

LONDON BOROUGH OF BRENT

**EXECUTIVE
12.11.03**

FROM THE DIRECTOR OF EDUCATION, ARTS & LIBRARIES

NAME OF WARD(S)
ALL

**REPORT TITLE: VOLUNTARY SECTOR SUPPORT REVIEW – CONSULTATION
RESULTS AND NEXT STEPS**

1.0 SUMMARY

In July 2003 the Council issued a consultation paper entitled “From Patronage to Partnership – building a new relationship with the voluntary and community sector”. This report summarises the outcomes of the consultation and makes recommendations on the next steps.

2.0 RECOMMENDATIONS

- 2.1 That Members note the views of the voluntary sector as expressed in responses to the consultation paper, “From Patronage to Partnership”.
- 2.2 That Members agree to the third option for implementation of changes to the funding regime, as set out in paragraph 3.3 [c] below.
- 2.3 That Members agree the additional future action recommended for taking forward the review, as set out in paragraph 6.4.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The planned grants budget for 2004/2005 is currently £2.061m. This is the same as the amount available for 2003/2004. It is not yet clear what will be the sum that the Council will be required to pay from this for the London Boroughs Grant Committee. However, it is anticipated that the resources available to support organisations in Brent will remain at this year’s level subject to final confirmation by Full Council when the overall budget is agreed.
- 3.2 In the Consultation Paper “*From Patronage to Partnership*” (Appendix A), section set out how future funding of the Voluntary Sector could operate. This envisaged a revised regime being in place from 1st April 2004. The main features were:

- (i) Terminate all existing grants from 31st March 2004. If an organisation did not succeed in gaining grant, under the new criteria and process, protection would be provided for up to 2 years. This would be a maximum of 75%, of the 2003/2004 grant, payable in 2004/2005 and 37.5% in 2005/2006. The level of protection would be dependent on an assessment of what a reduction in grant would realistically mean for an organisation and the services they provide.
- (ii) A proportion of the grants budget would be awarded to organisations for up to 3 years. This would provide some certainty for planning purposes.
- (iii) 2.5% of the budget (around £29k) to be held as a safety net for new projects or organisations experiencing unexpected financial difficulties.

3.3 As well as matters raised during the consultation, there are operational issues which make a 1st April 2004 implementation date now more difficult to achieve. There appear to be 3 options:

- (a) Proceed with the original timetable as broadly envisaged. This is likely to limit the amount of further consultation and joint working with the Voluntary Sector to develop the current proposals. The Sector may also feel that such a position goes against other assurances made during the process to date. As such it would be likely to undermine further the relationship between the Council and the Sector. Those organisations that may have to make redundancies as a result of a reduction in funding could find it difficult to comply with their legal obligations during the timescale. A decision on the grants awarded would need to be made by 31st March and invitations to apply have yet to be made so this remains a challenging timetable.
- (b) Delay any implementation until 1st April 2005. This continues with a system which several reports have highlighted is fundamentally flawed. It would, however, allow a significant amount of joint working on the new arrangements to be undertaken in order to address the issues raised by the Sector.
- (c) Adopt a hybrid approach with implementation from 1st October 2004. This could take a number of forms but could operate as follows:
 - (i) In consultation with the Voluntary Sector, agree new arrangements based on *"From Patronage to Partnership"* for awarding and monitoring grants from 1st July 2004 by 31st March 2004.
 - (ii) Award those organisations funded in 2003/2004, which have met the current grant conditions, 6 months grant to 30th September 2004 at the same level as 2003/2004 to deliver previously agreed objectives.
 - (iii) Advertise for new grant applications in April 2004 to commence on 1st July 2004 until 31st March 2005 (i.e. 9 months). This will need to be flexible to reflect the nature of the service or project provided and the overall resources available. It has the advantage of reducing the number of applications the Voluntary Sector Unit has to process.
 - (iv) Those organisations currently funded, that are unsuccessful, would receive protection up until 31st March 2005 as originally envisaged. They would also have around 9 months (July to March) to make contingency arrangements. The exact nature of the scheme would be open to consultation but the tapering of funding would free up resources to fund organisations not currently receiving any grant.

- (v) Starting the new arrangements on 1st July 2004 is a realistic approach that will ensure that the Voluntary Sector Support Team is fully prepared to manage the new process of grant applications. It also gives voluntary organisations facing a reduction in their grants additional time to deal with the implications. There will have been a 12 month period from the date of issue of the original consultation document to the start of the new arrangements.

4.0 STAFFING IMPLICATIONS

- 4.1 The most significant staffing implications relate to the Voluntary Sector Support Team. These will be explored in the review of the team recommended within paragraph 6.4.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council has power to make grants for a variety of purposes. As part of the assessment of applications for grant funding from the main programme each year, Legal Services considers whether the Council has power to make the specific grants recommended by officers.

6.0 DETAIL

6.1 Background to the consultation

The Council's relationship with the Voluntary Sector was fundamentally reviewed during 1996/7 and the Voluntary Sector Strategy was published in 1997 as a result. The strategy reflected the need for a re-examination of the Council's relationship with the voluntary sector. Although considerable improvements have been made, subsequent reviews demonstrate that the strategy has not been fully implemented and that problems still exist. Based on the findings of these reviews and upon an analysis of good practice elsewhere, officers produced a consultation paper proposing a modernisation of the relationship and a shift from patronage by the Council to a working partnership between it and the voluntary sector. The paper, presented to members in July 2003, proposed a change in the type of funding available to organisations, the funding relationship, and the priorities upon which funding decisions would be made. It also proposed a greater emphasis upon providing support to, and building capacity within, voluntary and community organisations, above and beyond that which is purely financial.

6.2 Consultation process

- 6.2.1 The consultation process comprised a number of elements. The consultation paper and feedback sheet were mailed to 760 voluntary organisations across the Borough, both funded and un-funded. Forty eight completed questionnaires were returned.

- 6.2.2 An independent research company was commissioned to run four focus groups:

- Voluntary groups that receive medium to large amounts of funding from the main grants programme
- Voluntary groups that receive smaller amounts of grant funding from the main grants programme
- Voluntary groups that receive no funding
- Council officers and other stakeholders who work with voluntary and community groups.

The same company facilitated discussion at the Brent Arts Forum, and BRAVA also facilitated a discussion meeting.

6.2.3 In addition, a conference was held on 2nd October, attended by 65 representatives of the voluntary sector in Brent. Several Council officers from a range of service areas were also present. The conference was addressed by the Leader of the Council, who set out the Council's vision for its relationship with the sector. The results of the consultation to date were presented to delegates who were then asked to address some of the key themes that had arisen with a view to working on joint solutions.

6.3 Consultation findings

6.3.1 There was broad agreement with some of the principles outlined in the paper. A partnership based on equality and accountability was supported; there was acknowledgment of the need for change in the relationship between the Council and the voluntary sector; and the need for more transparency and clarity about the funding process, criteria, and decision-making was recognised as being important. In essence, the voluntary sector also recognises many of the issues raised in the consultation paper as being problems, but disputed both the tone of the paper and some of the solutions proposed.

6.3.2 The in-principle support was additionally seriously qualified by cynicism about genuine partnership becoming a reality; a belief that the proposals were a cover for cutting the level of grant support for the sector; and a generally high level of mistrust of the Council. Voluntary organisations expressed a sense of being undervalued by the Council and felt strongly that the Council did not recognise the contribution made to the community by the sector. The key issues raised by the consultation are summarised in paragraphs 6.3.3 – 6.3.8 below.

6.3.3 *Process*

Considerable concern was expressed that representatives of the voluntary sector had not been involved directly in the process of the review from its inception and that there had been no in-depth consultation with bodies such as BRAVA prior to the publication of the paper. It was felt that this might have helped to generate both greater ownership of the process and potentially more effective solutions to the issues raised in the paper. Respondents stressed strongly the need for the sector to be directly involved in the next stages of the review.

6.3.4 *Partnership and roles*

Whilst there was general acceptance of the principle of partnership working, there was considerable cynicism that this could become a reality. Respondents questioned what the Council meant by a “partnership of equals” and how it would work in practice. It was pointed out that accountability must be seen to work both ways, and that, as well as voluntary organisations being able to demonstrate their value in return for the funding received, the Council needed to improve its processes, communications, and general dealings with the sector. Some respondents emphasised the need for a more open and facilitative style of working. Several respondents also spoke of the need for the Voluntary Sector Support team and BRAVA to work together to clarify roles and to develop ways of collaborative working in support of voluntary organisations.

6.3.5 *Funding structures*

- i) There was some agreement with the proposed different funding categories described in the consultation paper, although an underlying concern was the way in which the move to new categories would be implemented. The need for flexibility between the different funding categories was noted.
- ii) The proposed process of introducing new funding criteria provoked considerable and varied responses. Some groups, especially those not currently funded, felt that there could be a fairer distribution of grants than at present. There were, however, also concerns about the continued viability of existing groups if their grants were reduced as proposed. While there was agreement that funding decisions had to be linked to specific criteria and understanding of need, the suggested options were seen as problematic. It was felt that the proposals made to focus the funding criteria on particular priorities for a defined period, or to focus on a geographical area, would cause instability in the sector and would not recognise ongoing need.
- iii) There was no clear consensus of opinion on whether funding from other sources should be taken into account when making grant decisions. It was, however, pointed out that funding from other sources is often granted for a specific purpose.
- iv) The proposed implementation date of April 2004 was considered by many respondents to be impractical. It was pointed out that management committees may have legal responsibilities towards staff, in terms of redundancy, and users, in terms of reducing or ceasing services, that would need to be taken into account of when considering the implications of withdrawing funding.

6.3.5 *Monitoring*

There was general agreement that monitoring was essential, but the process and style caused considerable comment. Most respondents felt that monitoring should enable a real understanding of the value added by an organisation and should focus on evaluating “soft” outcomes. The point was made that resources and skills are required

to set meaningful targets and to monitor effectively, and that both Council officers and voluntary organisations needed to enhance their abilities in these areas.

6.3.6 *Alternative support*

The need for support and advice, aside from the provision of funding, was widely recognised as being important. A key issue was whether this should be provided directly by the Council or whether the council should fund BRAVA to provide this support. The areas of advice and support that would be most helpful were felt to be:

- enabling small groups to coordinate their efforts in order to improve their effectiveness
- capacity building
- training for voluntary sector workers
- advice and assistance with funding applications
- advice and assistance on accounting, pay roll and HR issues
- access to Council training programmes
- provision of accessible and affordable meeting rooms.

6.4 Next steps

It is clear that the relationship between the Council and the voluntary sector requires a considerable amount of work in order to re-build the mutual trust needed for a genuine partnership. It is also clear that the Council must pay equal attention to improving its own processes and its interface with the sector. Despite the dissatisfaction expressed by voluntary sector representatives, there remains considerable goodwill and interest in working with the Council to develop a meaningful partnership. The table below summarises the key actions recommended for taking forward the review in the light of the comments made during the consultation.

Key action
<i>By 31st March 2004</i>
Set up joint Council and voluntary sector consultative group to take forward the review as set out below
Develop new funding criteria and categories (in liaison with consultative group)
Develop application, assessment, monitoring and evaluation processes and documentation (in liaison with consultative group)
Agree new arrangements based on <i>“From Patronage to Partnership”</i> for awarding and monitoring grants from 1 st July 2004
Advertise for new grant applications to commence on 1 st July 2004 with a latest end date of 31 st March 2006 (i.e. 21 months).
<i>From 1st April 2004</i>
Review role and terms of reference of Voluntary Sector Liaison Forum
Develop a communications strategy to ensure effective two-way communication in line with the local Compact
Develop concordat with BRAVA that clarifies roles, defines the practical

steps needed to implement partnership working, and that ensures that support to the sector is coordinated
Review Voluntary Sector Support Team in terms of roles, skills gaps, policies, processes, and ways of working
Establish cross Council co-ordination group to ensure that policies and systems are consistently applied and that best practice and information are shared
Carry out comprehensive baseline audit of support for voluntary sector across the Council
Implement cross Council training and awareness programme for officers working with voluntary sector organisations

7.0 BACKGROUND INFORMATION

The following papers were used in the compilation of this report:-

- i) "From Patronage to Partnership – building a new relationship with the voluntary and community sector". A consultation paper produced by Brent Council, July 2003.
- ii) Report no. 03 from the Director of Education, Arts and Libraries, "Consultation on the Voluntary Sector Support Review", to the Council's Executive, 21st July 2003
- iii) "Voluntary Sector Support Review: report of focus groups conducted with voluntary organisations and officers/stakeholders", ORC International, September 2003
- iv) Voluntary Sector Review: summary of findings, September 2003
- v) Notes of the Voluntary Sector Support Review Consultation Conference, 2nd October 2003

Any person wishing to inspect the above papers should contact Karen Tyerman, Assistant Director, Education, Arts and Libraries, Chesterfield House, 9 Park Lane, Wembley, Middlesex HA9 7RW. 020 8937 3146. E-mail: karen.tyerman@brent.gov.uk

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