

Report to: Resources Portfolio Decision Making Meeting

Date: 2nd October 2008

Report from: Fiona White, Head of Democratic and Community Engagement

Report by: Delyth Horsley, Voluntary and Community Sector Support Officer

Title: Voluntary and Community Sector Grants Review

1. Purpose of the Report

To make recommendations prior to the commencement of the annual grant programme for 2009/10 following the review of grants to the Voluntary and Community Sector (VCS), with a view to continuing to support an environment for a thriving third sector in the city.

2. Recommendations

- That the council should not advertise an open-for-all grants programme for 2009-2010, but organisations who are currently receiving grant funding should be invited to re-apply.
- That the council should, in the future, continue to run a small grants programme for “seed-corn” for new initiatives and “one-off” funding. The council should also explore whether other LSP partners would like to join in creating a partnership funding programme for this.
- That the council should work with procurement and grants officers in departments to transfer long term grant funding arrangements of over £10,000 a year for three years duration into contracts, so giving greater stability of funding to the third sector.
- That the council should explore with IT the feasibility of designing an in-house database to collect data on the council’s funding relationships with the sector. Alternatively, funding to purchase a database should be included in a capital bid for the modernisation of the democratic process.
- That a decision as to whether to tender for the infrastructure support service to help develop a thriving third sector should be made in January 2009. In the interim there should be discussion with Portsmouth Council for Community Service (PCCS) to determine their interest in and capacity to support the third sector with the public service delivery agenda, alongside other roles.
- That the council should consider alternatives to administering Trusts in-house, with the exception of the Lord Mayor’s Charity, and that a meeting should be set up with Hampshire and Isle of Wight Community Foundation (HICWF) to explore this.
- Funding should actively be sought for the renewal of the licence for the funding database, Portsmouth4Community in April 2009, (cost still to be negotiated) as a means to enabling third sector organisations and community groups to identify alternative sources of funding.

3. Background

- 3.1 Portsmouth City Council has committed to supporting the development of a thriving Third Sector and to increase public service delivery by Voluntary and Community Sector (VCS) organisations. The city has a long history of working in partnership with the sector and of the sector providing innovative and cost-effective services. There are over 500 voluntary and community organisations in the city providing a wide range of services to the community. If the sector is to thrive and provide services on behalf of the council there needs to be a commitment to support it. The Local Area Agreement includes National Indicators 6, "Participating in Regular Volunteering" and 7, "Environment for a Thriving Third Sector", both of which relate directly to the sector and contribute significantly to several corporate priorities.
- 3.2 The council has agreed that the future role of the role of the VCS should not only be in public service delivery but also in:
- a. Providing a voice for local people
 - b. Lobbying and campaigning
 - c. Promoting volunteering
 - d. Supporting small VCS groups who are unlikely to wish to become deliverers of public services

(Portsmouth Local Area Pathfinder: Building Public Service Partnerships 2007)

- 3.3 The grants review was requested by the Executive in March 2007; at the SDB meeting on 20th June 2007 it was proposed that given the scope of the review the process should be staged over twelve months, with some procedures being reviewed before the 2008 –2009 grants process began in October 2007, and others being reviewed during the following year.

4 Recommendation details

- 4.1 That the council should not advertise an open-for-all grants programme for 2009-2010, but organisations who are currently receiving grant funding should be invited to re-apply.**

Historically, grants have been advertised from the beginning of October each year, with a closing date of 31st December. A number of enquiries about applications for 2009/10 have already been received. Following the closing date applications are assessed and considered by the Cabinet who approve allocation as part of the budget process; in 2009 this will need to be done by 23rd January. In order to be Compact compliant, if we plan to have a grants programme we will need to begin the process in October if we are to meet this timetable.

The council distributed £1,203,475.00 through its Grants programme in 2008-2009. Of this, £642,969.00 was allocated via SLAs to 13 organisations and £560,506.00 was awarded as grants to 36 organisations. (See Appendix 1)

Due to previous budget savings the amount of funding available from the Community Safety and Leisure portfolios has almost ceased and all other portfolios have also had to make savings.

Grant funding has been reduced by 25% across the board over the past two years, from £740,872.00 to £560, 506.00 and this has led to the percentage of successful grant applications dropping sharply, from a 65% success rate in 2006/07 to 36% in 2008/09. In addition, there has been no increase for inflation over the past 3 years,

leading to a reduction in the real value of the grants of 10% over this period. This equates to a 35% reduction in funding to the sector.

Only two organisations (PRENO and Read for Life) received funding for the first time in 2008/09 – all other new initiatives were unsuccessful, mainly due to insufficient funding being available.

If funding for grants is limited expectations can be raised unfairly by advertising an “open for all” programme. In addition this incurs costs in administering the application process, which could otherwise be used to support the growing third sector agenda and supporting individual third sector organisations in their development.

It is recognised that limiting the programme for the year 2009/10 will limit opportunities for innovation and potential new funding but this needs to be weighed against the realities of the funding position this year and be addressed in future years.

4.2 That the council should, in the future, continue to run a small grants programme for “seed-corn” for new initiatives and “one-off” funding. The council should also explore whether other LSP partners would like to join in creating a partnership funding programme for this.

Three year funding provides a degree of stability within the sector and nurtures some key strategic relationships. It does however limit scope to extend grant aid to a wider range of groups without an increase in the budget. A small grants programme will allow for a greater turnover of applications from different groups and a degree of risk taking, funding small scale activities which help to build community. This is particularly relevant to smaller and newer organisations that do not have the capacity to meet service delivery specifications but who add value locally by addressing the needs or interests of specific social groups within the community, building social capital, improving quality and providing a sense of community and belonging. A small grants programme allows the council to have the opportunity to consider applications from new organisations whose work can indicate changes and flag up future service priorities.

4.3 That the council should work with procurement and grants officers in departments to transfer long term grant funding arrangements of over £10,000 a year for three years duration into contracts, so giving greater stability of funding to the third sector.

Long term funding is defined here as funding of more than £10k which has been received for at least three years for the same service or project. This would involve 13 of the 36 organisations who received grant funding in 2008 – 2009. Transferring this funding into contracts would meet the required action to provide greater funding security and stability (3 years) to the Voluntary Community Sector, enabling them to better develop quality, cost effective services on behalf of the council and to nurture key strategic relationships. It can also allow the organisation to access other sources of funding and develop other funding relationships, but will mean that funding is then committed in a contract for three years and limit any funding available for one off grants.

All contracts of an aggregate value of £50,000.00 would need to follow the procurement process and those over £140,000.00 would fall under the European Regulations. (There is some scope for waiver under the social care contracts.)

4.4 That the council should explore with IT the feasibility of designing an in-house database to collect data on the council's funding relationships with the sector. Alternatively, funding to purchase a database should be included in a capital bid for the modernisation of the democratic process.

There is currently no single system for collecting data about funding relationships with the VCS across the city council.

The VCS support team hold a grants data base, but to provide a full picture of funding to the third sector including PCC contracts with the sector and money that is passported via the city council and the contribution the third sector make to the cities priorities, a more comprehensive database is required. We currently use a simple, internally designed Access database which is dependent on manual entry. The present database is no longer suitable to provide all the information we need to monitor our current system. It is time consuming to enter all the data from applications onto it and does not produce the reports we need for monitoring of LAA indicators and council priorities. We have no means of enabling applicants to complete a form on-line. We are working with our Business Development Manager to write a specification for a database. External options have been investigated and a pressure bid has been submitted. It is recommended that we approve the feasibility of developing an in-house database or alternatively include this in the wider capital bid for modernisation of the democratic process, should the pressure bid not be successful.

4.5 That a decision as to whether to tender for the infrastructure support service to help develop a thriving third sector should be made in January 2009. In the interim there should be discussion with Portsmouth Council for Community Service (PCCS) to determine their interest in and capacity to support the third sector with the public service delivery agenda, alongside other roles.

In developing a thriving third sector, third sector organisations need support to become more financially independent and sustainable. Traditionally this support in Portsmouth comes through PCCS and a service level agreement with the city council. Nationally there is debate about how that support should be provided and whether the traditional role of the CVS can deliver it, or whether something else is needed.

The city council had identified a need to strengthen the management (including financial management), service delivery and governance of PCCS by its board. The council supported PCCS to make these changes during the latter part of 2007. A report was brought to the Leaders decision-making meeting on the 11th March 2008 that outlined progress made by PCCS, including: production of business plan, agreed monitoring arrangements and achievement of NAVCA standard.

Since that report PCCS have completed their management restructure and a new chair is due to be elected at their AGM in September. A set of monitoring reports have been received which give some indication of progress against the targets in the SLA: however there is still need to determine that third sector organisations will

now turn to PCCS for their support needs and that PCCS will be able to develop a thriving third sector, including supporting the VCS to deliver more public services.

The city council agreed to make a decision by January 2009 as to whether to continue to fund PCCS or tender for this service. In the interim it is recommended that there should be discussion with Portsmouth Council for Community Service (PCCS) to determine their interest in and capacity to support the third sector with the public service delivery agenda, alongside other roles.

4.6 That the council should consider alternatives to administering Trusts in-house, with the exception of the Lord Mayor's Charity, and that a meeting should be set up with Hampshire and Isle of Wight Community Foundation (HICWF) to explore this.

Democratic Services currently administers charitable work on behalf of a number of Trusts (see Appendix 2). The income distribution from the trusts in total amounts to just over £60,000 per year but cost the department 778 hours of work which equates to a half-time post. It is recommended that the council explores transferring the management of these trust (excluding the Lord Mayor's Charity) to HICWF.

4.7 Funding should actively be sought for the renewal of the licence for the funding database, Portsmouth4Community in April 2009, (cost still to be negotiated) as a means to enabling third sector organisations and community groups to identify alternative sources of funding.

The city council has a licence for a funding database (Portsmouth4Community), which is accessed from the PCC website. The database is easy to access and simple to use. It has details of over 4,000 funders and is updated daily. Since April 2006 the site has been accessed by nearly 400 different organisations/individuals, with a total of over 4,000 visits. The licence expires in April 2009. The cost of renewal is still to be negotiated; the original purchase price was £18,000.00. The Voluntary Sector Unit are e-mailing all users who have agreed to be contacted to ask whether they have found the database useful and will also ask for feedback through the monthly mailing which we send out to over 500 VCS organisations in the city. We know that Relate were successful in being awarded £25,000.00 through using the database, which more than covered the initial cost. We need to decide whether to continue subscribing the database after April. Both PCCS and the Portsmouth Diocese have funding databases, but neither is as simple and easy to access as Portsmouth4Community.

It is recommended that funding should actively be sought for the renewal of the license for the funding database, Portsmouth4Community in April 2009, (cost still to be negotiated) as a means to enabling third sector organisations and community groups to identify alternative sources of funding.

5. Conclusion

Following the Grants Review the Portfolio Holder is asked to consider the recommendations in the report, so that the Democratic and Community Engagement Service can proceed in particular either to advertise the annual grants programme or advise VCS organisations differently and to continue to develop a thriving third sector.

6. Equality Impact assessment

An Equality Impact Assessment has been undertaken

7. City Solicitor's Comments

The City Solicitor is satisfied that it is within the Council's powers to approve the recommendations as set out.

Signed.....Date.....

Fiona M White
Head of Democratic and Community Engagement

Background Documents: None