have begun and VCS representatives have been identified as part of the Programme Team.

- 1.3 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

£1.75m is through an area basis. An overview of the funding by category and area is in exempt Appendix Two, including which organisations receive funding.

Important notes 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.
- Nottingham Circle has been included as a Community Interest Company which is a type of limited company designed specifically for those wishing to operate for the benefit of the community rather than for the benefit of the owners of the company. This means that a CIC cannot be formed or used solely for the personal gain of a particular person, or group of people.
- Further work will be undertaken to map existing arrangements for property lease deals.
- £12.2m of Housing Related Support is currently invested in the VCS through a commissioning process.
- The original scope for this work, before proper analysis, was £50m. The reduction to the current scope of £31.2m included landlord payments (over £13m), Future Jobs Funding that won't exist going forwards, and inaccuracies in the raw initial data.

1.4 Proposed Model

A new model to allocate funding needs to be determined in order to establish consistency. 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

Consultation with Area Committees by the end of September will explore:

- How arrangements at area level will work
- How a formula based on deprivation and per capita could support a fairer system
- How Area Committees would envisage top slicing a budget to create a small grants fund
- How consortia working in areas could be supported
- How to identify priority needs in areas and to develop the basis for outcome-focused specifications

Emerging options to create a financial process to support this are being worked up, and will require consultation with the VCS. This would include exploring whether some City-wide funding could be allocated through areas using the formula basis.

1.5 Next Steps:

	Timescale
Complete the financial analysis work (including property lease deals identification, or agree timeframe to do this).	End of July

Begin the communications and engage VCS representatives.	Commence July
Consult Area Committees on the financial process and identify clear outcome-focused priorities. The timescale for this may require the scheduled EBCSC Update Report in September to be pushed back. The current consortia group that provide services that support the VCS could support this work.	By end of September
Agree financial processes and create specifications for Area Committees (EBCSC Report currently scheduled for September).	September / October at EBCSC

2 REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 These recommendations will align arrangements for investment and commissioning services with the VCS with a single common approach, 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 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

- 3.1 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)

- 4.1 The mainstream budget for grants to the voluntary sector in 2010/11 was £4.502m. Reductions in line with the City Council's reduction in spending power were applied to the budget in 2011/12 (8.2%) and for 2012/13 (4.2%). The overall grants budget for the voluntary sector in 2012/13 is £4.007m.

There is a further commitment to continue a small grants scheme with a budget of £250k (EBCSC November 2011) from additional savings generated from within the review of grants. The review has not yet identified how the saving will be delivered. The achievement of this is from bringing all funding streams together for the VCS which will add value and reduce duplication between City-wide and area contracts.

The planned review needs to be undertaken as soon as possible to enable expenditure to be contained within the overall budget provision for grants to the voluntary sector.

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

- 5.1
- 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'.

- Lack of capacity to undertake the change work, the complexity and size of this programme of work. Need to ensure ongoing capacity to undertake this work and formalise the governance of this.
- A reduction in grants spend required to be delivered in 2012/13 is £745k. No plans are in place to achieve this currently. This work provides the scope to bring together all funding streams to the VCS, reduce duplication and mitigate against the reduction.

6 EQUALITY IMPACT ASSESSMENT

6.1 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

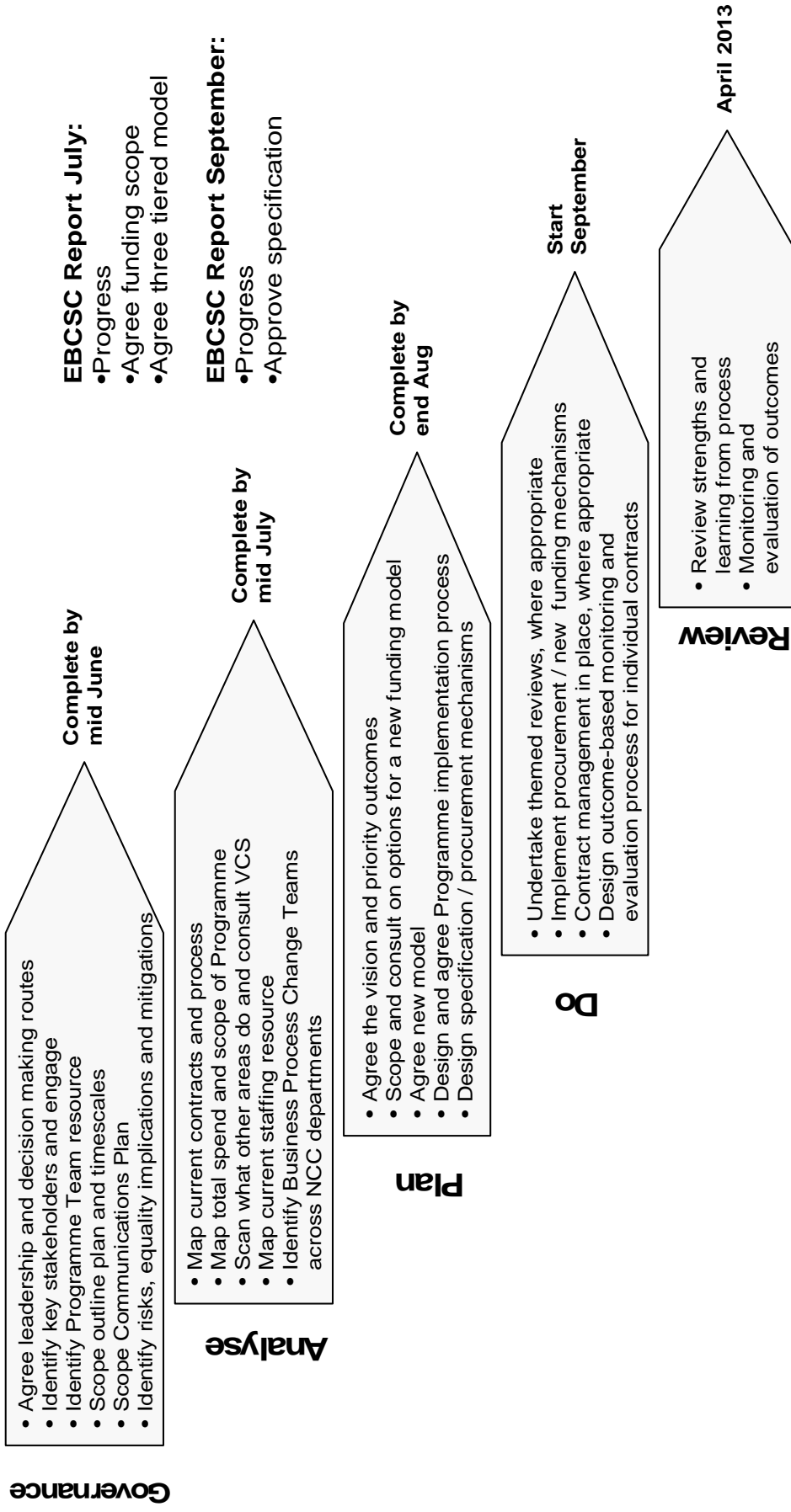
- 7.1 EBCSC Strategic Commissioning Intentions Report – July 2011
Quality and Commissioning Directorate Business case: Transitioning Infrastructure Support and Grant Funding to Commissioned Services – June 2011
City Council Funding for the Voluntary Sector – March 2012
Streamlining Funding to the VCS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

8 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

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

Streamlining Investment to the VCS - Plan

APPENDIX 1



Ongoing Communication, Involvement and Engagement