

Committee: Cabinet

Date: 3 July 2017

Wards: All

Subject: Future funding for Strategic Partner Grants

Lead officer: Simon Williams, Director of Community and Housing

Lead member: Cllr Edith Macauley, Cabinet Member for Community Safety, Engagement and Equalities

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Recommendations:

1. That Cabinet agrees that a future Strategic Grants programme is based on a commissioning approach with specifications drawn up in consultation with the voluntary sector and partners (section 3.7).
 2. That Cabinet ask officers to look at other departmental grants relating to information, advice and voluntary sector support services and to speak to partners with a view to bringing together resources into a single commissioning grant pot (section 3.4).
 3. That Cabinet note that this approach could not be effectively put in place by the end of the current Strategic Partner Grants programme and therefore to agree to roll forward the current programme with existing providers at the current funding level into 2018/19 (section 3.8).
 4. Funding remains at current levels for the next 3 financial years 2018/19 - 21 but with the intention to support Strategic Partners to have a long term sustainable funding plan in place (section 3.9).
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The corporate Strategic Partner Grants programme currently commissions advice and voluntary sector support services from the voluntary sector. The current providers are:
 - Citizens Advice Merton and Lambeth
 - South West London Law Centres
 - Springfield Advice and Law Centre
 - Merton Voluntary Service Council
 - Merton Centre for Independent Living
 - Merton Community Transport
- 1.2 The annual cost of the programme is £682k (excluding notional funding) and funding was agreed for a three year period from 2015-18. Funding was awarded on a grants basis with organisations bidding for funding against a

broad set of criteria but with service provision largely determined by the grant funded organisation.

- 1.3 The bulk of funding pays for generalist and specialist advice services, including legal and debt advice. These organisations are providing services to some of the poorest and most disadvantaged households in Merton who have been hardest hit by austerity cuts and economic changes.
- 1.4 It should be noted that the majority of advice services are provided by unpaid volunteers. The funding that Merton provides covers the cost of paid staff that oversee the work of teams of volunteer advisors.
- 1.5 Funding for the Strategic Partner Grants programme has remained unchanged since 2012. Over this period the Council's overall level of funding has reduced by around 40% and is anticipated to continue to reduce over the remainder of the MTFS period.
- 1.6 It is proposed to move toward a commissioned grants approach going forward with a clearer set of outcomes and outputs agreed by the Council in advance. Also, that current departmental grants for advice services and voluntary sector support is reviewed and where possible consolidated into a single pot. It is proposed to speak to other public sector partners who commission similar services, such as the CCG, about the potential to enter joint commissioning agreements. The advantages of this approach are:
 - greater economies of scale by including all Council spend (and potentially partners) on these types of services;
 - a range of stakeholders including the VCS, partners, service users and Council would be involved in drawing up the specifications to ensure different viewpoints and ideas on how best to commission these services were considered; and
 - specifications that reflect the priorities agreed by Cabinet to ensure that resources are targeted to those priorities and that future monitoring ensures that outputs are delivered in line with the specification.

It should be noted that all the Council's we contacted to review current practice elsewhere have switched to either commissioned grants or contracts. The reason cited was to ensure value for money and to focus on commissioning priorities.

- 1.7 Should Cabinet agree the move to a commissioned grants approach, it would take some time to implement this, including consultation, identifying current grant spend on these types of services, drawing up specifications, awarding grants and mobilisation. This could not be done effectively within the time frame of the current programme which ends in March 2018. The current programme would therefore need to be rolled forward a further year into 2018/19.
- 1.8 It is proposed that funding remains at current levels for the next 3 year period 2018/19–21 but with the intention to support Strategic Partners to have a long term sustainable funding plan in place.

2 DETAILS

Background

- 2.1. The aim of Strategic Partner Funding is to provide core funding to voluntary and community sector (VCS) organisations that undertake a strategic role in the borough. This includes umbrella bodies representing other VCS groups, support services for the VCS, or cross-cutting services that do not fall into service department funding categories.
- 2.2. In order to obtain funding, organisations are required to provide evidence of how they support the work of other voluntary organisations in the borough and/or deliver services for local people that do not fall into service department funding categories. Applicants have also been expected to demonstrate how their services contribute to the strategic ambitions for the borough and the delivery of Merton's Community Plan. The current full criteria for funding are included at Appendix 1.
- 2.3. The current round of three year funding agreements began in April 2015 to run until March 2018. The agreed total per year currently allocated to Strategic Partner Funding is £780,000, broken down as £682,181 in cash payments and £97,819 in notional rents. For the three year agreements in place the total amount set to go to Strategic Partners will be £2,340,000 (£2,046,543 in cash and £293,457 In-kind). The complete breakdown of funding to each of the organisations can be found at Appendix 2. The table below sets out the breakdown by organisation per year.

Organisation	Purpose	Cash	Notional
Citizens Advice Merton and Lambeth	Information, advice and advocacy	£341,898	£59,870
South West London Law Centres	Legal Advice and casework	£56,034	£0
Springfield Advice and Law Centre	Legal advice and casework	£53,765	£0
Merton Voluntary Service Council	Voluntary sector support and volunteering service	£125,484	£37,949
Merton Centre for Independent Living	Accredited advice and advocacy Service; disability policy and strategy service	£80,000	£0
Merton Community Transport	Community transport service	£25,000	£0
Total		£682,181	£97,819

- 2.4. Each funding agreement includes a series of outcomes which helped to decide which organisations would be funded. These outcomes also enable the impact of the funding to be assessed. The latest monitoring information for each organisation is included in Appendix 2.

Key challenges identified by funded organisations

- 2.5. From the latest monitoring carried out, there were a number of consistent challenges that the strategic partners identified:
- demand for services continues to rise, notably since the most recent welfare reforms;
 - other sources of funding have become increasingly competitive plus drafting funding applications requires expertise and skills that are not always available from MVSC or within the Strategic Partner organisations themselves;
 - looking for multiple sources of funding so as not to be reliant on just strategic partner grants, but looking to secure funding that is flexible and that fits within an organisations core values. Examples of organisations that Strategic Partners have been able to attract funding from include Healthwatch, Children in Need, City Bridge Trust, Thames Water and the Tudor Trust;
 - finding suitable premises is an issue, both in terms of office and administrative space and for service delivery.

The approach in other London Boroughs

- 2.6 We have looked at the approach that other boroughs have taken in relation to strategic partner funding including neighbouring boroughs and boroughs who have undertaken recent work in this area. The majority continue to fund infrastructure and advice services corporately. However, there has been a substantial shift towards commissioning rather than grants. Commissioning is seen to offer better value for money in a time of reducing resources and to ensure that priorities align with the local authority's priorities. Many boroughs have reduced the overall level of funding for advice and infrastructure support, however, this has been widely signposted in advance with a significant lead in period e.g. Camden. Further information on the approach taken in other boroughs is set out in Appendix 3.

3 OPTIONS FOR THE STRATEGIC PARTNER PROGRAMME GOING FORWARD

- 3.1. The Strategic Partner model has been successful in Merton and has been developed in partnership with the VCS. The stability provided by the three year agreements has enabled organisations to pilot, and deliver additional services on top of delivering the outputs and outcomes agreed as part of the strategic partner funding itself. The stability has also enabled organisations to secure other sources of funding; being seen to be a Council partner acting as a form of validation and endorsement makes them more attractive to other grant funding organisations.
- 3.2. Providing support for infrastructure and volunteering helps to enable a flourishing voluntary sector and in turn helps to reduce the demand for council services. The continued reduction in funding for local authorities means that there is the need to stimulate and nurture social action in order to build more sustainable communities. One of the key aims of Strategic Partner funding is to empower the voluntary sector so that it can help shape

the borough and support the services, and the gaps in the services, that the Council delivers.

- 3.3. Advice and advocacy services play an important role in helping to prevent problems that emerge for people from spiralling to a point where there is the need to access higher cost and more intensive council services. Evidence from those receiving strategic partner funding to provide advice services is that government reforms to the welfare system continue to cause an increase in demand for advice, in particular around benefits and housing. Advice services can play a crucial role in assisting their users to deal with the effects of these changes, ensuring people receive the allowances or support they are entitled to and are supported to manage their money and avoid debt. Funding for advice can be an important first step in helping people to be supported to live their lives independently.
- 3.4. A decision needs to be taken on agreeing the level of funding that would be available to be allocated. The current figure of £682k per year allocated to Strategic Partners has remained at this same level for the previous two cycles of three year funding agreements. Overall funding for local government continues to be reduced so it is recognised that the amount of funding provided to Strategic Partners needs to be assessed in this context. It should be noted that as well as the Strategic Partner Grants programme there is grant expenditure within departments on advice and support services. It is therefore proposed to look at the feasibility of consolidating other departmental grants for these services into a single commissioning grant pot.
- 3.5. Currently, the Strategic Partner Grants provide: advice services, community transport, voluntary sector development, volunteering and pan disability policy and strategic advice. We are recommending that these should all continue to be funded, but that the proportion between commissioning outcomes should be reviewed. For example, in light of the Voluntary Sector and Volunteering Strategy it could be argued that support to the voluntary sector and volunteering should be increased to reflect the need to support the sector to adapt to rising demand and falling income e.g. developing expertise around income generation and fundraising. It is an area of strategic importance to the Council but the level of funding provided by the Council is low in comparison to other boroughs.
- 3.6. A decision needs to be taken on the approach to the commissioning of the funding to Strategic Partners; either grants, commissioned grants or contracts. London Funders, a membership network for funders and investors in London's civil society, see grants as being the preferred model but that a more commissioned approach offers greater flexibility in how outcomes are delivered by providers. Adopting a commissioned grants model enables the council to ensure that the work of funded organisations is aligned to its corporate priorities and that there is greater transparency in what is being funded. This model also allows the commissioner to develop a strong set of performance measures to ensure delivery meets the objectives set out in the commissioning brief.
- 3.7. It is therefore recommended to move to a commissioned grants model and to work with stakeholders to develop the specifications setting out the

outcomes required and what will and will not be funded. CMT were in agreement with this proposal and that the Policy, Strategy and Partnerships team would be responsible for drawing up the commissioning specifications and to commission and client the service.

- 3.8. To put this process in place effectively and to analyse the Council's current grant spend on these areas, as outlined in 3.4, will take some time and we would therefore recommend rolling forward the current Strategic Partner Grant programme for a further year, 2018/19, at the current levels. A new programme would therefore come into place for three years from 2019/20.
- 3.9. It is proposed that funding remains at current levels for the next three year 2018/19-21 period with a view to supporting Strategic Partners to put in place a long term sustainable funding base. It is proposed to work with Strategic Partners to support them develop a sustainable business model including examining options such as charging, other funding, shared service models with other providers etc.

4 ALTERNATIVE OPTIONS

- 4.1. The decision could be taken to stop providing Strategic Partner funding after the current agreements end in 2018. However the current funding climate for local authorities, with reducing budgets and activity also reinforces the need to stimulate and nurture social action; filling gaps and enable self help within communities. It is inevitable that if we ceased to fund these services at the current level or withdrew a significant proportion of funding without time for the current providers to seek alternative funding, the current services would cease, potentially with the current providers being financially unviable going forward. This would inevitably have a knock-on effect in terms of increasing demand for Council services. **Not recommended.**
- 4.2. Funding reductions could be introduced incrementally from 2019/20 with a funding reduction in each year of the funding period. This would assist the Council in meeting its saving target. However, it will be harder for providers to develop a sustainable long term funding model as they will inevitably focus on implementing cuts year on year. **Not recommended.**
- 4.3. The decision could be taken to adopt a model of non-commissioned grants. A commissioned approach to grants is seen as ensuring that there is greater transparency and that grant allocations are based on well-defined criteria that support clear outcomes. It ensures that grant applications and monitoring processes are more robust at defining outputs and outcomes and that their impact can be measured and evaluated more effectively. **Not recommended.**

The decision could be taken to move to a contract approach. There is though a concern that smaller organisations can suffer if a council moves to a purely commissioned approach. Grants remain seen as an important funding stream for specific types of projects and offer greater flexibility. **Not recommended.**

5 CONSULTATION UNDERTAKEN OR PROPOSED

5.1 We gave all the current Strategic Partners the chance to comment on this report. Overall, there was support for the recommended approach with some consistent points emerging from the feedback:

- Welcoming the Council's proposed ongoing commitment to the Strategic Partner Programme;
- All organisations facing financial pressures as other sources of funding become increasingly difficult to access;
- Noting that demand has increased for information, advice and support services across the board;
- Support for the proposal to remain as a grant based programme and for to move toward a commissioned grants approach subject to further discussions on how this would work in practice;
- Support for the proposal to look more widely at similar types of expenditure allocated by the Council and its partners;
- Longer funding periods help organisations plan for the future;
- The importance of the Strategic Partner programme complementing statutory services and how effective and timely advice can prevent problems from escalating;
- To note, when developing specifications, the need to reflect the significant difference between information/ advice/ guidance services and support to the voluntary sector.

Detailed responses are set out in Appendix 3.

6 TIMETABLE

- Summer 2017 – review existing departmental grants spend on advice, information and voluntary sector support
- Autumn 2017 – Start process for new commissioning specifications
- Feb/March 2018 – Finalise one year grant agreements for 2018/19
- Summer 2018 – Consult on proposed specifications
- Autumn 2018 – Seek grant applications
- Winter 2018 – Appoint new Strategic Partners 2018/21
- Early 2019 – Finalise Grant Agreements
- April 2019 – New Strategic Partner Programme commences

7 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

7.1. The current total per year currently allocated to Strategic Partner Funding is £780,000, broken down as £682,181 in cash payments and £97,819 In-kind grant contributions (notional rent). For the three year agreements in place

the total amount set to go to strategic partners will be £2,340,000 (£2,046,543 in cash and £293,457 In-kind). Currently this level funding is built into the base budget in the MTFs.

7.2. A saving of £80k is in the MTFs for 2017/18 based on an assumption that the subscription to the London Council's Grant Scheme would reduce by this amount from 2017/18. However, the subscription for 2017/18 has reduced by just £34k. It is proposed that the remaining £46k is taken from the budget for Strategic Partner Grants. The 2016/17 corporate grants budget is £789,190, once the 46k saving is taken the 2017/18 budget will be £743,190. This means there is sufficient budget to commit to Strategic Partner Funding as outlined in 7.1 of £682,181 for 2018-21.

7.3. There is a further agreed saving in 2018/19 of 19k to come from corporate grants. This 19k saving can be also met from the grants budget as, once enacted, the 2018/19 budget would be £724,190. This is sufficient budget to meet the proposed Strategic Partner Funding of £682,181 as outlined in 7.1 for 2018-21.

8 LEGAL AND STATUTORY IMPLICATIONS

8.1. There is no legal requirement to fund these services. However, a reduction in funding would impact on current and future service users who fall within the protected characteristics groups set out within the Equality Act 2010 and the impact of any funding reduction on these groups would need to be carefully considered when a decision to reduce funding was being considered. There is a high likelihood of legal challenge were the potential impacts not considered in accordance with the Public Sector Equality Duty during the decision making process.

9 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

9.1. The support provided through the Strategic Partner Grants programme supports the Council's priorities around human rights, equalities and community cohesion. The funding goes to organisations who provide services to vulnerable and disadvantaged residents and a significant proportion will come from people who fall within the protected characteristics. The support provided to voluntary sector organisations will contribute to strengthening community cohesion in Merton.

10 CRIME AND DISORDER IMPLICATIONS

10.1. N/A

11 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

11.1. N/A

12 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

Appendix 1 – Criteria for funding

Appendix 2 – Organisations receiving Strategic Partner Grants 2015-18

Appendix 3 – Comparison with other London Boroughs

Appendix 4 – Feedback from Strategic Partners on the proposed approach

13 BACKGROUND PAPERS

13.1. Voluntary Sector and Volunteering Strategy – Cabinet Report January 2017

Appendix 1 - Criteria for funding

Strategic Partners must show that they are able to:

- demonstrate a strong local connection to Merton, including an established local presence in the borough for at least 12 months;
- deliver services that generate a quantifiable benefit to Merton;
- support the delivery of Merton's Community Plan, actively contributing to 'bridging the gap' between the east and the west of the borough';
- contribute to meeting the council's strategic objectives, including its commitment to equality and diversity;
- promote community cohesion, integration and access;
- deliver accessible services that meet the needs of Merton's diverse communities;
- operate in accordance with the principles of the Merton Compact;
- work strategically with the council and contribute to policy development relating to the service they provide/ organisations they represent;
- give service users a voice and articulate these at a borough level;
- work collaboratively with other VCS organisations;
- are not for profit organisations (including social enterprises) and do not include any public body or local authority; and
- have a corporate body or have a formal constitution if not incorporated.

Appendix 2 – Organisations receiving Strategic Partner Grants 2015-18

Name of service provider organisation	Merton Centre for Independent Living
Total amount of funding agreed for 2015-18	£240,000
Purpose of funding	Accredited Advice & Advocacy Service including home-visiting and representation to enhance individual financial security and improved choice and control for Disabled people; Pan-disability Policy & Strategy Service that will positively influence local organisations and the external environment.
Key progress and delivery against agreed outcomes between April and September 2016	
<ul style="list-style-type: none"> • Hate Crime pilot work and research report has resulted in the appointment of a MOPAC funded hate crime worker and partnership work with LBM and MPS • Engagement with Waste Services on wheelie bin plans and ensuring that changes to collections are responsive to the needs of disabled people • Engaged with ASC on what independence means for disabled people and in discussions to deliver short training on this • Across Advice and Advocacy, 471 sessions of 1:1 support have been provided, covering 237 cases in the first 6 months of the year. Work carried out relates to mainly to benefits (applications, assessments, appeals), housing and community care • In our annual survey currently being conducted, 100% of respondents agreed that Merton CIL addresses the issues which matter to Disabled people. • In the last financial year, over half of service users agreed their voice was heard, 60% felt more financially secure, and our work contributed £846,000 to the local economy • Original targets have been re-modelled as the administrative burden of an accredited service has been nearly three times what was expected • Project on budget. Agreed that underspend in year one would be used to part-fund a service manager post for the remaining two years 	

Name of service provider organisation	Merton Community Transport
Total amount of funding agreed for 2015-18	£75,000
Purpose of funding	To part fund (50%) the salary of the Chief Executive Officer, thereby enabling the

	CEO to meet local needs and strategic leadership of MCT
Key progress and delivery against agreed outcomes between April and September 2016	
<ul style="list-style-type: none"> • From April to September 2016, the number of individual passengers has risen to 121 active users, a 49% increase compared to the same period last year • 98 member organisations are registered with MCT who act as a conduit in providing transport for various events and community engagements. Some of the groups within Merton include; Carers support, Merton Mencap, Dementia Hub, Merton vision and various local schools • MCT works with Circle Housing to improve residents working condition and aid improvement of users quality of life and mental wellbeing • Working to diversify income and reducing dependence on contracted work from Dial a Ride • MCT conducts a service feedback survey each quarter, to assess strengths and areas requiring further improvement. Latest results include customer service satisfaction of 86% and 95% would recommend MCT to others • Received Fleet Operator Recognition Scheme accreditation, a scheme that aims to improve fleet activity throughout the UK • The support of part funding the CEO's salary is seen as helpful as the services being provided do not generate an income to fully fund this post 	

Name of service provider organisation	Citizens Advice Merton & Lambeth
Total amount of funding agreed for 2015-18	£1,025,694
Purpose of funding	To provide information, advice and advocacy services relating to social welfare law, including money advice casework, to Merton residents
Key progress and delivery against agreed outcomes between April and September 2016	
<ul style="list-style-type: none"> • Assessed against national Citizens Advice performance framework for both quality of advice and governance and passed with some minor corrective action recommended. CAML has since joined a national pilot scheme which will provide more rigorous scrutiny of its quality of advice. This started in 2016-17 • Confirmed benefits gained are £545,809 and debt managed stands at £1,603,117 (overall target £2,000,000). Although not a measured outcome, a 	

further £76,920 has been regained through employment advice

- Overall, against a year one target of 28,000 Merton residents, a total of 29,026 people received information and advice
- Mitcham office being renovated to become the main site and a pilot of a satellite service of outreach across the borough

Name of service provider organisation	Merton Voluntary Service Council
Total amount of funding agreed for 2015-18	£376,452
Purpose of funding	To provide a one stop shop infrastructure and strategic representation service for the voluntary, community and faith sector in Merton
Key progress and delivery against agreed outcomes between April and September 2016	
<ul style="list-style-type: none"> • Electronic communication tool MINE set up which connects 45 Voluntary Sector Chief Officers in Merton • 955 volunteering roles registered on V-Base (volunteering database) and 108 new volunteering opportunities developed by working with organisations in the borough • At least £42,000 in kind support levered into Merton's VCFOs from local business through Business Development Officer, in partnership with Merton Chamber of Commerce • Contributed to the development of the revised Terms of Reference and led on the 'community participation' theme of the Health & Wellbeing Strategy Refresh and the Economic Wellbeing Action Plan • NAVCA Quality Mark, Volunteering England Quality Mark, London Youth Quality Mark Bronze, Positive About Disability all renewed in last 6 months • Deployment of volunteers to add value to Merton Library Service and to deliver the Home Visits Library Service; recruitment of volunteers for the Merton Befriending Service; development of MVSC's Avanti peer mentoring project for adults with mental health issues; providing employability and retail placements for young people with support needs in our Fayre and Square shop • 16 organisations have received either 1:1 or group guidance and support on volunteering practice. In addition, all Merton's volunteering involving organisations (VIOs) have access to Good Practice advice via MVSC's Virtual 	

Development Worker and Information Bank on Merton Connected

- New representative framework agreed and elections held for INVOLVE community engagement network

Name of service provider organisation	Springfield Advice & Law Centre
Total amount of funding agreed for 2015-18	£161,295
Purpose of funding	To improve and continue to build better access to legal advice services for service users of SW London & St George's Mental Health Trust via outreach at centres within Merton
Key progress and delivery against agreed outcomes between April and September 2016	
<ul style="list-style-type: none"> • 84 outreach sessions have been provided across four different locations in the borough, exceeding the target set for this point in the year • Currently under target in terms of debt legal advice, casework and representation however many of the debt cases have been complex and have exceeded targets in welfare benefits outputs. Demand has been greater for welfare benefits and generalist advice than anticipated, and debt client cases taken on are still on-going, with average case-turnover taking between 4 to 6 months • Of debt cases concluded, 65% resulted indebts being written off and 18% saw debts reduced. Of the remaining 17%, 12% of clients were better enabled to plan their financial affairs • Of the benefit cases so far concluded, 95% resulted in continued, increased or new periodic payments being awarded to clients. • The organisations aim is to gain quantifiable monetary benefits for clients in the region of £125,000 per annum (or £62,500 over 6 months): this figure has been exceeded in the previous two 6 month periods and only slightly behind in the most recent 6-month period • In the last 6 months, debt relief for clients amounting to some £94,700 has been secured, while the total figure for debt-relief and benefits awarded/obtained for clients in the last 6 months amounts to more than £152,200 • Feedback from professionals making referrals into the service is positive • Over-target in terms of the number of clients seen and receiving a full casework service in debt and welfare benefit matters. However, the division of 	

casework has leaned more towards welfare benefits than debt, so the organisation has responded accordingly. SALC would like to continue to deliver the existing service, with this flexible approach to client-need, so to deliver more benefit casework and advice, as needed

Name of service provider organisation	South West London Law Centres
Total amount of funding agreed for 2015-18	£168,102
Purpose of funding	To provide legal casework and advice in social welfare law (community care, debt, employment, housing and immigration and asylum)
Key progress and delivery against agreed outcomes between April and September 2016	
<ul style="list-style-type: none"> • SWLLC continues to run one of the largest pro bono clinic services in the country. By addressing legal problems in their early stages it is hoped to prevent these from escalating into bigger, more complex issues • The advice provided also helps to improve the efficacy of other public services, such as education, health or social security by helping eligible people exercise the right to access these services • So far this year, 232 files have been worked on, with 171 people represented. In 77% of cases a positive outcome has been achieved • Clinics in Merton saw a slight reduction in numbers due to an issue with one of the venues being unable to cope with demand. With a new venue now secured, numbers should increase and projected to exceed target for the year. • Using a volunteer exit survey, 90% of volunteers had a positive experience and ten volunteers each year go on to gain paid employment • Have been successful in a number of funding bids, including securing funding from the City Bridge Trust, Trust for London, Lottery Fund and Thames Water to fund different projects and posts 	

Appendix 3: Comparison with other London Boroughs

Lambeth

The LB Lambeth fund £470k p.a. for advice services to be provided through a commissioned grants programme. They commission three generalist advice providers (including CAML) on a geographic basis and the law centre. CAB run a general advice service across the borough with referrals through to specialist advice requiring casework. Lambeth only fund specialist advice relating to debt, housing and benefits. They are about to cut the level of funding in 2017/18 by 15%.

Lambeth commission a volunteering service from their CVS which costs £100k p.a. They do not currently fund voluntary sector support and development, however they are about to re-commission this service and will use a steering group drawn from the VCS to develop the specification.

Camden

The LB Camden has made a commitment of up to seven years of funding for Strategic Partners in order to provide what it describes as 'unprecedented security'. In Camden approximately £1.5m will be available every year until 2021, following which there will be a reduction in the funding for the remaining three years of the programme as a reaction to the Council's funding from central government continuing to be reduced. It is noted that funding awards may have to change if local needs and demographics significantly change, but this would be done in dialogue with Strategic Partners, who would not have to undergo a full formal re-application process.

The neighbourhood commissioned grant approach will aim to support strategic partners in balancing the use of community assets (for example community centres) to generate income and supporting local social action.

Tower Hamlets

In 2014/15, nearly £5.7m was provided to VCS organisations through various funding streams including mainstream grants and small grants. Of this total £310,058 went to third sector infrastructure support and £252,055 went to other strategic partners through Community chest and One Tower Hamlets funding.

As part of the LB Tower Hamlets Voluntary and Community Sector Strategy for 2016-2019 all council funding to the VCS is being reviewed to ensure it is contributing to priority outcomes, with a general preference for commissioning rather than grants. Grant funding though will remain for specific purposes, where there is a clear case that it is more appropriate than commissioning and where it is a clear benefit to the service being funded. The strategy sets out these circumstances as being;

- One-off funding to encourage innovation or pilot something new, especially where there is a current gap;
- Capacity building to enable smaller organisations to participate in commissioning;
- Small, flexible, one-off grants to encourage community cohesion, resilience and local action including by groups that are not formally constituted;
- Reducing social isolation and providing events and cultural opportunities; and
- Activity that can only be undertaken by the VCS

An evaluation of the 2015/18 Tower Hamlets Mainstream Grants Programme involved consultation with members of the VCS and revealed strong support for some strategic grants to be maintained to meet specific community needs. A strategic and well-managed approach to resourcing is seen as important in helping to ensure that the voluntary and community sector can operate effectively and sustainably.

In the Tower Hamlets consultation there was also concern that smaller organisations may suffer when the council moves to an outcome based and commissioned approach, due to a lack of resources and potential skills to enable them to compete with larger organisations. It was decided that support should be offered to mitigate this and that grants remain an important funding stream for certain projects such as pilots and innovation.

Redbridge

A review of LB Redbridge Voluntary Sector Grants was carried out in 2016. Currently, the Strategic Partners Fund is more than half of their current grants budget, which in 2015-16 totalled £782,000. Grants are awarded on three year cycles, but Strategic Partners have to re-submit their application annually, which in the review was deemed to be an unnecessary burden on already stretched groups. Consultation as part of the review revealed support for the current model and its flexibility, with an endorsement from the council being seen as helpful in being able to lever in additional funding.

The current Strategic Partner Grants in Redbridge are in most cases semi-commissioned. A specification of outcomes and key activities is developed by officers and then voluntary and community sector organisations bid to deliver these through a competitive grant application process. For this reason, there is some support for commissioning but mainly from the larger organisations.

The current Strategic Partner funding supports a mix of activities relating to engagement, representation and partnership; however in some cases direct service delivery is also included in the grant for historic reasons. In the review this was argued creates 'a muddled picture that is not transparent or equitable.'

The results of the review is that Strategic Partner funding should be maintained but refocused to support corporate priorities across the equalities strands and empower communities to help shape the borough and the services the Council deliver. Funding for direct service delivery currently included in the Strategic Partner arrangements should in future be commissioned separately. 3 year funding agreements should be maintained to help ensure a consistent approach for funded organisations.

Sutton

In Sutton all strategic partner and service funding for the voluntary sector is through tendered contracts. The Council has delivered a small grants programme in recent years, administered through The Sutton Community Fund at Sutton CVS. In 2015-16, as part of the councils corporate grants programme, £110,000 was allocated in grants compared to £822,000 which was commissioned to VCS organisations. The current funding cycle in Sutton is for 3 years + 1 + 1. Going forward the goal is to look less about providing funding to the voluntary sector but to provide support through officer time, information and data.

Kingston

In 2016, Kingston changed their approach to funding to the voluntary and community sector, closing their previous Corporate Grants Programme of grant aid to local voluntary and community sector groups. They have moved from a Community Investment Fund and Strategic Partner Grants to a commissioning approach, with the expectation that this will lead to an increase the overall amount of spend that goes to the voluntary sector.

Funds are still available for annual one off New Initiatives and Your Kingston grants. New Initiatives grants are annual grants for one-off projects or pump-priming/development activity which can include a contribution to project overheads but not towards the day-to-day running costs of the organisation.

Appendix 4: Feedback from individual organisations.

1. Merton Centre for Independent Living

- In principle, we support the suggestion to have commissioned grants, and to spend a period of time planning that before going ahead
- We are seeing a significant increase in need and demand, and work is becoming more complex and time-consuming. Therefore we would urge Officers and Cabinet to consider increasing the funding available from the current level
- Within the overall Strategic Partner Grants programme we want to highlight that there is a big difference between service delivery (IAG work) and voluntary sector support services. It may be helpful to clarify within the new programme how much is designated to each area
- We support the suggestion to include department expenditure on advice and support services within the new programme, as long as this does not represent a reduction in the overall funding available for such services
- We would recommend that spending on relevant statutory services, particularly statutory advocacy, is covered within the review

2. Citizens Advice Merton and Lambeth

- Very grateful for the Council's continuing support of the vital work we do for vulnerable local residents.
- In summary, we agree with your proposed direction of travel towards commissioned grants.
- The approach gives the Council the opportunity to appoint a designated lead for advice and information provision within the local voluntary sector and to devise a structure whereby this lead acts as a 'front door' to all local VSO service provision. Such an approach would enhance collaboration and joint working within the sector as well as reducing the potential for duplication.
- It also gives the Council the opportunity to consider and develop, with Strategic Partners, the ideal balance of service delivery in Merton. Arguably the best known – and most accessible - advice and information model is where you have at the front end of the service a triage system which operates through face to face, telephone and online channels. Depending on the needs of the client and their level of vulnerability, triage is then followed either by assisted information (including signposting); generalist advice (delivered face to face or over the phone); or specialist advice (usually delivered face to face).
- Getting the balance right between these different elements, and between the different channels, is crucial when it comes to ensuring best value and meeting as much need as possible within available resources.

3. Springfield Advice and Law Centre

- I wholeheartedly endorse the view that demand for services has continued and, indeed, continues to rise – especially in relation to welfare benefits and budgeting advice, mainly due to sweeping changes and the near-constant re-assessment process for many benefit applicants, but also as households "at the bottom end" are more financially squeezed (e.g. by the Bedroom Tax, benefit-capping, uncertainties of income caused by zero-or-minimum-hour contracts).
- I also agree that Council funding is of some assistance in attracting other funders, who may be more likely to see the partnership-organisation as "safe", "reliable", "reputable" and "worth funding". Admittedly, funding can still be difficult to secure, whilst ensuring the

funder's aims and objectives, match as closely as possible to that of the partnership agency, and its ability to deliver.

- As other sources of funding have diminished or disappeared altogether, we have had to seek alternative grant funding, to supplement our work and services, and in order that these services continue at a level which, although perhaps not exactly matching demand, reaches as many people in need as possible.
- We have achieved this, not only through other grant funding, but significantly by virtue of our premises and utilities/linked services being NHS-supported, subsidised or free of charge to us. Further, in view of the financial climate in which we operate, we have also sought to pare down costs and overheads and to share the costs of our service amongst several funding bodies – in our case the local NHS Trust, the Tudor Trust and by becoming more structurally streamlined. We have developed a very small charging service in some areas, but this does not largely fit our client-group, nor does it fit with the main services for which funding is received – namely, Welfare Benefits & Debt – and for which service-users could not realistically be charged due to the issues involved (often, entire lack of income/income shortfall).
- I think it is important to recognise the definite benefit of the services provided, to the local authority, in terms of savings on other direct and support services that would need to be relied on, or more intensive (costly) action or support that would otherwise be required, without the support of the partnership agencies. We are looking at an almost inevitable increase in the costs of social care services, amongst an aging population, where poverty and disparities of wealth are a factor, both nationwide and within the borough. Partnership agencies provide value for money and still represent a lesser commitment to the authority than an in-house service, particularly terms as level of commitment can be more readily negotiated, and where the partnership agency promotes greater independence and confidence amongst service-users, improved well-being from lessened stress and pressure on finances, and ensures service-users are better informed/equipped going forward.
- I do not think the services of the partnership agencies can be equated with any internal council/departmental services, as there is a potential for conflict of interest – for example, where the benefit-in-issue may be administered by the local authority and/or where the authority may have a stake in the outcome. There is a need to ensure users of the service feel that the service is approachable, impartial and that their problem will be dealt with confidentially. It is also important that the partnership agency is willing to take on issues that might potentially challenge the local authority, whether in its decision-making, processes, or the way in which a Rule or Regulation may have been interpreted or applied. The fact the process permits the same, means it is more likely to stand up to scrutiny from any source.
- Finally, I am concerned for the impact any change in funding might have on us and other smaller agencies, especially if funding is precarious, very short-term, or the terms of funding are particularly onerous and/or generic across the sector, rather than agency-specific. I feel it is important to tailor funding to the organisations concerned and the need it is intended they meet. This will both ensure the partnership agency's stability and ability to plan ahead for the organisation, as well as its staffing and delivery of services, and enable them to build on funding and/or secure other funding streams.
- I note that the level of core funding would be intended to remain at its current level and largely as is for the next financial year, whilst any new approach is subsequently put into effect. Although it would be ideal if account of the organisation's other overheads and inflation etc. could be had regard to, I do appreciate the difficult financial climate in which the Council are operating, and remain happy to work alongside to make the programme work.