

## Bath & North East Somerset Council

MEETING:	Economic & Community Development Policy Development and Scrutiny Panel
MEETING DATE:	21st July 2011
TITLE:	Proposed Analysis of Bath & North East Somerset Council's funding of the Third Sector
WARD:	ALL
<b>AN OPEN PUBLIC ITEM</b>	
<b>List of attachments to this report:</b> Appendix: Brief for Analysis of Bath & North East Somerset Council's funding of the Third Sector	

### 1 THE ISSUE

1.1 This report requests the Panel to agree that an analysis of Bath & North East Somerset Council's funding for the "third sector" (broadly comprising voluntary, community and not-for-profit organisations) be undertaken. This will aim to establish the current level of the Council's investment, any additional funding levered into the area as a result, and highlight potential opportunities for additional inward investment.

### 2 RECOMMENDATION

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

2.1 The proposed Brief attached as an Appendix be commented on and used as the basis for this work

2.2 That a report containing the data and analysis be brought to the Panel's meeting in November 2011

### **3 FINANCIAL IMPLICATIONS**

- 3.1 There are no direct financial implications to undertaking the work identified in the report. Some analytical and research resources will be required for this work and this will be undertaken by the Policy and Partnerships Team working with relevant service commissioning leads.

### **4 THE REPORT**

- 4.1 The current financial constraints on public services have a clear impact on local government and – either directly or through reduction in grant to Councils- to voluntary and community sector organisations. At the same time, the move towards empowering communities to come together to address local issues places a greater focus on the capacity of “third sector” organisations both to deliver services and to broker solutions. Recent draft Best Value Statutory Guidance published by the Government states that authorities should be sensitive to the benefits and needs of voluntary and community sector organisations, and in particular should “seek to avoid passing on disproportionate cuts”.
- 4.2 Despite the loss of Government specific grants (including in-year cuts of £3.6m in 2010-11) as well as overall grant reductions amounting to £13.9 million per year by 2013, Bath & North East Somerset Council has sought to avoid disproportionate reductions in funding for the third sector, in line with draft statutory guidance. In adopting this approach to its budget- achieved primarily through efficiency savings- the Council is also developing its own role as a “commissioner” and “enabler” of the third sector rather than simply as “grant giver”. The Council recognises that the third sector can play a key role in delivering vital service outcomes- for example in working through shared “front office” customer service initiatives. This emphasis on a co-ordinated approach to the provision of help and advice, particularly to the most vulnerable, will be increasingly required as changes to the benefit system have an impact and as “Community Budgets” are rolled out nationally.
- 4.3 It is therefore considered timely that an analysis be undertaken to establish a clear baseline for the current level of investment into the third sector by Bath & North East Somerset council. The aim is to provide re-usable information that demonstrates the degree and range of this investment and also provides opportunities for improved ways of working. This would also provide the basis for further analytical work, for example on the impact of funding within particular areas and communities.
- 4.4 The work would also potentially assist with identifying the extent to which this funding attracts additional resources, and also the potential to attract more such investment. In the current economic climate, maximising external funding is vital. Increasingly, philanthropic organisations, trusts and businesses provide opportunities for new forms of delivery and investment. New funding initiatives such as the Big Society Bank could make a real difference to local communities.

### **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 The decision to undertake this piece of work as set out in the report will not in itself have an equalities impact. However, the Brief highlights that as part of the analysis equalities impacts will be considered, highlighted and addressed.

## 7 CONSULTATION

7.1 *Cabinet Member; Overview & Scrutiny Panel; Section 151 Finance Officer; Chief Executive; Monitoring Officer*

7.2 Consultation at this stage has been through circulation of the draft report

## 8 ISSUES TO CONSIDER IN REACHING THE DECISION

8.1 *Social Inclusion; Customer Focus; Sustainability; Property; Young People; Human Rights; Corporate; Impact on Staff; 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.

<b>Contact person</b>	David Trethewey, Divisional Director, Policy and Partnerships
<b>Background papers</b>	<a href="#">Best Value: new draft statutory guidance</a> <a href="#">Report to Council, 15th February 2011- Medium Term Service &amp; Resource Planning, 2011/12 – 2013/14, &amp; Budget and Council Tax 2011/12</a>
<b>Please contact the report author if you need to access this report in an alternative format</b>	

## APPENDIX

### **Brief: Analysis of Bath & North East Somerset Council's funding of the Third Sector**

#### Objectives

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

#### Scope

The research scope will include

- funding from Bath & North East Somerset Council and the partnership working it undertakes with health
- funding to voluntary, community and not-for-profit organisations

#### Deliverables

For each funding stream, the following information will be identified

- The amount of funding in 2010-11
- Whether the funding is capital or revenue
- Whether the funding is "one-off" or continuing
- Whether the funding is in the form of a grant, a service level agreement, commissioned service or some other form of support (such as "in kind" support)

Where possible, the Research will also identify

- What additional investment and support is levered in as a consequence of the Council's support
- Which areas and communities within the Council's area are designed to be impacted by the funding support

The data will be held in an open format database or similar which will allow for re-use.