

**POLICY & RESOURCES CABINET BOARD**

**8<sup>TH</sup> NOVEMBER 2013**

**CHIEF EXECUTIVE'S OFFICE**

**REPORT OF THE HEAD OF CORPORATE STRATEGY  
& DEMOCRATIC SERVICES**

**K. JONES**

**INDEX OF REPORT ITEMS**

**PART 1 - Doc Code: PRB-081113-REP-CE-KJ**

**SECTION A – Matter for Decision**

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## **Purpose of Report**

To present the report received by the Chief Executive from the independent chairperson of the Steering Group established to review funding arrangements to the third and community sector in Neath Port Talbot.

## **Background**

Cabinet received two reports on October 30<sup>th</sup> which: exemplified the impact of the provisional settlement for local authorities on this Council in 2014-15; and provided an assessment of the strategy that the Council needed to put in place in order to secure the savings needed to set a balanced budget in 2014-15 and beyond. Part of that strategy is to reduce funding to the third and community sector by £626,000 in 2014-15.

Departments have already identified specific reductions that they propose to make to services delivered by third and community sector organisations within the reports considered by Cabinet on 30<sup>th</sup> October 2013. They are repeated in this report for clarity and completeness. The balance of £400,000 has been identified through a review of third sector funding that has been conducted over the period June to October 2013, operating to terms of reference approved by the Policy and Resources Board in June 2013. A steering group, chaired by a person independent of the council and the area has overseen the work. The steering group membership has been comprised of representatives of local third sector organisations and officer representatives from each directorate.

Attached at Annexe One is the report that has been received by the Chief Executive from the independent chairman of the Steering Group. The report sets out the methodology that was employed by the Steering Group to review funding arrangements together with a set of recommendations that:

- Proposes where specific funding reductions might be made by the Council in 2014-15; and
- Identifies a set of issues that the Council is asked to consider in order to improve policy, practice and relationship management with the sector over the medium to long term.

The report is presented today for the Cabinet Board to consider and, if the proposals are considered reasonable, for the Cabinet Board to authorise a one month consultation exercise on those proposals with the third and community sector. The objectives of the further consultation exercise would be to:

- Test that the Steering Group has applied the criteria it developed during the review process fairly to each organisation receiving funding;
- Test there is an accurate understanding of the impact of making the proposed reductions to each organisation, including the equality impact of the proposals; and
- Provide a further opportunity for organisations in the third and community sector to identify any other opportunities that may exist to reduce funding or achieve better value for money.

Following the conclusion of the further consultation exercise, it is also recommended that the Steering Group be asked to assess their proposals against any consultation responses received and to submit a final set of recommendations to the Policy and Resources Cabinet Board in December 2013.

### **Equality Impact Assessment**

All organisations will be invited to describe the equality impact of funding reductions set out in this report and this information will be used, with other information held by the Council to inform the final recommendations brought back to Members in December 2013.

### **Recommended**

1. That Members of the Cabinet Board consider the report set out at Annex One and, if the proposals are considered reasonable, the Cabinet Board authorises the Chief Executive to conduct a one month consultation exercise with the third and community sector to fulfil the objectives set out above.
2. That Members of the Cabinet Board receive a final report from the Steering Group in December 2013 which takes account of any consultation responses received.

### **Reason for Proposed Decisions**

To enable the Council to achieve the financial target set out in the Forward Financial approved by Council in June 2013 and the additional financial targets contained within the Cabinet Report considered on October 30<sup>th</sup> 2013.

## **List of Background Papers**

- Forward Financial Plan 2014-18, Cabinet June 2013
- The Structure of the 2014/15 Budget Cabinet (Special) October 2013
- Review of Funding to Third and Community Sector Organisations, Terms of Reference, Policy and Resources Cabinet Board, June 2013
- Questionnaire Responses from core funded organisations, September 2013
- Contract monitoring records - various

## **Wards Affected**

ALL

## **Consultation**

A consultation and engagement plan has been established to support the work set out in this report. Details of the consultation and engagement undertaken is set out at Appendix 2 of Annex One. A further period of consultation is proposed prior to final decisions being made.

## **Officer Contacts:**

Mrs K Jones, Head of Corporate Strategy and Democratic Services Tel: 01639 763284 [k.jones3@npt.gov.uk](mailto:k.jones3@npt.gov.uk)

## COMPLIANCE STATEMENT

### REVIEW OF THIRD SECTOR FUNDING

#### a) Implementation of Decision

The decision is proposed for implementation after the three day call in period.

#### b) Sustainability Appraisal

##### Community Plan Impacts

Economic Prosperity	..	Negative
Education & Lifelong Learning	-	Negative
Better Health & Well Being	-	Negative
Environment & Transport	-	Negative
Crime & Disorder	-	Negative

##### Other Impacts

Welsh Language	-	Negative
Sustainable Development	-	Negative
Equalities	-	Negative
Social Inclusion	-	Negative

#### c) Consultation

There will be a period of 1 months consultation with this item.

The Provisional Local Government Settlement has provided a reduction in funding support in the Council in 2014/2015. This impacts negatively overall on the funding the Council will be able to make to the third sector. Detailed impact assessments on each organisation affected will be carried out prior to final decisions being taken.

**Review of Funding to Third and Community Sector in Neath Port Talbot**  
**Report of the Steering Group**

**October 2013**

## PREFACE

In June 2013, I was approached by the Chief Executive of Neath Port Talbot County Borough Council to chair a Steering Group that would examine existing payments to third and community sector organisations in the Neath Port Talbot area. The main objective of the review was to identify financial savings in 2014-15 of £400,000 to help the Council bridge a significant funding gap forecast in that year.

I have been assisted in my task by Mrs Gaynor Richards, Director of Neath Port Talbot Council for Voluntary Services and Mrs Linda Whittaker, Chief Executive of NPT Homes. Officer representatives from each of the Council's directorates also contributed to the review. I am very grateful to everyone involved for the assistance provided.

The Steering Group has met four times over the summer and has set out in this report, recommendations for the Council to consider which:

- If accepted, provide a means for the Council to secure the £400,000 cashable savings it has identified against third and community sector funded activities;
- Provide some wider policy and practice issues for the Council to consider which, the Steering Group feels would place existing arrangements on a stronger and sustainable footing.

The Steering Group recommends that consultation be undertaken with the organisations within the scope of this review to:

- Test whether, in their view, they have been allocated to the correct category as far as funding reduction is concerned; and
- Test the impact of the funding reductions proposed, including any impact on protected groups under the Equality Act;

The Steering Group would be pleased to offer further advice on completion of the consultation exercise regarding any modification that might be made to the recommendations contained within this report.

Finally, I would like to thank Mrs. K.Jones, Ms C Gadd and Mr R Livingstone for the excellent support that they have provided to the Steering Group.

Simon Jones

Chair of the Steering Group

## **Introduction**

The Council identified a financial savings target in 2014-15 of £300,000 against payments to third and community sector organisations within its Medium Term Financial Plan, approved by Council in June 2013. This financial saving was necessary to help the Council bridge a funding gap of £22.6 million forecast over the four year period 2014 to 2017-18.

Over the summer/early autumn of 2013, the Council has needed to revise its financial forecasts following the Comprehensive Spending Review conducted by HM Treasury and the subsequent provisional settlement announced by the Welsh Government for local authorities in Wales in October 2013. The revised forecast anticipates a funding gap of £38.3 million over the period 2014-15 to 2017-18. As a result of the significant increase in the funding gap, the savings required from the review of payments to third and community sector organisations was increased in October 2013 to £400,000. This target of £400,000 to be additional to any existing savings proposals that have been put forward by spending departments within the Council as part of the wider financial strategy.

The Chief Executive of the Council proposed that a Steering Group be established to oversee the review, chaired by a person independent of the Council and the local third and voluntary sector. The terms of reference and membership of the Steering Group were subsequently approved by the Policy and Resources Cabinet Board, having first been scrutinised by the Policy and Resources Scrutiny Committee. Please see Appendix 1 for details of the terms of reference.

This report sets out the recommendations of the Steering Group. The recommendations include:

- Specific proposals for finding the £400,000 funding reductions/savings in 2014/15; and
- Other recommendations the Council is asked to consider where the Steering Group feels there is potential to improve future policy, practice and relationships between statutory agencies and the local third and community sector.

The funding reductions proposed by Council spending departments are also included for completeness.



## Methodology

### *a) Governance*

In setting the terms of reference for the review, the Council wished to ensure that the third and voluntary sector were included in the review process from the outset. A steering group was formed to provide direction to the review process and to formulate clear recommendations to the Council. An independent chair Simon Jones – Head of Policy and Public Affairs, Wales for Marie Curie Cancer - was appointed, with the local third and community sector represented by Gaynor Richards, the Director of Neath Port Talbot Council for Voluntary Services and Linda Whittaker, the Chief Executive of NPT Homes. The Council appointed officer representatives to the steering group. Support to the Steering Group was provided by the Corporate Strategy and Democratic Services department of the Council.

### *b) Process*

A communication and engagement plan was established at the commencement of the review and has been continuously revised as the review progressed. At all stages, third and community sector organisations within the scope of this review have been encouraged to put forward suggestions as to where funding reductions/savings might be made. A note of communication and engagement activity undertaken is set out at Appendix 2 for reference.

Initial work concentrated on getting a clear understanding of the funding baseline. Information was drawn from financial and contract monitoring records and verified with contract monitoring officers within the Council.

The Steering Group, in reviewing the funding baseline, sought clarification of the scope of funded activities that fell within this review. Subsequently, it was confirmed that activity funded from Supporting People Grant was out of scope as were payments to Celtic Leisure Trust and Grwp Gwalia (residential care contract). The rationale for taking those activities out of scope was based on the fact that there are separate reviews and mechanisms in place to review ongoing funding for the areas identified as out of scope.

Having established the funding baseline, the Steering Group then went on to consider what activities the funding supports and the outcomes achieved for Neath Port Talbot residents. Performance information was drawn from contract monitoring arrangements to inform this exercise. However, in a number of instances, particularly where funding supports the core costs of

organisations, the information available was not considered to be sufficient and accordingly, the Steering Group issued a request to all of those organisations receiving core funding to provide additional information to inform the review process. A questionnaire was constructed to capture the information needed. The questionnaire was piloted prior to issue with Dove Workshops and subsequently issued through an on-line consultation system “Objective”. The majority of organisations sent a questionnaire returned a completed document on or shortly after the deadline. No explanation has been received from those organisations that chose not to return the questionnaire. A copy of the questionnaire is attached at Appendix 3 for information.

Questionnaires returned have been analysed and reviewed by the Steering Group. This information, together with the funding baseline and information obtained from contract monitoring activity was considered against the priorities set out in the Council’s Corporate Improvement Plan 2013-16 and the Single Integrated Plan 2013-2023. This assessment forms the basis of the recommendations for savings/funding reductions that are set out in this report.

Finally, the Steering Group has received and considered approaches to reviews of funding arrangements of third and community sectors undertaken elsewhere. A note of the organisations contacted is set out at Appendix 4 for information.

## **Recommendations**

### *a) Funding Reductions/Savings Proposals*

The Steering Group has noted that funding reductions are already planned against a small number of service contracts as a consequence of commissioning decisions taken by service departments in the Council. Where this is the case, the Steering Group proposes that no further cuts should be made in 2014-15 to those organisations.

The Steering Group has noted that, as part of the Council’s Domiciliary Care Commissioning Strategy, it is intended to subject a number of existing service contracts to tender. The Steering Group recommends that the funding levels for organisations included within the scope of the tender are determined by the tender process, with no additional savings targets assigned to those organisations in 2014/15 as a consequence of this review.

The Steering Group has also noted that the Local Service Board has recently dissolved the Children and Young People Partnership and has established, in its place, a Think Families Partnership Board. As part of the new Board's work, it is planned that there will be a fundamental review of family support services currently commissioned via specific grant funding streams. Consequently, the Steering Group has not reviewed the use of the specific grants provided to the third and community sector as this work will be carried out under the auspices of the Think Families Partnership Board.

The Steering Group recommends that all other third and community sector organisations within scope are subject to at least the same cash reduction as the Council, now confirmed as 4.6% in 2014/15, unless there is a case for further savings/funding reductions to be made. In a small number of cases, the Steering Group recommends that funding of some organisations ceases in 2014/15. The reasons for this are set out below in Table 1. In a small number of other cases, the Steering Group believes that a case exists for the Council to make a funding reduction/savings of 20% in 2014-15. Those organisations and the associated rationale are shown in Table 2 below.

The availability of discretionary rate relief was also included within the terms of reference for this review. The Steering Group recommends that no changes are made to the existing scheme and that the funding is protected from cuts in 2014/15.

Full details of existing funding arrangements and the reductions the Steering Group proposes should be made in 2014-15 is contained at Appendix 6.

*Table 1 – Funding Arrangements Proposed to Cease in 2014-15*

<b>Organisation</b>	<b>Funding</b>	<b>1</b>	<b>2</b>	<b>3</b>
Neath Credit Union	9,830		√	√
New Sandfields Aberavon – Upper Afan Valley	14,452			√
New Sandfields Aberavon	27,574			√
Tan Dance Community Arts	4,790	√		√
Theatre Na'n Nog Community Arts	13,330	√		√
West Glamorgan Youth Theatre	13,660	√		√
CAB – Afan Valley Outreach	980		√	√
CAB – Ammanford	115	√	√	√
CAB – Ystradgynlais	835	√	√	√
Mechanics Institute	13,520	√	√	
Prince's Trust Volunteers	3,115		√	√
St John's Ambulance	3,000	√	√	√

Gateway Bookshop	1,240	√		
Interplay	31,860		√	√
NPTCVS – Disability Forum	15,960	√	√	
SNAP – Social Services Contribution	4,680	√		√
OAP Associations	15,360	√		√
Neath Antiquarian Society	2,500	√	√	
South Wales Miners’ Museum	2,250	√		
Dulais Valley Partnership	21,895		√	√

**Key:**

1 = activities that do not appear, from the information available, to support the priorities of the Council

2 = activities where there would appear to be scope for these to be carried out on a more effective footing

3 = activities where there would appear to be alternative sources of funding that should be explored

*Table 2 – Organisations where it is proposed that funding be cut by 20% in 2014-15*

<b>Organisation</b>	<b>Funding</b>	<b>20% Cut</b>	<b>1</b>	<b>2</b>	<b>3</b>
Age Concern Neath Port Talbot	20,268	4,054	√		√
Citizens Advice Bureau	104,000	20,800	√	√	√
Swansea Bay Regional Equality Council	20,000	4,000	√	√	√
Glyncorrgw Ponds	12,525	2,505	√		√
Ystalyfera Development Trust	22,382	4,476	√		√
Care and Repair NPT Ltd	5,526				√

**Key:**

The organisations appear to contribute to the Council’s priorities to some extent but:

1 = from the information presented there appears to significant opportunities for more effective and efficient working arrangements

2 = from the information presented there appears to be uncertainty over the equity of provision across local authority boundaries.

3 = from the information presented there appears to be scope for alternative income to be sourced to achieve or work towards financial sustainability

b) *Other recommendations*

The Steering Group has identified a number of other issues that it wishes to draw to the attention of the Council. The Steering Group also makes proposals as to how the Council might consider addressing those issues, once the review process has been concluded:

i) Commissioning

It appears to the Steering Group that a number of the existing arrangements have been in place for some considerable time and consequently, it was not always easy to see how funding arrangements supported the Council's priorities. There was also evidence of very different approaches being taken by different departments within the Council. The Steering Group feels that there would be benefit to the Council and the sector from making commissioning arrangements clearer and more consistent.

*It is recommended that the Council considers adopting a corporate commissioning framework.*

ii) Grant or Procurement framework

There is a need to clarify where the use of the Council's procurement framework is to be preferred to the use of grant making arrangements. In some cases it is clear as to why a grant has been preferred to a service contract, however, in other instances it is less clear. In a small number of cases there were no formal, current agreements in place to cover the funding arrangement.

*It is recommended that the Council gives consideration to issuing its officers with clear guidance in this respect and that these arrangements are also clearly communicated to the third and community sector.*

iii) Long term versus short term grant funding

The Steering Group noted that there was a variation in the length of time that grant arrangements had been in place, together with variation in the purposes to which grant funding was being made available, the form of agreement in place and the nature of monitoring taking place. In some instances, the Council's grant had become the main/sole

source of income for the funding recipient, whereas in other instances the funding recipient was using the Council's funding to lever in additional funding to benefit local people. Some organisations were receiving funding on a long term annual basis, others were provided with funding over a relatively short period of time with the expectation that they became financially sustainable in their own right.

This situation, from researching similar reviews conducted elsewhere, is not unique to Neath Port Talbot.

A model that the Steering Group feel is worthy of consideration going forward is one where the Council would differentiate between its local strategic partners, who it would enter into funding arrangements over a medium-long term, and those other third and community sector organisations which it would fund on a short term basis with very clear objectives and exit strategies supporting the funding arrangement. More detail of this proposal is set out at Appendix 5.

*The Steering Group recommends that the Council gives consideration to operating this type of model in Neath Port Talbot from 2015-16 onwards*

iv) Small Grant Pots

The Steering Group notes that, at the present time, there are a number of separately administered small pots of money that third and community sector organisations/individuals make application to. Much of this is a legacy of specific funding arrangements that have been introduced over a long period of time. The Steering Group feels that there is a benefit to the Council in bringing these separate pots together into one fund: the arrangement could be administratively more efficient; there is better corporate insight into who is receiving what; there is better opportunity to ensure the Council's limited resources are aligned with external funding, and possibly more appropriate sources. For the third and community sector the benefit would be: simplified access to council funding arrangements; and a more consistent approach to bidding and monitoring arrangements.

*The Steering Group therefore recommends the Council brings together the following separate funding pots into one general pot with criteria for awarding the grant to be established annually by the Council and communicated to the sector and that the overall combined pot be reduced by 4.6% in 2014-15.*

Table 3 – Separate grant funding pots to be combined into a single pot

Fund	Amount
Community Safety Grant	12,000
NPT District Sports Council	7,000
Fireworks Grant	4,000
Miscellaneous – community regeneration	3,170
One-off grants	1,000

v) Accounting Matters

In examining the funding provided to organisations, the Steering Group felt there was a need to provide further clarification to the sector on how it should account for any other funding that a funding recipient gets from the public sector so as to avoid the risk of double funding.

Additionally, when reviewing the accounts of funded organisations, there appeared to be confusion amongst some third sector organisations about the Charity Commission guidance on reserve balances.

*The Steering Group recommends that the Council provides clearer guidance in its contracts and grant agreements to ensure that the costs supported by funding are clearly accounted for and that the risk of double funding is minimised. This should include provision for third sector organisations to be required to provide details of any other public funding that it receives additional to that subject of any individual agreement with the Council.*

*The Steering Group also recommends that the Director of CVS gives consideration as to how understanding amongst third sector organisations on adequate reserve balances might be promoted.*

vi) Areas identified for further review

There has been limited input from the third and community sector, outside of the Steering Group, in terms of identifying areas where funding reductions/savings might be targeted. However, two organisations have suggested that there is duplication in the areas of benefit advice; job search and transport. The Steering Group has also

identified that there are many organisations providing benefit advice and job search support.

*The Steering Group therefore recommends that the Council should consider initiating reviews of benefits advice provision; job search and transport with a view to ensuring that services are well targeted and that the arrangements offer the best use of available funding across the county borough.*

- vii) Partnership working between local public sector and third sector organisations

The Steering Group have reflected on the existing role of the Voluntary Sector Forum. Whilst respecting that this is essentially a bi-lateral mechanism to ensure there are constructive and effective relationships between the Council and the third sector, the Steering Group believes that there is also a case for considering how best to draw public sector organisations and third sector organisations together at the local level to build greater capacity and capability within the third and community sector, particularly in terms of attracting more diverse funding into the sector and assisting more organisations to become less dependent on Council and wider public service funding. With the current public sector funding outlook this is considered by the Steering Group as in need of urgent attention.

It is suggested that such a mechanism be created under the auspices of the Local Service Board. This would ensure that there is clarity about the overall quantum of funding being invested in the third and community sector, that there is no duplication/conflict in funding arrangements and that there is a strategic approach between partners to developing areas of work that are significant for local people. An early example of what such an arrangement could focus upon is a review of benefits advice across the county borough.

*Accordingly, the Steering Group recommends that the Local Service Board be asked to consider how more integrated planning and working could be developed between public and third sector organisations locally.*

- viii) *Other Matters*

The Steering Group has identified a small number of other issues which the Council might consider:



- There is a view that the activities covered by the “facing the challenge” service might represent costs better funded by the NHS. It is recommended that Children’s Social Services explores this in more details.
- Payments to the Football Association of Wales and the Welsh Rugby Union are made as a condition of a match funded grant arrangements (ie there is a financial contribution made by both organisations with those bodies. It is consequently recommended that no reduction is made against these payments.



**Review of Funding to the Third Sector Organisations**

**Terms of Reference**

1. To undertake an audit of the Council’s revenue, capital and specific grant support for the voluntary and community sector identifying the nature, type and purpose of this support.

The audit will not include “in kind” assistance.

2. To assess the alignment of current funding arrangements against the priorities set out in the Council’s Corporate Improvement Plan and the Single Integrated Plan.
3. To identify options for realising the minimum target savings of £300,000 in 2014-15.
4. To identify other options for achieving savings, or realising improved value for money in subsequent years.
5. To consult the sector and any other key stakeholders throughout the review process.
6. To present information at key milestone stages to the Policy and Resources Scrutiny Committee.
7. To undertake Equality Impact Assessments of any proposed changes.

**Approach**

The Chair of the review will be independent of the Council and the local third and community sector.

A Steering Group will oversee the review process. The membership of that group to comprise of:

- Director CVS or her nominee;
- Other third/community sector representative;
- One representative of each Council directorate;
- Director of Finance and Corporate Services or his nominee
- Head of Corporate Strategy and Democratic Services; and
- Project Officer drawn from the Council's workforce.

The Chair of the Steering Group would be accountable to the Chief Executive for the review and its recommendations.

The main stages of the review would be as follows:

- 1) Establishing the Governance Arrangements for the Review;
- 2) Completing an audit of current funding arrangements;
- 3) Inviting organisations who receive funding to demonstrate alignment with the Council's Corporate Improvement Objectives and the Single Integrated Plan;
- 4) Identifying options to secure minimum savings of £300,000 in 2014-15;
- 5) Identifying other options to secure savings or improved value for money;
- 6) Final Conclusions and Recommendations;
- 7) Formal consideration of conclusions and recommendations by Policy and Resources Scrutiny Committee and Cabinet Board;
- 8) Approving the Action Plan and Governance Arrangements to implement the Council's decision.

A consultation and engagement plan would be constructed as part of the first milestone.

**COMMUNICATIONS AND ENGAGEMENT ACTIVITY**

**Engagement Strategy**

This is the Engagement Strategy for the Review of Funding to Third Sector Organisations. Several engagement activities have already taken place and the completed activities have been shaded. The status of each activity is marked in the last column and will be updated throughout the Review.

Any additional activities identified by the Steering Group will be added to the Strategy and planned into the timetable.

Phase 1 - Review						
	Timing	What	Key messages	Tool/Channel	Audience	Status
1.	June/July	Inform CVS, third sector organisations and Members that the Council proposes to carry out the review.	<ul style="list-style-type: none"> <li>• One of a range of measures to reduce the funding gap as set out in the FFP 2013-2017</li> <li>• Identify options for a minimum contribution of ca. £300,000 in 2014-15</li> <li>• Ensure funding arrangements align with the Council's Improvement Plan and the Single Integrated Plan</li> </ul> <p>Need to review these funding arrangements now to:</p> <ul style="list-style-type: none"> <li>• Ensure that funding to the Third Sector is fair and transparent and provides value for money</li> <li>• Improve the way the Council funds the Third Sector</li> <li>• Throughout the review we will work with CVS</li> </ul>	<ul style="list-style-type: none"> <li>• Briefing with Director of CVS</li> <li>• Letters sent to organisations the Council currently funds</li> <li>• Letters sent to all Members</li> <li>• Press Release</li> </ul>	<ul style="list-style-type: none"> <li>• CVS and Third Sector Organisations</li> <li>• Media</li> <li>• Public</li> <li>• Organisations currently receiving funding / affected</li> <li>• Members</li> </ul>	Completed

			and the Third Sector to ensure full engagement in the process.			
2.	Report to Policy and Resources Scrutiny Committee and Cabinet Board 11 <sup>th</sup> July	Review of funding to Third Sector Organisations <ul style="list-style-type: none"> <li>• TOR</li> <li>• Approach of the Review</li> </ul>	<ul style="list-style-type: none"> <li>• As above</li> </ul>	<ul style="list-style-type: none"> <li>• Report –published on website</li> <li>• Press release</li> <li>• Letters</li> </ul>	<ul style="list-style-type: none"> <li>• Members</li> </ul>	Completed
3.	Ongoing	Update reports to P&R at key milestones		<ul style="list-style-type: none"> <li>• Report</li> </ul>	<ul style="list-style-type: none"> <li>• Members</li> </ul>	Ongoing
4.	29 <sup>th</sup> July	Background briefing with Third Sector organisations arranged through CVS	<ul style="list-style-type: none"> <li>• Background</li> <li>• Savings have to be found, financial situation is worsening.</li> <li>• Full engagement with the Third Sector.</li> <li>• Identify representative on the Steering Group</li> <li>• Feedback mechanisms available</li> <li>• Involvement and feedback from third sector organisations is important to inform the review.</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting</li> <li>• Question and answer session</li> </ul>	<ul style="list-style-type: none"> <li>• Third Sector Organisations</li> </ul>	Completed
5.	15 <sup>th</sup> November	Update briefing by Chair	As above	<ul style="list-style-type: none"> <li>• Briefing</li> <li>• Questions and Answers</li> </ul>	<ul style="list-style-type: none"> <li>• Third Sector Orgs</li> </ul>	To be completed
6.	July	Webpage and feedback mechanism set up	<ul style="list-style-type: none"> <li>• Information about the review will be on available on it.</li> <li>• Feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Council Website – <a href="http://www.npt.gov.uk/Default.aspx?page=10458">www.npt.gov.uk/Default.aspx?page=10458</a></li> </ul>	<ul style="list-style-type: none"> <li>• Members</li> <li>• Public</li> <li>• CVS &amp; Third</li> </ul>	Completed

					Sector Orgs	
7.	Ongoing	Webpage updated regularly	<ul style="list-style-type: none"> <li>• As above</li> </ul>	<ul style="list-style-type: none"> <li>• As above</li> </ul>	<ul style="list-style-type: none"> <li>• As above</li> </ul>	Ongoing
8.	July	Article in the Council's internal newsletter	<ul style="list-style-type: none"> <li>• Making Council employees aware of the areas savings are being made and keeping them informed.</li> </ul>	<ul style="list-style-type: none"> <li>• Article in "In the Loop"</li> </ul>	<ul style="list-style-type: none"> <li>• Council staff</li> </ul>	Completed
9.	August	Letter from Chief Executive of Council to Officers to instruct them to go through this review regarding assessing and changing funding arrangements	<ul style="list-style-type: none"> <li>• Ensure there is no duplication</li> <li>• Organisations are not asked for the same information by different departments</li> </ul>	<ul style="list-style-type: none"> <li>• Letter</li> </ul>	<ul style="list-style-type: none"> <li>• Council Officers</li> </ul>	Completed
10.	Ongoing	Learning from other Local Authorities	<ul style="list-style-type: none"> <li>• Information sharing</li> </ul>	<ul style="list-style-type: none"> <li>• Research</li> </ul>	<ul style="list-style-type: none"> <li>• Local Authorities</li> </ul>	Ongoing
11.	August / September	Questions to Third Sector Organisations on Funding	<ul style="list-style-type: none"> <li>• What information we need e.g. what funding, groups benefitting, consequences of withdrawing funding, sustainability, impact on service delivery, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Questionnaire / Survey</li> <li>• Meeting / focus group</li> <li>• Discussion</li> </ul>	<ul style="list-style-type: none"> <li>• Third sector organisations</li> </ul>	To be completed
12.	September / October	Update Members	<ul style="list-style-type: none"> <li>• Information to Members about the Review so they are informed about the process</li> </ul>	<ul style="list-style-type: none"> <li>• Mentioned in Budget Seminar</li> <li>• Update Letter</li> </ul>	<ul style="list-style-type: none"> <li>• Members</li> </ul>	Ongoing
13.	28 <sup>th</sup> October	Analysis of information and recommendations	<ul style="list-style-type: none"> <li>• Steering Group analyse information collated and develop</li> </ul>	<ul style="list-style-type: none"> <li>• Recommendations to be reported back to Policy and Resources Scrutiny</li> </ul>	<ul style="list-style-type: none"> <li>• Steering Group</li> </ul>	To be completed

			draft recommendations and principles	Committee and Cabinet Board		
14.	5 <sup>th</sup> November	All Members Seminar	<ul style="list-style-type: none"> <li>To update Members on the progress of the review.</li> </ul>	<ul style="list-style-type: none"> <li>Seminar</li> </ul>	<ul style="list-style-type: none"> <li>Members</li> </ul>	To be completed
15.	8 <sup>th</sup> November	Recommendations to Policy and Resources Scrutiny Committee and Cabinet Board to agree to go to consultation	<ul style="list-style-type: none"> <li>Recommendations from Review</li> </ul>	<ul style="list-style-type: none"> <li>Scrutiny Committee and Cabinet Board Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Members</li> </ul>	To be completed
16.	November	Consultation on the proposals and EAs	<ul style="list-style-type: none"> <li>How going to be implemented</li> <li>Impact on organisations</li> </ul>	<ul style="list-style-type: none"> <li>Consultation activities</li> <li>Articles in CVS newsletters</li> <li>CVS information systems</li> <li>Other Third Sector Representative</li> <li>Inform Members</li> <li>Press release to local media</li> <li>Other</li> </ul>	<ul style="list-style-type: none"> <li>CVS</li> <li>Members</li> <li>Third Sector Orgs</li> <li>Partners</li> <li>Press</li> <li>Officers</li> </ul>	To be completed
17.	December	Final recommendations to Policy and Resources Scrutiny Committee and Cabinet Board	<ul style="list-style-type: none"> <li>Recommendations from Review</li> </ul>	<ul style="list-style-type: none"> <li>Scrutiny Committee and Cabinet Board Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Members</li> </ul>	To be completed
18.	December	Final Recommendations and Decisions	<ul style="list-style-type: none"> <li>Decisions made and influence budget</li> <li>Implications for Community and Third</li> </ul>	<ul style="list-style-type: none"> <li>Communicating changes</li> <li>Informing organisations</li> </ul>	<ul style="list-style-type: none"> <li>Members</li> <li>Third Sector Orgs</li> <li>Officers</li> </ul>	To be completed



			Sector		<ul style="list-style-type: none"> <li>• Media</li> <li>• Public</li> </ul>	
<b>Phase 2 - Implementation</b>						
	<b>Timing</b>	<b>What</b>	<b>Key messages</b>	<b>Tool/Channel</b>	<b>Audience</b>	<b>Status</b>
19.	December	Formal notification of any reduction of funding			<ul style="list-style-type: none"> <li>• CVS</li> <li>• Third Sector Organisations</li> <li>• Press</li> <li>• Members</li> <li>• Public</li> <li>• Officers</li> </ul>	
20.	January	Implementing decisions				

**QUESTIONNAIRE DISTRIBUTED TO  
ORGANISATIONS RECEIVING CONTRIBUTIONS  
TO CORE FUNDING**

**Review of Funding to Third and Community Organisations**

As you are aware a review is being undertaken into the funding the Council gives to the Third and Community Sector in Neath Port Talbot. A Steering Group with an independent Chairperson, Simon Jones from Marie Curie, has been set up to oversee the Review. Gaynor Richards, the Director of CVS sits on the group as well as another elected third sector representative who is Linda Whittaker, the Chief Executive of NPT Homes. If you have any additional views or information you wish to share with the Review Team please contact them. Alternatively, you are able to feedback through the webpage that has been set up containing information on the review. Please go to [www.npt.gov.uk/Default.aspx?page=10458](http://www.npt.gov.uk/Default.aspx?page=10458)

As part of the Review the Steering Group has been gathering information about the funding the Council currently gives to Third and Community Sector organisations. During this process we have identified some gaps in the information we have. In order to ensure that decisions are based on the full picture we need to fill these gaps. This questionnaire has been designed to capture the additional information required by the Steering Group from organisations that receive core funding from the Council.

The Steering Group is very keen to ensure that all organisations within this review are treated fairly and you should be aware that if we don't have the full information about the support you currently receive from the Council it could affect your future funding arrangements. Your business plan should contain full details about your organisation and please cross reference to it where appropriate.

1. Contact details:

- Name of Organisation

.....

- Address

.....  
.....  
.....  
.....  
.....  
.....

- Tel No.

.....  
.....

- E-mail Address:

.....

2. Please enter your name

.....

**Funding**

3. (a) What does your organisation use the core funding for (e.g. a full-time member of staff)?

(b) What does your organisation plan to achieve in 2014/15 and 2015/16 and what outputs and outcomes do you expect to see?

(c) How will core funding from the Council help you to achieve the outputs and outcomes identified above?

4. What level of funding is your organisation looking to secure from the Council in 2014/15 and 2015/16 financial years?

5. Please state why your organisations needs a core funding grant, as opposed to (or in addition to) the other forms of support that the Council provides. Please specify any other funding that is received from the Council.

6. From what location(s) does your organisation deliver services to Neath Port Talbot residents?

**Priorities**

7. Please indicate how the current level of funding enables your organisation to contribute to the Council's Corporate Improvement Plan and Single Integrated Plan priorities.

(For further information on the Corporate Improvement Plan please go to <http://www.npt.gov.uk/default.aspx?page=10240> and for the Single Integrated Plan please go to <http://www.npt.gov.uk/default.aspx?page=9884> )

8. (a) Please state how many County Borough residents currently benefit from your service

- (b) Please state which groups of residents benefit from your services (e.g. older people, young people, disabled people, etc.)

- (c) Please state which ward(s) benefit from your services

9. (a) Is your organisation regularly delivering services in partnership with other groups?

(Yes indicates routine integrated working with others in a formal partnership rather than a casual type of joint working such as sharing opinions and advice).

(b) Please identify which organisations your organisation partners with and how regularly.

### **Finances**

10. (Put this question in the e-mail as not suitable to go in questionnaire as it is electronic)

(a) Please enclose your current business plan and audited accounts for the last two years. In particular this should include:

- i) Profit and loss account or income and expenditure statement
- ii) Balance sheet
- iii) Cash flow statement

(b) Please state your organisations current level of financial reserves. Please indicate whether these reserves have been earmarked for specific purposes or are available to finance general expenditure. Please also indicate the level of reserves that you are ideally required to maintain in line with the Charity Commission guidelines.

(c) Please state whether your accounts have been individual verified/audited. (Y/N)

- (d) If yes, please provide the name and registered office address for your auditors/accountants. In providing this information you consent to the Council contacting them, if necessary, as part of the process of the review.

11. Please summarise your financial position over the next 3 years and explain the implications for your organisation if the Council is unable to make a core funding award.

12. Please indicate any fundraising activities undertaken during the last financial year, both successful and unsuccessful and give the value of any funds received.



13. Please state any in kind assistance your organisation receives from the Council (e.g. office space).

14. (a) Please indicate whether your organisation is interested in or has investigated asset transfer i.e. the transfer of ownership of publically owned land or a building to a community organisation. (Y/N)

- (b) If yes, please indicate if this would be on the basis of (please circle):

- operating a community facility
- owning and operating a community facility

15. Please use the text below to provide any information or suggestions your organisation has about the review. Please also provide us with any suggestions your organisation has for where the Council can get better value for money with its relationship with the Third and Community Sector.

## **APPENDIX 4**

### **ORGANISATIONS CONTACTED – REVIEWS UNDERTAKEN ELSEWHERE INTO FUNDING ARRANGEMENTS WITH THIRD SECTOR ORGANISATIONS**

- City and County of Swansea
- Bridgend County Borough Council
- Conwy County Borough Council
- Edinburgh City Council
- Reading Borough Council
- National Association for Voluntary and Community Action
- Welsh Government

**POTENTIAL MODEL FOR FUTURE GRANTS TO CORE COSTS**

**Background**

At meetings of the Steering Group there was discussion about the purpose of funding to support core costs in organisations. Research into arrangements elsewhere in the UK suggests that a differentiated model might provide a better alternative to existing arrangements based on:

- Long term funding of key strategic partners to the Council; and
- Short to medium term funding to other local organisations for specific purposes.

**Strategic Partners**

This funding would be aimed at supporting capacity building within the sector to support the long term policy objectives of the Council. It could include:

- ensuring third sector organisations contribute to policy development through consultation exercises and other associated activities;
- supporting other third sector organisations to bid for funding, including developing project ideas and proposals through to funding applications; and/or
- promoting and supporting volunteering opportunities.

This funding would require any local organisation receiving funding from Welsh Government to demonstrate additionality i.e. there is no double funding of activity; the funding would not be available to organisations operating on a national scale.

The funding would be targeted to organisations who have complementary objectives to the Council and are better placed than the Council to deliver to particular sectors, groups or individuals and where the Council recognises the track record of that organisation in its value to local communities and where the council is satisfied the business skills available to that organisation are sufficient.

It would be for the Council to determine who it regarded as a strategic partner, however, the Steering Group would expect there to be no more than five such organisations fulfilling this role.

### **Other Grant Arrangements to support Core Costs**

All other organisations applying for and receiving grants to core costs would only receive such funding for a time limited period, over which grant funding levels would be tapered to an agreed exit strategy.

Grant would be made available for organisations who, over the short to medium term, have yet to identify alternative funding mechanisms that can sustain the organisation as a social enterprise over the longer term. Funding may support pump prime funding of activity, provide sustainability funding for a prescribed period of time, or support a specific project or service.

Where organisations are in receipt of other funding from the council they will need to demonstrate very clearly that there is no double funding of activity. Likewise, if an organisation has a funding relationship with another organisation that the Council is also funding, there will need to be clear records showing there is no double funding in that instance. Where organisations are in receipt of funding from Welsh Government or any other public sector organisation, again there will need to be clear records showing the additionality delivered for any agreed Neath Port Talbot Council funding allocation.

All grant funded bodies will need to demonstrate active fundraising activity in order to qualify for grant funding from the council.