

**Building Capacity in the Voluntary Sector**

**Review of Funding – July 2014**

**Introduction**

1. This paper provides the background, rationale and proposal for consulting on proposed changes to the strategic funding of voluntary sector organisations. We are proposing:
	* To put in place a **new** 4 year Infrastructure Support and Capacity Building Fund at a minimum value of £322k. This will replace the Strategic Partner Programme, and will align with the council’s medium term financial strategy.
	* To establish the Infrastructure Support and Building Capacity Fund as a commissioned programme, with a 2 year break clause.
	* **To cease** the Transformation Fund (£70k pa) from April 2015.
	* **To retain** the Community Fund (at least £100k pa) in full but to update the criteria for the fund in line with our new Corporate Plan priorities and ensure administration and delivery of the fund by those who are funded under the Infrastructure Support and Capacity Building Fund.
2. The Community Fund will also be funded by £20k from Public Health.
3. This document launches formal a consultation period between Thursday 10 July 2014 to Friday 12 September 2014, to allow questions, views, comments and suggestions of current strategic partners, the voluntary sector and private enterprises on the proposals. Following the consultation, all views, comments and alternative proposals will be considered.
4. The final proposals will be taken to the Strategy and Resources Committee on Monday 13 October 2014 for approval.

**Background and context**

1. The government which took office after the 2010 general election has followed a policy aimed at reducing the public sector deficit, principally through reductions in local authority expenditure.  As a result, Councils have suffered significant reductions in their funding from government grants. At the same time, the Council has faced increasing demand for services due to demographic pressures and the consequences of other national government policies such as welfare reform. The London Borough of Sutton is no different from other councils. The council has faced a 25% reduction to its budget since 2010. To address this, the council established a 4 year £32m change programme, Smarter Services Sutton. The delivery of the changes through Smarter Services Sutton will largely be complete by the end of the 2014/15 financial year.
2. Despite this, further funding and grant reductions are expected from national government over the medium term with a funding gap for Sutton of £38m projected by 2018/19. To address this, the council initiated the Smarter Council programme to further transform council services. This programme is focused on four key themes: Opportunity Sutton, Prevention, Neighbourhood Working and Developing Our Own Organisation. The delivery of projects underneath these themes will fundamentally change the shape of the council and its services over the next few years.
3. Alongside this, the strategic direction adopted by the Council involves individuals, community groups, voluntary organisations, whether new or established, working together to assume greater control over their lives, shaping and delivering services to the local community in which they live. This is in addition to becoming a commissioning council with the introduction of our commissioning policy in October 2011. In practice this means that, over time, the council will stand back and assess the need for services, review how best to deliver services (if at all) and consider the full range of delivery models including services being provided in–house, shared with others, through the voluntary and community sector, social enterprises, staff spin outs, the private sector – or any combination of these models. The Council’s direct provision of services will therefore diminish and a strong and vibrant community sector will play an increasingly important role in direct service delivery and developing community resilience.
4. Sutton has long-recognised and promoted the importance of the voluntary and community sector as a provider of services, as local campaigners on behalf of their beneficiaries, and as important contributors to the creation of social capital within our communities. In 2012/13, the voluntary and not for profit sectors received £ 11.9m through contracts and grants from Sutton Council. Since April 2003 we have also spent significant time developing the Building Capacity Framework with the voluntary sector to respond to the opportunities and challenges facing them. This framework has been used as the basis for the proposals contained within this consultation document.

**Strategic Partner Programme 2012-2015**

1. The Strategic Partner Programme began in April 2009, with the aim of investing in a small number of voluntary sector partners to develop capability and capacity across the wider voluntary sector. A new funding process began in 2012, with funding awarded from 1 April 2012 to 31 March 2015. The current Strategic Partner Programme will end in March 2015.
2. Our current seven Strategic Partners are:
* Age UK Sutton
* BioRegional
* Sutton Citizens' Advice Bureaux (CAB)
* Sutton Centre for Independent Living and Learning (SCILL)
* Sutton Carers' Centre
* Sutton Centre for the Voluntary Sector (SCVS)
* Volunteer Centre Sutton (VCS)
1. Our Strategic Partners are required to meet the following expectations and criteria:
* To work collaboratively with other voluntary and community sector organisations at a local, regional and national level
* To support the development and capacity of the voluntary and community sector, particularly small organisations in the borough
* To work with the council at a strategic level and act as an advocate on behalf of the wider voluntary and community sector, communities of interest and service users
* To contribute collectively to the positive reputation of the borough

**Consultation Proposals**

1. We are now proposing:
	* To put in place a **new** 4 year Infrastructure Support and Capacity Building Fund, at a minimum value of £322k, to replace the Strategic Partner Programme, and which will align with the council’s medium term financial strategy.
	* To establish the Infrastructure Support and Building Capacity Fund as a commissioned programme, with a 2 year break clause.
	* **To cease** the Transformation Fund (£70k pa) from April 2015.
	* **To retain** the Community Fund (at least £100k pa) in full but to update the criteria for the fund in line with our new Corporate Plan priorities and ensure administration and delivery of the fund by those who are funded under the Infrastructure Support and Capacity Building Fund.
2. The proposed **outcomes** to be achieved through the newly commissioned Infrastructure Support and Capacity Building Fundare:

* To enable a vibrant voluntary and community sector with a diverse funding base.
* To enable an innovative voluntary and community sector that can respond effectively and efficiently to local need, in the context of diminishing council resources.
* To support and grow community involvement and volunteering.
* To enable the VCS to effectively demonstrate their impact and social value through the development of community assets
* To act as the strategic and representative voice for Sutton’s voluntary and community sector.
1. We expect that whoever is commissioned to administer the Infrastructure Support and Capacity Building Fund will have the necessary experience and skills to deliver and develop the Community Fund on behalf of the council.
2. Sutton Council will be working with its Directorates to explore the realignment of any resources to ensure best outcomes can be achieved.

**Transformation Fund**

1. The £70k p.a. Transformation Fund is a separate funding stream within the Community Fund, focused on commissioning activities which promote on innovation, growth, sustainability and new models of service delivery or funding which will lead to more robust and sustainable voluntary and community organisations in Sutton. By definition this particular funding stream was never intended to be permanent.
2. The fund is intended to support organisations to focus explicitly on building capacity and to develop the capability to be innovative, including designing new approaches to service delivery and up-scaling successful prototypes to a larger scale, when appropriate. This could, for example, include supporting activities that focus on:
* digital delivery - online offer and channel shift
* developing new income streams
* business planning and market testing for new areas of business
* developing new delivery models and revising existing models to improve outcomes
* sharing back office functions
* partnerships and mergers
* prototyping into new markets, services and market testing
* collecting evidence or demonstrating service need which is new to the organisation or which supports a case for new funding opportunities
* achieving relevant quality standards, and
* demonstrating invest to save opportunities.

**Community Fund**

1. The Sutton Community Fund is an ongoing grants funding programme, financed primarily by Sutton Council and administered by SCVS. It is chaired by Cllr Simon Wales, and the awarding panel comprises representatives from the local business sector, voluntary and community sectors and council commissioners.
2. A total of approximately £100k is available to be awarded annually, with applications between £300 - £10,000 being accepted.
3. The fund currently underwrites projects which meet the Sutton Community Fund criteria, for the benefit of local residents and contribute to the council’s priorities below:
* **Safer**: Creating a community where everyone feels safe, living their lives free from crime and the fear of crime and anti-social behaviour
* Children, young people and vulnerable adults are protected
* Children looked after by the council are supported to succeed
* People feel safer and their fear of crime is reduced
* Diverse communities are integrated and harmonious
* **Fairer**: Creating a community of which everyone feels a part and is able to access the services needed
* Children and young people are supported to improve their education, employment or training prospects
* There is more support for children and adults with special needs
* More adults are able to live independently
* The health of Sutton residents is improved, particularly of those suffering from circulatory disease
* Sutton’s economy is supported to grow
* **Greener**: Creating a community that is aware of, and works to reduce, its contribution to climate change, whilst also adapting to the challenges it presents
* Sutton’s green spaces are of a high quality
* More residents know what their eco-footprint is and how to reduce it
1. The existing Community Fund criteria were aligned to the London Borough of Sutton’s current Corporate Plan 2011/12 to 2014/15. This has been refreshed for the period 2014/15 – 2018/19 and it is proposed to amend the Fund criteria and bring them in line with the new Corporate Plan.
2. The new Corporate Plan sets out the priorities for the Council between 2014/15 – 2018/19 in the context of how the Council will work with residents, partners and the voluntary sector. The themes have been updated to reflect new priorities for the Council in accordance with its overall direction of travel and future shape, but they also reflect a continued focus on those current priorities which will remain relevant in the future. These are as follows:
* **An Open Council which**
* Works collaboratively, ensuring it involves and listen to residents
* Help individuals and communities to work together and to help themselves
* **A Green Council which**
* Makes Sutton more attractive and sustainable to build on its reputation as a green borough
* **A Fair Council which**
* Is building safe, strong and healthy communities
* Will increase economic growth and investment in Sutton making it a place of choice to live and work
* **A Smart Council which**
* Is transforming its ways of working to manage reduced budgets and increasing demand
* Is developing an engaged, skilled and entrepreneurial workforce

**Consultation Questions**

1. Based on these proposal, we are seeking your views on:

Infrastructure and capacity building support

* What are the infrastructure and capacity building challenges and what should be the local definition of infrastructure support in Sutton?
* How can infrastructure support enable the delivery of London Borough of Sutton’s priorities in the new Corporate Plan 2014/15 – 2018/19?
* What are your views on the focus of the Infrastructure Support and Capacity Building fund and the proposed outcomes?
* What are your views on running a 4 year programme, with a 2 year break clause?

Community Fund

* With the proposal to cease the Transformation Fund, what are your views on the revised focus of the Community Fund?
* How do you think the Community Fund could be managed?
* We are looking to explore local giving with SCVS in order to potentially increase funding from other sources. What are your views on this?

**The consultation process**

1. It is important that all current Strategic Partners, the wider voluntary sector and private enterprises feel able to contribute fully to this consultation. The consultation process will therefore take the following form:
* Current Strategic Partners were notified there would be a review of funding, and a letter to Strategic Partners was issued on 10 July 2014.
* The consultation period will last 10 weeks and it will be advertised on the London Tenders Portal and Opinion Suite Sutton
* Consultation documents will be emailed to the Strategic Partners and promoted to the wider voluntary sector.
* One to one meetings between the Executive Head of Policy and Customer Services and Strategic Partners if requested
* Two market consultation events to generate feedback and ideas on the future of the programme:
	+ 1. Tuesday 29 July 13.00-15.00 – Meeting Room 3, London Borough of Sutton, Civic Offices, St Nicholas Way, Sutton, SM1 1EA
		2. Tuesday 12 August 14.00-16.00 – Meeting Room 1, London Borough of Sutton, Civic Offices, St Nicholas Way, Sutton, SM1 1EA
1. To take part in one of the market consultation events, please register your interest on the London Tenders Portal:

[www.londontenders.org/procontract/supplier.nsf](http://www.londontenders.org/procontract/supplier.nsf) Once registered, you will be able to download documents pertinent to the event and confirm your attendance. Queries regarding the event should be made making use of the View Discussions functionality found on the portal. Confirmation and further information on the event will sent to interested parties via the London Tenders Portal.

1. If you are unable to attend either of the market consultation events and would still like to provide feedback, please visit the consultation hub at <http://www.opinionsuite.com/sutton/policy-and-customer-services-division/building-capacity-in-the-voluntary-sector>
2. The consultation will close at **12pm on Friday 12 September 2014**.

**Proposed timescales for the programme**

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| **Date** | **Activity** |
| 24 June 2014 | 6 monthly Strategic Partner Chief Executive’s meeting |
| 7 July 2014 | Strategy and Resources Committee |
| 10 July – 12 September 2014 | Consultation period (10 weeks) |
| 13 October 2014 | Strategy and Resources Committee approves approach and commissioning intentions for the new fund |
| 20 October – 28 November 2014 | Commissioning process  |
| First half December 2014  | Decision made |
| Decommission existing programme/ services  |
| 1 April 2015  | New programme starts |

**Responding to the proposals**

1. Views and comments are invited before lunchtime on Friday 12 September 2014, when the consultation will close.
2. Views and comments may be communicated using the following:
	1. Through the two market consultation events during the consultation period
	2. Through the consultation hub at <http://www.opinionsuite.com/sutton/policy-and-customer-services-division/building-capacity-in-the-voluntary-sector>
	3. Through the London Tenders Portal
	4. Through the voluntary sector inbox: voluntarysector@sutton.gov.uk

**Implementation**

1. Following the consultation, a report will be taken to the Strategy and Resources Committee on funding to the voluntary sector and the means of implementation.
2. Any changes to the proposal set out in this document will be confirmed at the end of consultation. Plans and timescales for implementation will then be communicated as appropriate.

**Integrated Impact Assessment**

1. An initial integrated impact assessment has been undertaken in respect of these proposals.