

NEATH Port Talbot COUNTY BOROUGH COUNCIL

Cabinet

31st October 2018

Joint Report of the Director of Finance and Corporate Services and the Assistant Chief Executive and Chief Digital Officer

H. Jenkins and K. Jones

Matter for Decision

Wards Affected: All Wards

Third Sector Grants Scheme

Purpose of Report

1. To report the results of consultation carried out on proposed changes to the Third Sector Grant Scheme to the Cabinet.
2. To seek approval from the Cabinet to a revised Third Sector Grants Scheme.

Executive Summary

3. Following a fundamental review of grant funding to the Third Sector, a new Grants Scheme was co-produced by the Council and Third Sector representatives. The Scheme became operative April 2016.
4. The Scheme was modelled on principles agreed by Welsh Government and the Third Sector but shaped to reflect the priorities of the Council and the general economic conditions.
5. Grants awarded under the Scheme have been for 12 month periods or 3 year periods. Grants provided for 3 years were to partners the Council identified as Strategic Partners – these include important community anchor organisations as well as Shop Mobility, Citizens Advice Bureau and DANSA.
6. As those three year agreements will expire at the end of this financial year (2018/19) it was timely to review the Scheme to make sure it

continues to be aligned with the Council's priorities as expressed in the Corporate Plan 2018-2022.

7. The proposed changes to the Scheme were consulted upon for a 12 week period in line with the commitments expressed in the Compact that governs the partnership between the Council and the Third Sector.
8. This report sets out the feedback received from those who responded to the consultation and makes final proposals to the Cabinet for changes to the Scheme to be effective from 1st April 2019.

Proposed changes subject to consultation

9. The Council's Corporate Plan 2018-2022 sets three well-being objectives, associated priorities for improvement and the programme of work that will be put in place to deliver on those commitments. The Plan also highlights the significant impact of continued reductions to local government funding. The Council's strategy to bridge the funding gap in front of it includes:
 - a. Significantly extending the **Digital Strategy**, increasing the take up of digital channels and correspondingly reducing activity in more traditional and expensive face to face, telephone or traditional mail channels;
 - b. Increasing **income** from existing and new sources, especially in respect of services that the Council provides under discretionary powers rather than under statutory duties; and
 - c. Changing the way that the Council works with residents and **communities**, seeking to encourage more people to look after their own well-being for longer and through targeting early intervention and prevention services towards people identified as in need of additional support. A key component of this approach will include building social capital within communities, particularly by encouraging the development of services by the Third Sector.
10. As a result of the change in emphasis within the Council's Corporate Plan, it is important that the criteria for Grant funding is amended.

11. The consultation sought feedback on a proposal to add an additional criteria to Principle 1 in the Scheme as follows:

“Reduce demand on Council Services – this could be done in a variety of ways, including promoting and assisting citizens to use the Council’s digital services rather than through more traditional channels (such as face to face or by telephone); promote participation in discretionary services to increase footfall, increase revenues or reduce subsidy (for example the Council’s theatres, parks and other charged-for services); or through offering early intervention and prevention activities that maintain or improve people’s well-being; **and/or**”

12. The consultation also sought views on whether the current allocation of grant to Strategic Partners would also benefit from review. At present, of the circa £400,000 available each year, £297,000 per annum (adjusted each year in light of Welsh Government revenue settlements) is allocated to Strategic Partners through a three-year grant agreement. The Strategic Partners currently include:

- i. Canolfan Maerdy;
- ii. Citizens Advice Bureau;
- iii. Dansa Transport;
- iv. DOVE Workshops;
- v. Glynneath Training Centre;
- vi. Neath Port Talbot Council for Voluntary Services;
- vii. NPT Shop Mobility; and
- viii. Ystalyfera Development Trust.

13. As part of any future core funding arrangement, the consultation sought views on a proposal to develop a clearer specification of the benefits the Council might expect for its continuing investment. As well as locally relevant services that reflect the unique needs of the communities/citizens that access the organisations, it was proposed that the Council might also expect organisations to:

- a. Promote the take up of the Council’s on-line services through the Switch brand and help people to access those on-line services (digital assist support);

- b. Encourage participation in Council and local community-run events to support well-being;
 - c. Leverage in additional funding;
 - d. Promote the Council's Community Directory (Dewis) so that there is a good understanding of all the services that are available within the local area and how to access them;
 - e. Encourage the identification and development of local early intervention and prevention services and facilitate access to those services;
 - f. Support, inform and promote the Council's priorities;
 - g. Contribute to engagement and communications campaigns to improve understanding within communities of the Council's priorities and services;
 - h. Where appropriate, provide a physical space that can facilitate co-location of workers from across the public service to provide more integrated services that respond to the needs of local people and communities.
14. It was considered that re-focusing the Grant in this way will complement the proposals that are to be brought forward in support of asset-based community development.

Consultation

15. Consultation commenced on 16th May 2018 and concluded on 15th August 2018.
16. There were a number of approaches taken to the consultation:
- The proposals were discussed at the Voluntary Sector Liaison Committee held in May 2018;
 - A meeting was held with all of the current strategic partners;
 - Face to face meetings were held with each of the strategic partners to discuss their own plans for sustainability and the use

made of existing core funding;

- An opportunity to respond to the consultation on-line was made available;
- Neath Port Talbot Council for Voluntary Services promoted the consultation and held a consultation event for third sector organisations;
- The consultation was promoted on the Council's social media accounts and by way of press release; and
- A small number of responses were received by e mail (to provide additional information that was not possible through the on-line questionnaire).

17. 20 responses were received, which included a composite response from the Neath Port Talbot Council for Voluntary Services following the consultation event for third sector organisations held by them.

Summary of Consultation Responses

18. The following paragraphs summarise the main points made by respondents:

- a) **Funding duration** – all respondents who commented on the changes introduced by the Third Sector Funding Scheme in 2016 commented positively on the ability to apply for funding for up to three years. Respondents identified the importance of funding security to give confidence to other funders but also for their own organisational business planning and sustainability;

Officer response: the Scheme should retain the opportunity for all organisations to bid for funding for up to three years.

- b) **Payment in advance** – all respondents who commented on the move to advance payments based on a direct debit method felt this was a feature to retain, citing the reduction in administrative overhead and improved cashflow as particular benefits of this feature of the Scheme;

Officer response: the Scheme should retain the commitment to advance payments based on a direct debit arrangement.

- c) **Monitoring arrangements** – all respondents who commented on the revised monitoring arrangements felt that the arrangements were proportionate and appropriate, but one respondent suggested that there could be further work done to capture outcomes arising from the grant award more clearly;

Officer response: the monitoring arrangements should be retained on a broadly similar footing but some work could be done with grant recipients to improve the reporting of outcomes delivered by the grant funding

- d) **Recognition of strategic partners** – there were a number of positive comments received in relation to the recognition of some organisations as strategic partners. These included:

- Improved engagement with the Council to influence key developments;
- Encouraging collaboration between organisations rather than competition; and
- Contributing to the strengthening of the Voluntary Sector Liaison Forum and the development of a shared work programme based on mutually agreed priority areas.

There were also a number of other issues raised by respondents including:

- The spatial distribution of strategic partners. It was suggested that some areas have no “strategic partners” even though the communities had high levels of need;
- One respondent suggested that strategic partners should, amongst other things, be organisations who can provide services across the whole county borough;
- One respondent queried whether the Scheme supported long term change, suggesting that the Scheme is currently geared towards supporting immediate problems; and

- Another respondent expressed concern that funding of strategic partners may be to the detriment of other third sector organisations.

Officer response: it is considered that there are additional benefits that can be delivered through the Scheme where the Council has a longer term relationship with organisations. To bring more clarity to the definition of a Strategic Partner it is suggested that this be defined as an organisation who is awarded funding for a three year term.

In terms of the spatial distribution of Strategic Partners, the Scheme does not prevent any organisation from any locality in making an application for grant funding for a three year period. Given the current spread of Strategic Partners, particular efforts to ensure the Scheme is promoted in the Port Talbot area will be made as part of implementation arrangements. All applications will be considered on their merit.

In terms of the balance between short and long term impacts, in practice there will need to be balance between meeting needs now for those people at a point of crisis whilst also investing in long term community capacity building initiatives. The officer advice provided on applications submitted for the 2019/20 period will enable Members to determine where best to target the Council's investment.

Note: 3year funding is only available in the 2019/20 round of applications.

- e) **Inclusion of a new criteria “reducing demand on Council services”** (see paragraph 11)- respondents agreed that it was appropriate for this to be incorporate into the Scheme. The role the Third Sector does and could play in reducing demand through early intervention and prevention and by providing help to people in crisis was commented on with examples provided as evidence. All respondents commented on the continuing climate of austerity and many acknowledged the challenges the Council faces in responding to this. Some suggested that there could be scope to increase the role of the sector further, including providing funding for start-ups as well as providing funding for existing third sector organisations.

Officer response: There were no objections received to this proposal and most respondents commented positively on the proposal. In terms of the need to fund start-ups, it is suggested that this could be an area to explore, beyond the scope of this particular consultation exercise as part of the Council's wider work on asset - based community development.

- f) **Core Funding Expectations** – the consultation proposed that where the Council is awarding core funding through the Scheme, there could be a clearer specification of what the Council would wish those organisations to do to support the Council's priorities. In general the list of activities set out in the consultation were activities that organisations could support but one respondent asked that there was some flexibility in how this might be achieved to reflect the different capabilities of the various organisations. There were a number of positive suggestions on ways in which the Council's relationship with strategic partners could be developed in this respect including:
- a. Investing in early intervention learning programmes in the natural environment;
 - b. Promoting the Council's priorities and services through agency social media and e mail signatures on specific initiatives;
 - c. Assisting residents to use the Council's on-line services;
 - d. Making physical space available for workers across the public sector to provide more integrated services for local people (but see comment on room hire below);
 - e. Making physical space available to enable people from the community to come together, supporting their well-being and enabling people to feel less lonely/isolated;
 - f. Providing transport to enable a wide range of people to access community activities and services;
 - g. Promoting the Council's priorities and services through a community information point; and
 - h. Providing access to ICT.

Officer Response: there is broad support for the list of areas where the Council would welcome support from partners as a condition of the awarding of grant for a three year period. The areas listed provide added value to the core offer of the organisations. It is considered that the areas are sufficiently broad to provide the sector with flexibility as to how this could be achieved in practice, with a number of respondents already identifying creative ways in which they could engage with this proposal. Where the Council has been specific, that is for good reason. For example, the Dewis system is seen as one of the foundation stones for developing asset-based community development. It also satisfies part of the new statutory duty on social services to operate an Information, Advice and Assistance Service.

- g) **Quantum of funding allocated to strategic partners** – the Council has reduced the quantum of funding for strategic partners by the same proportion as that applied to the Council's Revenue Settlement year on year. Respondents were encouraged to explain how they have managed these reductions to inform the Council as to where its next investments through the Scheme might be targeted:
- i. Generally, core funding is applied to staffing and in a small number of cases to overheads. Many funders will not cover core costs, only costs that can be directly attributed to projects. Consequently, the reduction in funding for core costs has been challenging in most cases with the salaries of key staff either being frozen, hours available being reduced or some jobs being made redundant. It is important to note that these post holders are often the staff who undertake the main fundraising and service development activities within the agencies. This has meant that organisations have found it even more challenging to secure sufficient funds to ensure sustainability and in one instance attempts to replace the existing manager who is due to retire have failed.
 - ii. All organisations have needed to fundamentally revisit their business plans to adjust to the changed environment with some already some way forward in changing their services and some at a transition point. Services requiring a

subsidy have either been closed, moved into a different model, or there is active consideration taking place as to alternative options to secure the longer term sustainability of the organisation.

Officer response: there is a case to argue that there is an uplift to the Council's contribution to core costs of the organisations who receive three year funding in 2019/20 to ensure there is sufficient capacity in those organisations to ensure their sustainability and to work with the Council to build social capital. This will inevitably mean that there will be less funds available in the short-medium term to support other projects. This can be mitigated by providing other help either through the Council for Voluntary Services who have this function as one of their core roles, or with the assistance of Council officers where this is appropriate.

h) **Other Matters** - while the focus of the consultation was on the changes proposed to the Scheme, other areas where joint working could be mutually beneficial were raised during the consultation:

- i. **Volunteering** – a number of organisations identified difficulties in recruiting sufficient volunteers.

Officer comment: This has been raised with the Director of the Neath Port Talbot Council for Voluntary Services who will respond to the specific points raised. Additionally, it is proposed that the Council could encourage volunteering by placing volunteering opportunities on its own vacancy bulletin, incorporating volunteering opportunities into voluntary redundancy processes but also in considering a broader volunteering policy. This approach could also be replicated across Public Services Board organisations;

- ii. **Digital** – the sector responded positively to the proposal that third sector partners would actively promote the on-line services that the Council is creating. It was also identified that the Council could share some of its expertise/provide access to training and learning opportunities to assist the sector in exploiting the

opportunities of e-marketing and on-line fundraising opportunities;

Officer response: it is proposed that this issue be included in the work already agreed by the Voluntary Sector Liaison Committee to tackle digital inclusion.

- iii. **Community Benefit clauses** – it was suggested that the Council could give consideration to how the Third Sector might be included in community benefit clauses.

Officer response: The Voluntary Sector Liaison Committee is already examining arrangements for procurement with the Third Sector and this can be included in the remit for that work.

- iv. **On-line tendering** - a number of respondents were interested in bidding for service contracts to aid sustainability. Helping organisations to use the on-line tendering systems was identified as one of the ways in which the sector might be able to improve sustainability;

Officer response: this issue can be explored through the work being undertaken through the Voluntary Sector Liaison Committee on digital inclusion and procurement.

- v. **Local Area Co-ordinators and Asset Based Community Development** – respondents were positive about the commitment contained in the Corporate Plan to working with communities in different ways. They identified considerable experience of working in this way and are keen to share this expertise with the Council as the approach to asset-based community development is taken forward. It was also suggested that Local Area Co-ordinators work from the existing community anchor organisations rather than set up alternative arrangements which could undermine work to secure sustainability. Additionally, some respondents highlighted that they had become involved in meeting the needs of some service users following closure of the day services by the Council. This is impacting on opportunities to generate income for the organisations concerned;

Officer response: the issues raised can be explored through the asset- based community development work that is being progressed through the Voluntary Sector Liaison Committee

- vi. **Child Care Offer** – this was seen by those who provide a child care service as a potential opportunity and respondents indicated a wish to be fully involved in the plans to roll this strategy out across the county borough.

Officer response: the Leader of Council and Chief Executive have already given a commitment to working with existing providers to ensure a smooth and effective roll-out of the Child Care Offer.

Financial Appraisal

- 19. This proposal seeks to ensure that the Third Sector Grants Scheme continues to reflect the priorities set out in the Council's Corporate Plan and offers value for money.

Integrated Impact Assessment

- 20. The full Integrated Impact Assessment is set out at Appendix 2 and has been updated to reflect the consultation responses and conclusions. The proposal is to proceed with the changes that were subject of consultation to also progress a range of other issues highlighted that will help to strengthen capacity within the voluntary sector.

Workforce Impact

- 21. These proposals have limited impact on the Council's workforce.

Legal Powers and Duties

- 22. The Council has powers to offer grants to the Third Sector by virtue of the Local Government Act 1972. The Third Sector Scheme has already been updated to reflect new duties set out in the Well-being of Future Generations (Wales) Act 2015.

Risk Management

23. Without review, there is a risk that important Third Sector organisations will be unable to demonstrate how they can contribute to the Council's new priorities with the prospect of losing opportunity to build on the strong partnership that has existed over many years and the benefits those organisations have been delivering for local communities in relation to services: additional funding; employment; access to learning as well as providing a voice for those local communities.

Recommendations

24. That the revised Third Sector Grant Scheme set out Appendix 1 be approved.
29. That Members support the principle of allocating a higher proportion of the funds available to support the sustainability of strategic partners, the detail to be determined by Members once applications are received and analysed.
30. That the Neath Port Talbot Council for Voluntary Services is asked to respond to the consequential impact arising from the recommendation set out at paragraph 29 for those organisations that may be adversely affected by prioritising investment in Strategic Partners. That the CVS be asked to provide assistance to other third sector organisations to seek out other fundraising opportunities which can include seeking assistance from Council officers.
31. That the Council provides an opportunity to third sector organisation to advertise volunteering opportunities through its vacancy bulletin and through its Voluntary Redundancy Scheme.
32. That officers be asked to explore the business case for adopting a volunteering policy for the Council's workforce.
33. That the other issues raised in this report, set out in paragraph 18 (h) are formally raised in the Voluntary Sector Liaison Forum with a view to the issues being incorporated into the existing work programme of the Forum as proposed in this report.

34. That the Director of Finance and Corporate Services and the Assistant Chief Executive and Chief Digital Officer be authorised to implement the decisions of the Cabinet.

Reason for Proposed Decision

35. To ensure the Third Sector Scheme is aligned with the Council's Corporate Plan 2018-2022.

Implementation of Decision

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

Appendices

37. Appendix 1 – Neath Port Talbot Third Sector Grant Funding Scheme (revised)
38. Appendix 2 – Integrated Impact Assessment

Background Papers

39. Welsh Government: Our Valleys – Our Future (November 2017)
40. Policy and Resources Cabinet Board (23 July 2015) – Policy Review – Third Sector Grants
41. Cabinet (16th May 2018) – Third Sector Grants Scheme

Officer Reporting:

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Neath Port Talbot Third Sector Grant Funding Scheme

Introduction

During 2013, the Council undertook a review of existing grants to third sector and community sector organisations in Neath Port Talbot. As well as making recommendations as to where funding could be reduced in order to achieve Council savings targets, the review identified a number of recommendations to improve the way in which grants are administered. These were approved by the Council's Policy & Resources Scrutiny Committee on 13th December 2014.

In January 2014, the Welsh Government published their revised Third Sector Scheme. The Welsh Government Scheme underpins the relationship between Welsh Government and the Third Sector in Wales and discharges duties under section 74¹ of the Government of Wales Act 2006.

This Neath Port Talbot Scheme has been developed to take forward the recommendations in the 2013 Council review. It has been developed using the principles set out in the Welsh Government's Scheme reflecting Welsh Government's expectation that councils will embrace good practice in their relationships with the Third Sector.

Aims

Neath Port Council has had a long and productive relationship with the Third Sector. The Council has grant funded Third Sector organisations to support our communities in a wide range of ways. The Council recognises and values the contribution of the many volunteers and third sector organisations that play an important role in supporting the wellbeing of local people and communities.

¹ In this Section, Welsh Ministers are required to make or review a voluntary sector scheme which sets out how they propose to promote the interests of relevant voluntary organisations'

However, times have and continue to change. The severe and enduring cuts to local authority budgets mean we must target available funds in a manner that supports the Council's priorities. Indications are that austerity measures will continue at least into the medium term. Grant assistance arrangements must reflect this.

This Scheme aims to:

- Make the grant funding process clear, transparent and equitable;
- Ensure the administrative arrangements that support grant funding efficient and effective; and
- Foster genuine partnership working between the Council and the Third Sector to promote the wellbeing of local people and communities.

Scope

This Scheme covers:

- Grant funding provided from the Council's own revenue resources, except for those funds provided from the Member Community Action Fund; and
- Grants of benefits "in kind" e.g. rent-free/discounted rent periods granted to organisations in the Council's property portfolio.

Grants distributed from Welsh Government directly to the third sector by way of specific grant are governed by the Welsh Government Third Sector Scheme, the principles of which are reflected in this Scheme.

This scheme does not cover grants provided to the Council by other parties as the specific conditions of those grants would need to be applied.

Definition of the Third Sector:

The Council has adopted the definition provided in Section 74 of the Government of Wales Act for the purpose of this Scheme:

“...bodies other than local authorities (or other public bodies) whose activities:

- are carried on otherwise than for profit; and
- directly or indirectly benefit the whole area or any part of Neath Port Talbot

The Council acknowledges that this definition covers a very diverse range of organisations that share a set of values and characteristics which include:

- Independent, non-governmental bodies;
- Bodies established voluntarily by people who choose to organise themselves;
- Bodies which are “value driven” and motivated by social, cultural or environmental objectives, rather than simply to make a profit; and
- Bodies committed to reinvesting their surpluses to further their social aims and for the benefit of people and communities.

Third Sector organisations include community associations, self-help groups, voluntary organisations, charities, faith-based organisations, social enterprises, community businesses, housing associations, development trusts, co-operatives and mutual organisations.

Grant Funding – Commissioning Arrangements

The Council wishes to adopt an outcomes-based approach to the way in which it determines its grant funding arrangements. It will be the intended results of activity to be grant funded, not the activity itself that will be the key consideration in determining whether the Council will provide grant assistance, subject to the Council being provided with sufficient assurance on associated governance arrangements.

Grants can provide financial support to third sector organisations to enable them to undertake activities the Council wish to support. They may be aimed at assisting with the core costs of running and developing an organisation or more specifically to help it carry out a particular project or service. Generally, the Council will consider awarding a grant where organisations undertake activities that support the Council’s

policies and priorities. Where the Council wishes to obtain goods or services for direct benefit or use then the Council would expect those arrangements to operate under the Council's procurement policies and procedures.

The Council will set out its priorities on an annual basis as part of its corporate planning cycle. Grant assistance will be administered in accordance with the principles set out in this Scheme. Grants may be awarded for up to three years

Applications for grant assistance will need to be made via a standard form that will be publicly available and published on the Council's website. Any timetable for submitting and agreeing grants will also be set out on the website. The Council will provide the contact details of officers who can offer support and advice to organisations who may be considering making a grant application. Where a funding bid is complex, organisations are encouraged to discuss their proposed bid prior to submitting an application. The Council will formalise grant assistance through a legally binding grant agreement. The agreements will contain standard grant conditions to promote consistency and fairness and to minimise administrative costs for all parties. Where the Council decides not to award grant assistance, the Council will provide written feedback to the applicant, summarising the reasons why the grant application has been refused. There will be no right of appeal against the Council's decisions.

Review and Monitoring

The Deputy Leader of the Council is the portfolio holder for relationships with the Third Sector and ultimately responsible for this Scheme. The Senior Officer responsible for the Scheme is the Director of Finance and Corporate Services. This Scheme will be used by all departments of the Council. Its operation will be monitored by the Voluntary Sector Liaison Committee and reviewed no less frequently than every three years.

Neath Port Talbot Third Sector Grant funding Scheme

Principles

The key principles that will govern our approach to grant funding the Third Sector and what is expected from the Third Sector in return are set out in this section.

Principle 1 – Supporting Council policies and priorities

i) Demonstrate contribution to the delivery of key priorities

Grant applications will need to demonstrate how proposals will support the delivery of the Council's policies and priorities. These are summarised in Council's Corporate Plan, associated well-being objectives and other priorities; **and**

ii) Reduce demand on Council Services – this could be done in a variety of ways, including promoting and assisting citizens to use the Council's digital services rather than through more traditional channels (such as face to face or by telephone); promote participation in discretionary services to increase footfall, increased revenues or reduced subsidy (for example the Council's theatres, parks and other charged-for services); or through offering early intervention and prevention activities that maintain or improve people's well-being; **and/or**

iii) Lever in additional resources (multiplier effect)

Applications that demonstrate how Council funding will be used to lever in additional financial resources in support of Council policies and priorities are particularly welcomed; **and**

iv) Sustainable organisations

Applicants will need to demonstrate financial sustainability. The Council will wish to be satisfied that the applicant is not dependent on continuing Council funding to achieve financial sustainability.

Principle 2 – Respect for the Sector's independence

The Council recognises Third Sector organisations are value driven, motivated by social, cultural or environmental objectives and committed to reinvesting their surpluses to further their social aims and for the benefit of people and communities. The Council respects the sector's independence.

The Council acknowledges and encourages the Third Sector's ability to raise funding through non-statutory routes and deliver services that complement or are additional to those provided by statutory agencies and which, in particular, operate to prevent or reduce demand on public services.

Principle 3 – Early and constructive dialogue

The Council is committed to early discussions with the Third Sector to support a strategic approach to delivering key priorities and to allow for better planning of services. The Council will seek to provide opportunities to discuss applications well in advance of the formal application deadline.

It is expected that in return, the Third Sector will engage constructively in this dialogue and respect the limitations on dialogue imposed by the need to ensure fairness and transparency in respect of grant funding decisions.

Principle 4 – Timely decisions

The Council recognises that early decision making in respect of funding can support better business and workforce planning. The Council's commitment is the notification of decisions about future funding at least three months prior to the expiry of an existing funding agreement or the start of a new agreement. Where funding has been granted for more than one year, a review will be completed 3 months before the commencement of the second or third year to confirm funding will

continue. If an offer in principle has been made, this must also be confirmed three months prior to the expiry of the current funding.

Principle 5 – Security of funding

In a climate of reducing resources and escalating need, security of funding is an issue felt across all sectors. The Council acknowledges that sometimes short term funding can cost more administratively and will be prepared to consider longer term funding commitments wherever possible to minimise administration costs. The Council will be prepared to provide funding for up to 3 years which will provide Third Sector organisations with the security to apply for funding from other sources and enable a longer term approach to planning and securing sustainability.

Principle 6 – Fair funding levels

It is reasonable to expect that funding pressures placed upon local authorities will be reflected in the level of grant funding available to the Third Sector. Therefore, where the Council has granted funding for more than one year, the amount of grant available in each year of the agreement will vary to reflect the financial settlement the Council receives from the Welsh Government. The Council will generally seek to notify organisations of the uplift or reduction to be applied by 31st December each year. The level of funding agreed will be subject to review at the end of each financial year to reflect the overall level of resources available to the Council for the ensuing period.

Principle 7 – Value for money

Tax payers' money must be used economically, efficiently and effectively. The Council aims to achieve the best possible level of outputs and outcomes of acceptable quality at the lowest cost. Third sector organisations who receive grant assistance are expected to

ensure the economic, efficient and effective use of public money. Applications and associated monitoring arrangements will need to demonstrate:

- i. The need for intervention
- ii. The purpose to which funding will be put
- iii. The outputs and outcomes to be achieved
- iv. Other sources of funding accessed
- v. How activities will be evaluated
- vi. Financial probity and sustainability

Principle 8 – Full Cost Recovery

The Council acknowledges the principle of full cost recovery. The Council recognises that other funders sometimes render certain expenditures ineligible and the award of grant assistance from the Council may be sought to complete a funding package.

Principle 9 – Commissioning Principles

Grant arrangements will be outcomes focused linked to the Council's policies and priorities which will be summarised in the Council's Corporate Plan.

Principle 10 – Payments

The Council will make grant payments in advance (i.e. before the grant recipient has incurred the expenditure) as it recognises that most Third sector organisations do not hold large reserves and do not have the resources available to undertake work and receive payment afterwards. The payment will be made after the commencement of the relevant financial year. The frequency and timing of payments will be set out in the grant agreement. Electronic payment is preferred to minimise

administrative burdens on both the Council and Third sector organisations.

Principle 11 – Fair and Reasonable Treatment

This Scheme commits the Council to consult openly and meaningfully with the Third Sector on changes to this Scheme and associated arrangements. The Council will aim to provide a minimum period of 12 weeks consultation period where changes to the Scheme and its associated arrangements are proposed. Additionally, the Council will aim to provide 12 weeks' notice before changes are made to the Scheme or decisions are made which would lead to a withdrawal or significant reduction of grants.

In return, Third Sector organisations are asked to cooperate fully during this consultation / notice period and use it as an opportunity to positively contribute to the discussion with departments or policy / service areas.

The Council upholds the need for clarity in what is being funded by defining and agreeing outcomes with recipients of funding. These outcomes should be set out transparently in the funding agreement to ensure fair and reasonable treatment of organisations and shared and agreed expectations for service delivery.

Principle 12 – Joint approach to monitoring, evaluation and audit
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The processes of monitoring and evaluation must be consistent, proportionate and reasonable. The Council will set out the details for monitoring and evaluation in procedural guidance and in its grant agreements. The Council expects its internal audit service to have access to documents and information (including access to interview senior officers and board members) relating to monies provided by the Council. Recipients of funding agree to give assistance, information and explanation to the internal audit service or such other officers as the Council may so require as a condition of funding.

Principle 13 – Identifying Expertise and Developing Capability to Deliver

The Council is committed to working with the Third Sector to identify areas of expertise and to support organisations and individuals to take the lead in or contribute to the implementation of new policies. The Council welcomes applications for grant funding that build capacity and capability within the Third Sector across Neath Port Talbot to secure the sustainability of services.

Principle 14–Diversity and Equality

The Council recognises the diverse needs of people and communities across Neath Port Talbot and the variety of services required to meet these needs. Diversity in this context is about maintaining a range of accessible services to meet a variety of individual and collective needs; locally based and run services, as well as larger services; and different models of services to meet different needs.

The Council is required under the Equalities Act 2010 to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations amongst and between people of different protected groups.

The Council is also committed to promoting the Welsh Language and culture and to support the Welsh Government's policy objectives of increasing the number of people who speak Welsh on a daily basis.

Third Sector organisations will be expected to demonstrate in their applications how they promote both diversity and equality in the planning and delivery of their services.

Principle 15– Innovation

The Council is committed to working with the Third Sector to identify innovative practices that improve the delivery of public services, including where appropriate, exploring new funding models.

Principle 16– Good Governance and Due Diligence
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The Council will apply good governance and due diligence in the way it administers this Scheme and expects Third Sector grant recipients to demonstrate good governance and due diligence both in the application process and through monitoring arrangements. The Council will seek specific assurances about governance arrangements, including the development accessed by trustees or directors during the application process and in any annual review process.

Principle 17– Monitoring the Scheme
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The Voluntary Sector Liaison Committee will provide the mechanism for joint monitoring of this Scheme. The Council commits to reviewing this Scheme no less frequently than every 3 years.

Integrated Impact Assessment (IIA)

This Integrated Impact Assessment considers the duties and requirements of the following legislation in order to inform and ensure effective decision making and compliance:

- Equality Act 2010
- Welsh Language Standards (No.1) Regulations 2015
- Well-being of Future Generations (Wales) Act 2015
- Environment (Wales) Act 2016

Version Control

Version	Author	Job title	Date
Version 1	Karen Jones	Asst Chief Executive and Chief	April 28 th 2018
Version 2	Karen Jones	Asst Chief Executive and Chief	September 2018

1. Details of the initiative

	Title of the Initiative: Third Sector Grant Funding Scheme - Review
1a	Service Area: Partnerships
1b	Directorate: Chief Executive's Office
1c	Summary of the initiative: This is a review of the Council's Third Sector Grant Funding Scheme to ensure it continues to be aligned with the Council's priorities
1d	Who will be directly affected by this initiative?

	Third sector organisations who decide to apply for grant from the Council
1e	<p>When and how were people consulted?</p> <p>Representatives of the third sector were involved in developing the current Scheme. The proposal is to consult the third sector, starting with the Voluntary Sector Liaison Committee at the end of May to honour the commitment built into the Scheme that any changes would be subject to a 12 week consultation (minimum)</p> <p>Update September 2018 – a meeting was held with all third sector organisations in receipt of a three year grant agreement and this was followed up by one-to-one discussions with most of those organisations. NPT CVS also facilitated a response from the wider sector to the consultation. An on-line questionnaire was made available to encourage responses and this was promoted through the Council’s channels and the NPT CVS channels.</p>
1f	<p>What were the outcomes of the consultation?</p> <p>To be undertaken between May 23rd and August 15th 2018</p> <p>Update September 2018 – broadly the proposed inclusion of the new criteria to reduce demand on council services was supported. There was also continued support for the core Scheme. There were some individual comments about the geographic spread of organisations receiving three year funding and some suggestions as to where funding could be targeted for longer term benefit. These are principally issues to be addressed through the application process rather than requiring amendment to the Scheme itself, or they are matters that are being/could be progressed through the Voluntary Sector Liaison Committee</p>

2. Evidence

What evidence was used in assessing the initiative?

The current Scheme was based on research that had been undertaken by Welsh Government as to principles that would be appropriate to apply to grant assistance. Local third sector representatives felt that it was important to embrace the same set of principles at the local level. A literature review was also undertaken of similar schemes across the rest of the United Kingdom.

For this review, an assessment of the content of the Council’s new Corporate Plan has been undertaken and the priorities of the new Council compared to the existing Scheme criteria. Furthermore, the conclusions reached by both the Ministerial Taskforce for the Valleys and the emerging findings of the local task and finish group suggest that the future relationship with community anchor organisations should be explicitly reconsidered as part of the review.

3. Equalities

a) How does the initiative impact on people who share a protected characteristic?

Protected Characteristic	+	-	+/-	Why will it have this impact?
Age	+			Current grant allocations provide support for people of all ages. The proposed amendments to the Scheme would require applicants to identify how they support the new corporate well-being objectives - two of which specifically relate to age
Disability	+			Current grant allocations provide assistance to people with disabilities – for example the Shopmobility Scheme assists in providing a service to people with mobility impairment; the allocation to the Citizens Advice Bureau enables people with a range of disabilities to receive support to access services and funding to which they are entitled. The Council's new corporate well-being objectives and the related priorities make clear that Council wishes to continue to meet the needs of disabled people. The proposed revision to the Scheme would provide for this to be taken into account when recommending grant awards to elected Members
Gender reassignment		?		It is unclear whether existing allocations support people with this characteristic. The Scheme does not exclude applications from organisations who would wish to benefit people with this characteristic and makes a clear commitment to promoting and supporting diversity and equality
Marriage & civil partnership		?		It is unclear whether existing allocations specifically benefit people who are married or in civil partnerships. Applications have generally not had a specific focus on this characteristic but the current awards and proposed future Scheme would not exclude these groups from benefiting
Pregnancy and maternity	+			Current grant allocations support organisations who offer a childcare provision. The new corporate well-being objectives underline the importance of supporting children in their early years. Future grant applications will be assessed as to the contribution that will be made to the Corporate Plan and associated priorities if the revisions to the Scheme are approved
Race	+			Current grant allocations have helped to create the BME Community Association. There is a strong commitment within the Scheme to promoting and supporting diversity and equality

Religion or belief	+			Current grant allocations have helped to create the BME Community Association. There is a strong commitment within the Scheme to promoting and supporting diversity and equality. There is a need to consider how the Council works with the wider faith sector
Sex	+			Current grant allocations provide support for people of all genders. The proposed amendments to the Scheme would require applicants to identify how they support the new corporate well-being objectives - there is an emphasis on combating gender-based violence in the Corporate Plan.
Sexual orientation		?		It is unclear whether people with this characteristic benefit from current allocations. There is a clear commitment in the Scheme to supporting and promoting diversity and equality
What action will be taken to improve positive or mitigate negative impacts?				
<p>Monitoring information received from providers needs to be amended to capture the wider set of characteristics, however, this needs to be proportionate to the expenditure involved</p> <p>The way in which this might be done could be subject of consultation with the sector as part of the Scheme review</p> <p>There is an action in the Strategic Equality Plan to widen relationships with the faith sector so no additional actions are proposed as part of this report.</p> <p>Update September 2018- there was no objection received from respondents to amending monitoring arrangements to demonstrate the extent to which grant funding helps to deliver the Council's equality duties, provided that, where small numbers are involved monitoring does not breach the individual's right to privacy.</p>				

b) How will the initiative assist or inhibit the ability to meet the Public Sector Equality Duty?

Public Sector Equality Duty (PSED)	+	-	+/-	Why will it have this impact?
To eliminate discrimination, harassment and victimisation	+			The Scheme makes a clear commitment to promoting and supporting equality and diversity, not just in terms of characteristics protected in law but on other grounds eg poverty

To advance equality of opportunity between different groups	+			The Scheme makes a clear commitment to promoting and supporting equality and diversity, not just in terms of characteristics protected in law but on other grounds eg poverty
To foster good relations between different groups	+			Approximately half of the current allocations support community anchor organisations who support community cohesion. Other allocations promote the integration of other groups into community life.

What action will be taken to improve positive or mitigate negative impacts?
<p>It is proposed that there should be an explicit consideration of the relationship between the Council and community anchor organisations as part of the review of the Scheme</p> <p>Update September 2018 – a focus of the consultation was the relationship between the Council and community anchor organisations in respect of grand funding. One of the proposals brought forward following the consultation is for Members to consider the proportion of the grant pot that can be allocated to those receiving core funding for three years, as well as identifying a number of areas that should receive consideration which can be progressed as part of the work on asset based community development – eg room hire, location of local area co-ordinators, sharing training and expertise particularly on the digital agenda. The consequential impact of the closure of day services on small groups of people has also been highlighted and needs to be considered as part of the asset-based community development work.</p>

4. Community Cohesion/Social Exclusion/Poverty

	+	-	+/-	Why will it have this impact?
Community Cohesion	+			Approximately two thirds of the current allocations support community anchor organisations who are based within communities and who support community cohesion. There is a strong commitment

				to promoting and supporting diversity and equality within the Scheme
Social Exclusion	+			Most of the grant funding is directed towards people who are disadvantaged in some way. The Scheme underlines the importance of the joint work between the Council and the third sector in meeting the needs of the most vulnerable and disadvantaged
Poverty	+			Income inequality is a factor that is included within the Scheme as the Scheme does not limit work to address inequality and inequity to characteristics protected in law.

What action will be taken to improve positive or mitigate negative impacts?

Grant applications will need to be evidence based. This will enable the Council to assess where the greatest value/impact will be secured from its grant investment. The consultation has however, highlighted the important role that community anchor organisations continue to play across the county borough and in particular in valley communities.

5. Welsh

	+	-	+/-	Why will it have this effect?
What effect does the initiative have on: people's opportunities to use the Welsh language			?	It is not known whether current grant funded organisations can provide a service through the medium of Welsh and English. The Scheme has been amended to reflect the Council's commitment to promoting and supporting the Welsh Language

- treating the Welsh and English languages equally			?	It is not known whether current grant funded organisations can provide a service through the medium of Welsh and English. The Scheme has been amended to reflect the Council's commitment to promoting and supporting the Welsh Language.
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What action will be taken to improve positive or mitigate negative impacts?

Require organisations to be explicit about Welsh Language provision in grant applications and monitoring reports

Update September 2018 – grant monitoring will be amended to capture information about the provision of services through the medium of Welsh

6. Biodiversity

How will the initiative assist or inhibit the ability to meet the Biodiversity Duty?

Biodiversity Duty	+	-	+/-	Why will it have this impact?
To maintain and enhance biodiversity			?	This information is not currently requested from grant aided organisations. By requiring bids to address the Council's Corporate Plan, the Scheme does incorporate the provisions of the Well-being of Future Generations (Wales) Act 2015
To promote the resilience of ecosystems, i.e. supporting			?	This information is not currently requested from grant aided organisations. By requiring bids to address the Council's Corporate Plan, the Scheme does incorporate the provisions of the Well-being

protection of the wider environment, such as air quality, flood alleviation, etc.				of Future Generations (Wales) Act 2015
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What action will be taken to improve positive or mitigate negative impacts?
<p>Consideration will be given during the consultation period to the bio-diversity duty and the extent to which it can be met by the amended Scheme or whether additional specific criteria and information should be included.</p> <p>Update September 2018 – monitoring arrangements will be amended to reflect the environmental well-being duties on the Council. The application process already provides for organisations to apply for funding indicating the contribution to environmental well-being and the wider corporate plan objectives</p>

7. Wellbeing of Future Generations

Ways of Working	Has account been taken/ contribution made?		What impact does the initiative have?			Details
	Yes	No	+	-	+/-	
i. Long term – looking at least 10 years (and up to 25 years) ahead	Y		+Y			The Scheme is required to address the Corporate Plan which embraces the new duties introduced by this Act.
ii. Prevention – preventing problems occurring or getting worse	Y		+Y			

iii. Collaboration – working with other services internal or external	Y		+Y			
iv. Involvement – involving people, ensuring they reflect the diversity of the population	Y		+Y			
v. Integration – making connections to maximise contribution to:	Y		+Y			
Council's wellbeing objectives;	Y		+Y			

What actions will be taken to improve positive or mitigate negative effects?

None identified at this stage

9. Monitoring Arrangements

Provide information on the monitoring arrangements to: Monitor the impact of the initiative on the Wellbeing Objectives, Equalities, Community Cohesion and Welsh Measure achievements and outcomes of the initiative.

All successful applications for grant under this Scheme require proportionate information to be provided on progress. The Scheme makes provision for early termination of grants where there are concerns which cannot otherwise be remedied

10. Assessment Conclusions

Which of the following applies to the initiative?

Conclusion 1	There are no potential problems and all opportunities to maximise contribution to achieving each of the Council's wellbeing objectives and the Welsh Government's well-being goals and promote equality have been taken.	Continue as planned with the initiative	Y <input type="checkbox"/>
Conclusion 2	There are potential problems and/or missed opportunities to maximise contribution to achieving each of the Council's wellbeing objectives and the Welsh Government's well-being goals and promote equality. Negative impacts/conflicts in meeting other wellbeing objectives must be identified and mitigated.	Make adjustments to remove barriers or better promote equality and continue with the initiative	<input type="checkbox"/>
Conclusion 3	There is potential for negative impacts or missed opportunities to maximise contribution to achieving each of the Council's wellbeing objectives and the Welsh Government's well-being goals and promote equality with regard to some groups.	Justification for continuing with the initiative.	<input type="checkbox"/>
Conclusion 4	There is actual or potential unlawful discrimination. It must be stopped and removed or changed.	STOP and redraft the initiative	<input type="checkbox"/>

Explanation of Conclusion

- The review of the Scheme is being carried out specifically to ensure that it continues to be aligned with the new Corporate Plan and associated well-being objectives and priorities.
- Following a desktop assessment it is considered that there is a need to make some changes to the Scheme to ensure alignment.
- The consultation exercise will seek to confirm if this conclusion is supported.
- Update September 2018 – the consultation responses indicate broad agreement to the changes proposed to the Scheme. The consultation has also raised broader points related to the Council's relationship with the third sector which can be progressed through the Voluntary Sector Liaison Committee

11. Actions

What actions are required in relation to obtaining further data/information, to reduce or remove negative impacts or improve positive impacts?

Action	Who will be responsible for seeing it is done?	When will it be done by?	How will we know we have achieved our objective?
Monitoring information received from providers needs to be amended to capture the wider set of characteristics, however, this needs to be proportionate to the expenditure involved	Principal Officer – Policy, Performance and Partnerships	November 2018	Data on the service users who have taken up the services will be available, analysed by protected characteristic
It is proposed that there should be	Assistant Chief Executive and Chief Digital Officer	July 2018	Advice will be provided to Members on what this future relationship could be based on and how this reads

an explicit consideration of the relationship between the Council and community anchor organisations as part of the review of the Scheme			across the the grant funding Scheme September 2018 update – advice set out in this report
Require organisations to be explicit about Welsh Language provision in grant applications and monitoring reports	Principal Officer Policy, Performance and Partnerships	November 2018	Information about Welsh Language provision and activity will be evident in grant applications and monitoring reports
Consideration will be given during the consultation period to the bio-diversity duty and the extent to which it can be met by the amended Scheme or whether additional specific criteria and information should be included	Principal Officer Policy, Performance and Partnerships	July 2018	There will be specific advice in the final proposals as to whether there is a need to modify the Scheme, or not to embrace the biodiversity duty September 2018 update – this is already catered for in the application process but monitoring arrangements will need amendment to capture the bio-diversity impacts
Undertake consultation with the third sector and other stakeholders. Review proposed changes in light of consultation findings.,	Assistant Chief Executive and Chief Digital Officer	August 2018	The outcome of consultation is document and final proposals shows how consultation responses have shaped the final Scheme

12. Sign off

	Name	Position	Date
Completed by			
Signed off by	Karen Jones	Assistant Chief Executive and Chief Digital Officer	September 24th 2018

