

Bath & North East Somerset Council

MEETING:	Economic and Community Development Policy Development and Scrutiny Panel
MEETING DATE:	19 th January 2012
TITLE:	Analysis of funding for Third Sector in Bath and North East Somerset in 2010-11: Update and Progress Report
WARD:	ALL

AN OPEN PUBLIC ITEM

List of attachments to this report:

APPENDIX 1: Funding for Third Sector organisations from Bath & North East Somerset Council- 2011-11 Baseline

APPENDIX 2: Items identified in Medium-Term Service and Resource Planning process which may have potential impacts on voluntary and community sector

1 THE ISSUE

- 1.1 This is an update report on the analysis of 2010-11 “baseline” funding for the “third sector” (comprising voluntary, community and not-for-profit organisations) in Bath and North East Somerset. The report also provides an update on potential impact on the third sector of the Council’s current Medium Term Financial Planning process.

2 RECOMMENDATION

The Economic and Community Development Policy Development and Scrutiny Panel is asked to agree that:

- 2.1 It notes the baseline data for voluntary and community sector organisations’ funding in 2010-11 set out in Appendix 1
- 2.2 It receives further analysis drawing on outcome and value for money measures
- 2.3 It notes the summary of potential impacts on voluntary and community organisations identified in MTSRPs set out in Appendix 2

3 FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications of this report. However, the opportunities and issues highlighted have an impact on the Council's resource planning. Through this, the Council is seeking to balance budgets and ensure value-for-money from its work with voluntary and community organisations, and not making disproportionate reductions in funding. Achieving this may mean developing new approaches to "commissioning" and "enabling" services through the Council's work with the sector.

4 THE REPORT

Background

- 4.1 The Panel at its meeting in July requested that research and analysis be undertaken into funding for voluntary, community and not-for-profit organisations in Bath and North East Somerset. Through this work, the Panel is seeking to

- gain a greater understanding of the level and scope of the Council's investment into the "third sector"
- identify the degree of "leverage" from other partners and organisations that this brings
- use this information to identify potential new and increased funding sources

Progress Update

- 4.2 The Council received a report on progress on this work in November 2011. This identified that support for the voluntary and community sector in Bath and North East Somerset is wide-ranging in scope, including grants, payments for service, commissions and concessionary rents. It was also noted that a high proportion of grants made are for relatively low amounts. The Panel asked for more detailed work to be undertaken on identifying specific funding for individual organisations and to identify types of activity supported.

- 4.3 Whilst some issues of "scope" and definition remain, this work has now taken place. To aid the analysis, payments have been identified directly from the Council's financial systems. However, it is important that the limitations of this data are understood, including:

- it is based on a "snapshot" of a particular year
- it is limited in scope to the Council's own budgets and does not include payments made directly by other funding bodies (information on the totals of these figures was reported to the November Panel)
- there remain some issues of definition.

- 4.4 This process has identified 183 voluntary and community organisations receiving a total of £4,557,239 in 2010-11. The analysis sets out- for each organisation- the funding received in 2010-11 and also a brief summary of the type of funding – for example, funding for a concessionary rent, a grant for a specific project, a commission etc. The information in Appendix 1 has been set out according to a

series of “themes”. This baseline data is of course now available for re-use and further analysis and it is proposed that the next step for this draw on service agreements and outcomes measures to begin an assessment of impacts (including equalities impacts) and value for money.

Medium Term Service and Resource Planning 2012-13 to 2014-15

- 4.5 The November meeting of the Panel also received a detailed presentation outlining the wider funding context for voluntary and community organisations in Bath and North East Somerset, including potential for attracting external funding such as European funding. This will be increasingly important given the current financial position. The budget report to Council in February 2011 noted the “impact of significant cuts in government grant funding both in terms of general grant and specific grants supporting direct service areas”.
- 4.6 The Panel also heard how through its Change Programme the Council is increasingly following a “Community-led commissioning” approach. Through this, the Council will seek to work closely with local community and voluntary organisations to improve outcomes and value for money. This may mean new ways of working - for example through shared “front office” customer service initiatives such as one-stop shops to ensure a more co-ordinated approach to providing of help and advice. The roll out of universal credits alongside the increasing economic pressures will mean services linked to money advice, relationships and homelessness may come under increased pressure as a national web based system replaces a local system, with face to face advice provided by the Council
- 4.7 Recent Government Best Value Statutory Guidance also states that authorities should “seek to avoid passing on disproportionate reductions - by not passing on larger reductions to the voluntary and community sector and small businesses as a whole, than they take on themselves”. Policy Development and Scrutiny Panels have received Medium Term Service and Resource Plans. These plans set out the relevant service areas’ approach to resource planning and to savings required to balance budgets. Appendix 2 sets out a summary of extracts from these Plans which may impact on the voluntary and community sector. This should also be seen in the context of significant additional funding of £2m through the Community Enablement Fund, much of which will be invested in voluntary and community organisations. As reported to the January Cabinet, the “small grants” fund alone has seen 33 awards of funding made so far totalling £136,328.
- 4.8 In the current cycle, more detailed Service Action Plans are being presented. In drawing up these Plans, services have been requested to be clear about the potential impacts of proposed changes on voluntary and community organisations. Any updated information on impacts will be provided at the meeting.

5 RISK MANAGEMENT

- 5.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

6 EQUALITIES

6.1 As further analysis is undertaken on the information set out in this report, equalities impacts will be further considered. There will also be a focus on how the Council can use its investment in the third sector to assist with delivering its duties under the Equality Act 2011. Equalities Impact Assessments are undertaken as part of the Council's service and resource planning processes.

7 CONSULTATION

7.1 *Section 151 Finance Officer; Chief Executive; Monitoring Officer;*

8 ISSUES TO CONSIDER IN REACHING THE DECISION

8.1 *Customer Focus; Sustainability; Corporate Other Legal Considerations*

9 ADVICE SOUGHT

9.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

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Background papers	Report and Presentation to 17th November 2011 Economic and Community Development Policy Development and Scrutiny Panel
Please contact the report author if you need to access this report in an alternative format	