

# **FUNDING STRATEGY FOR THE VOLUNTARY SECTOR EXECUTIVE SUMMARY**

## **Introduction.**

The 2011-2015 funding strategy sets out Hounslow's priorities and future plans for supporting the funding of the local voluntary sector through a variety of funding schemes, especially long-term support for voluntary groups delivering services that meet Council priorities, fulfil a legislative requirement or build capacity.

The Council recognises the contribution that the local voluntary sector makes both towards the quality of life of local people and in ensuring that all members of the community have a voice.

Having a long-term four year strategy for corporate funding means voluntary groups know with certainty that their funding is in place and helps them to plan for the future, organise their finances and develop other sources of funding at the same time. However, future Council budget restraints and annual performance reviews will still continue to influence the strategy.

The strategy is also influenced by the Hounslow Voluntary Sector Compact, which is a core document which outlines a code of practice for partnership working between public bodies and the third sector.

Many other local authorities have implemented a commissioning arrangement for funding the voluntary sector. The Council believes that this is the best way of procuring future services from the voluntary sector. The 2011-2015 strategy advocates a move towards a strategic commissioning approach. The Council is also aware that not all organisations will be eligible to enter into the commissioning process; therefore a small grants scheme will be retained.

## **Funding Review.**

A review of Hounslow Council's corporate funding support to the local voluntary and community sector was undertaken during 2009 -10.

Consultation included a general questionnaire to the wider voluntary sector and a further two consultation sessions were held with local voluntary organisations currently funded by Council's corporate revenue grant. The consultation process was informative with responses from a varied range of voluntary organisations who were asked to help us review the objectives and terms of reference for the review.

## **Funding Priorities**

The Review includes the following funding priorities for 2011-15.

### Strategic Voluntary Sector Commissioning.

This will apply to all contracts in excess of £15,000+ .Detailed individual commissioning specifications will set out what Hounslow Council expects from organisations in terms

of service/s to be delivered; outputs and outcomes for local residents and communities. Tendering will follow the Council's procurement requirements. Areas of voluntary activity to be commissioned:

- Accredited Advice Services
- Capacity Building of the Voluntary Sector
- Equality and Diversity – Building Social Capital
- Supporting Vulnerable Adults
- Supporting Young People
- Volunteering
- Art and Building Civic Pride

#### Community Youth Fund.

This will remain as a fund for projects benefiting young people in Hounslow, with the aim of increasing involvement by young people themselves. Annual budget: £50,000. with priority being given to new and emerging projects.

#### Area Committee Fund.

These small local area specific grants will be retained to enable access by existing and emerging local initiatives. Each of the five area committees will retain a budget of £7,000 per annum to award for the period 2011-2015

#### Holiday Play Schemes.

A small targeted fund of £12,100 to support local voluntary sector holiday play schemes, specifically targeted at schemes in the Borough considered being in most need of funding support to continue to operate.

#### Hounslow Community Fund.

This will combine total funding from groups who had been funded through Corporate Revenue Fund grants less than £15,000 per year, together with an amount from the remaining Community Investment Fund following any redistribution for contracts. This will provide a single, streamlined community projects pot for which applications would be invited annually, as well as creating additional flexibility to meet new, emerging community needs and to respond to innovative new proposals from voluntary organisations themselves.

#### Core Funding.

This will provide a certain level of core funding for a small number of key organisations who provide infrastructure support to the local Voluntary and Community Sector. Applications will be invited from local organisations who can demonstrate their ability to provide this support and leadership to local voluntary organisations.

#### Conclusion.

The full strategy has more detail on the above approaches and also includes an Action Plan.

**Hounslow Council's**

**Corporate Funding Strategy**  
**for the Voluntary Sector**

**2011 to 2015**

**Community Investment and Cohesion Unit**

**Community Services Department**

***London Borough of Hounslow***

# Hounslow Council's

## Corporate Funding Strategy for the Voluntary Sector 2011-2015

### INTRODUCTION

This strategy sets out our priorities and future plans for supporting the funding of our local voluntary sector through a variety of funding schemes, especially long-term support for strategic voluntary groups that meet Council priorities, fulfil a legislative requirement or build capacity.

It has also presented an opportunity for the Council to look at how other local authorities have reviewed their individual funding practices. Many have implemented a commissioning arrangement for their voluntary sector funding and this review outlines how the Council intends to use the 2011-2015 strategy as an opportunity to move towards a strategic commissioning approach.

We believe that this is the best way forward in which services can be provided, improved outcomes specified, and quality reviewed as an essential part of the process. This will result in some changes and opportunities for increased funding for organisations delivering specific services linked to acknowledged Council priorities. The need for the services of some currently funded groups will reduce and advice and support for alternative external funding sources will be available to all organisations.

The Council recognises the contribution that the local voluntary sector makes both towards the quality of life of local people and in ensuring that all members of the community have a voice. This strategy aims to ensure best use of the limited funding available to support the work of voluntary and community organisations in the Borough, through a fair and transparent process. The Council is also aware that not all organisations will be eligible to enter into the commissioning process. Therefore, a small grants scheme will be retained.

Our Planning Framework ensures that everything the Council undertakes clearly contributes to the delivery of agreed priorities, which include 'achieving value for money'. However, the process will also result in a fair and consistent approach to the Council's funding choices given the pressures on resources and will enable us to re-examine our funding relationship with the voluntary sector, building on the principles contained within the Hounslow Compact as well as taking on board comments from voluntary sector representatives at consultation events associated with this review.

This review also reflects the Council's aims and community development ambitions, particularly the Community Strategy and the Voluntary Sector Compact. It also complements national policy priorities on voluntary sector support (through programmes such as Grassroots Grants, Change Up and Futurebuilders). Ultimately, the strategy will enable the Council to promote activities in the Borough that support a safe, healthy, prosperous and cohesive local community of communities in partnership

with the wider local voluntary sector organisations in Hounslow.

A review of corporate voluntary sector funding was undertaken during 2009-10. This also involved wider consultation and positive engagement with local voluntary groups. As a result of the review, core funding principles have been agreed by the new administration. These now form an integral part of this Corporate Funding Strategy 2011-15:

- a genuinely long term strategy
- clear corporate priorities for funding voluntary groups
- continued 'two tier' provision for voluntary organisations –ongoing support for certain key established organisations and development support for new organisations
- continued flexibility in funding –providing funding for both larger and smaller groups
- funding decisions will incorporate the need for core funding within the commissioning process.
- appropriate performance monitoring and evaluation
- support for diversification of funding sources
- support for innovative projects responding to the challenges facing public and voluntary sector services
- support for collaborative working and mergers
- support for rent subsidies where appropriate

We hope you will join us in delivering this Strategy for the benefit of Hounslow residents and communities and sustaining a successful partnership between Hounslow Council and our local voluntary sector. We encourage any comments you may have.

**Councillor Jagdish Sharma**

Leader of the Council

**Councillor Rajinder Bath**

Lead Member for Communities

## **IMPORTANT NOTE**

***The proposals contained within this strategy are subject to any future changes (including budget constraints.)***

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- B Details of the planned Corporate Funding 2011-15
- C Summary of the Voluntary Sector Corporate Funding Review 2011 – 2015

## **1.0 VALUE OF THE VOLUNTARY SECTOR**

- 1.1 Hounslow Council values the tremendous work done by our local voluntary sector. The sector provides essential services to local residents and communities that complement and add to those provided by the Council and other statutory partners. The Council wishes to support and sustain a thriving local voluntary sector-for all communities and for all areas of the borough-and we will work in partnership with our local voluntary organisations to achieve this
- 1.2 The Council also recognises the additional benefits of a thriving local voluntary sector in:
- providing a local `community voice`
  - harnessing the time, talents and ambitions of local residents who wish to volunteer
  - being able to reach excluded communities statutory services sometimes cannot
  - attracting additional external resources and funding to Hounslow
  - acting as a `critical friend` in helping the Council improve the quality and accessibility of its own services
- 1.3 The Council is committed to work with communities and the voluntary sector to tackle local issues and to share decision making and control with residents and communities where they want to be involved in how we shape and improve their daily lives.

## **2.0 KEY ISSUES FACING THE SECTOR**

- 2.1 The sector faces some key challenges over the next few years including:-
- Likely reduction in overall national Government funding for the sector
  - Pressure on budgets in charitable trusts (especially those linked to financial institutions)
  - Current review of future Big Lottery Funding
  - Uncertain future for Capacity Builders and Change Up funding
  - Uncertainty over funding impact of Olympics
  - Increased demand for services by voluntary groups during difficult economic times
  - Increased numbers of residents seeking volunteering as a route back into work
  - Increased emphasis on loans as well as grants and payment by beneficiary numbers
  - Increased emphasis on collaboration and development of VCS consortia to provide joint services

- Need to increase support to VCS to enable organisations to successfully bid for services
- Increased demand for voluntary groups to share back office functions, review their cost base and demonstrate value for money (e.g. joint purchasing)
- Need to increase IT skills and use in the VCS-so users can access services online and at times which suit them
- Need to develop higher level accredited skills within the VCS –the Government has announced the development of a national Third Sector Skills Strategy
- Need for affordable, accessible premises, shared where possible, between VCS groups-and more `hot desks` for use by smaller VCS groups
- Funders increasingly require model policy documents
- Funders increasingly require groups to have a clear set of policies including on e.g. equalities, environmental sustainability

### **3.0 CORE PRINCIPLES - CORPORATE FUNDING STRATEGY 2011-2015**

The following principles form an integral part of this Corporate Funding Strategy.

#### **3.1 A Genuinely Long Term Strategy**

Having a long-term four year strategy for corporate funding means voluntary groups know with certainty that their funding is in place and helps them to plan for the future, organise their finances and develop other sources of funding at the same time. However, future Council budget restraints and annual performance reviews will still continue to influence the strategy.

The strategy is also influenced by the Hounslow Voluntary Sector Compact, which is a core document which outlines a code of practice for partnership working between public bodies and the third sector. The Compact recognises shared values and it aims to improve the relationship between parties involved for mutual advantage and links to the national Compact.

Some of the key principles which underpin our approach are:

- Partnership between commissioners and the voluntary sector
- Sustainability
- Transparency
- Proportionality

## 3.2 Corporate Funding Priorities Linked to the Community Strategy

Corporate Funding priorities for the next four years are linked to the key themes of the Community Strategy. In particular: - building a stronger vibrant and united community

- a healthy and caring community
- a children and young people's community
- a safer and stronger community
- a creative community
- support for the vulnerable
- enabling residents access to support services when they need them

The categories listed below will contribute either directly or indirectly to the above priorities.

\* **Advice** - Delivering accredited advice services to people in greatest need and for those who find it difficult to access statutory services (including advocacy for / with people in need)

• **Community Cohesion** - Promoting community cohesion to create a sense of belonging for all communities and promoting positive relations between people from different backgrounds

• **Supporting and promoting volunteering** – Supporting local residents to volunteer, developing good practice in working with volunteers and creating new volunteering opportunities as a route back into employment

• **Building the capacity of voluntary / community groups** - Supporting the development of small and emerging community groups and capacity building established groups to deliver high quality services. This includes developing the capabilities of the voluntary sector to establish quality benchmarks and performance systems and to be able to measure their work via accredited Quality Assurance systems.

• **Promoting Safety** - Promoting community safety, reducing crime and the fear of crime, safeguarding vulnerable people and supporting residents, community groups and statutory services to develop joint approaches to local safety issues

• **Promoting Health and Well being** - Promoting healthy lifestyles and supporting residents to maintain physical and mental health and reduce health inequalities

• **Promoting Partnership Working** - Encouraging collaboration amongst voluntary organisations, developing new voluntary sector partnerships and consortia, supporting better co-ordination and joined up delivery of services by voluntary organisations and promoting the sharing of best practice

- **Best Value** – Supporting voluntary sector projects that maximise the use of resources, reduce costs, share facilities and especially projects and organisations that bring in additional funding into the Borough from other sources
- **Supporting Equality and Diversity in the Voluntary Sector-** Supporting the voluntary sector to ensure that steps are taken to eliminate unlawful discrimination, promote equality of opportunity for all residents in Hounslow and support good relations between persons of different racial groups. All funded groups must have a written equality policy and effective monitoring information to demonstrate the take up of services and action taken to address inequality
- **Sustainable Hounslow-** Supporting the voluntary sector to develop effective environmental policies and deliver projects and activities around climate change and environmental issues

### 3.3 Alignment of Existing Resources to the revised Corporate Funding Priorities

This strategy document has set out our reasons and criteria for corporate funding of local voluntary organisations that meet quality standards and Council priorities.

The Corporate Funding Review has enabled the Council to review its corporate funding schemes and we now propose to make changes to current arrangements to best meet future needs in the sector while retaining flexibility to address gaps in provision and respond quickly to new emerging community needs.

The current corporate funding streams are:

<b>Corporate Funding Scheme</b>	<b>Grants Awarded (2009/10)</b>	<b>Number of groups awarded grants (2009/10)</b>	<b>Types of subjects these funds were granted for (2009/10)</b>
Corporate Revenue Grant	£1,093,790	33	4 x 'Professional Advice' = £361,736 6 x 'Arts & Culture' = £288,464 15 x 'Community Support' = £244,805 8 x 'Health & Social Care' = £198,785
Community Investment Fund	£210,000	19	1 x 'Professional Advice' = £15,000 2 x 'Arts & Culture' = £37,000 14 x 'Community Support' = £148,000 2 x 'Health & Social Care' = £10,000
Area Committee Funding	£35K + CC funding.	57	All 'Community Support'
Community Youth Fund	£50,000	10	All Community Support
Holiday Play Schemes	£12,500	6	All Community Support'

### **3.4 Proposals for the revised Corporate Funding Priorities**

We now propose to move to the following arrangements:

#### **3.4.1 Strategic Voluntary Sector Commissioning:**

This will apply to all contracts in excess of £15,000+ over the life of the contract. We will develop detailed individual commissioning specifications setting out clearly what Hounslow Council expects from organisations in terms of service/s to be delivered; outputs and outcomes for local residents and communities. Long term funding for some core costs including accommodation and running costs will be available through Strategic VCS Commissioning process. This funding will be provided as a contract under the commissioning arrangement. Tendering will follow the Council Procurement requirements. The complexity of the procedures and requirements will be proportionate to the size of the contract. For the larger contracts organisations will also be asked to produce a four-year Service Plan to be discussed and agreed with the council Team. In return they would be allocated four-year funding, subject to the Council's budget position and an annual performance review.

#### **3.4.2 Community Youth Fund:**

This will remain as a specific targeted fund for projects benefiting young people in Hounslow, with the aim of increasing involvement by young people themselves. This modest budget of £50,000 in 20011-12 will enable access to grant funding, on an annual, non-recurring basis for smaller projects with priority being given to new and emerging projects.

#### **3,4.3 Area Committee Fund:**

It is proposed to retain these small local area specific grants to enable access by existing and emerging local initiatives. Each of the five area committees has a budget of £7,000 per annum to award for the period 2011-2015

#### **3.4.4 Holiday Play Schemes:**

It is proposed to keep a small targeted fund of £12,100 to support local voluntary sector holiday play schemes, with funding specifically targeted at schemes in the Borough considered to be in most need of funding support to continue to operate.

#### **3.4.5 Hounslow Community Grants:**

This would combine funding from all groups on Corporate Revenue Fund grants under £15,000 together with an amount from the remaining Community Investment Fund following any redistribution for contracts. This will provide a single, streamlined community projects pot for which applications will be invited annually, as well as creating additional flexibility to meet new, emerging community needs and to respond to innovative new proposals from voluntary organisations themselves.

#### **3.4.6 Core Funding:**

Local organisations, which themselves provide infrastructure support to the local Voluntary and Community sector, will have the opportunity to bid for a certain amount of core funding of their running costs. This will provide a certain level of core funding for a small number of key organisations.

Applications will be invited from local organisations who can demonstrate their ability to

provide this support and leadership to local voluntary organisations. This funding will be provided as a contract under the commissioning arrangements above.

### **3.5 Continued 'tiered' provision and flexibility in corporate funding opportunities**

The above proposals maintain a tiered approach to funding organisations and flexibility to reflect changing needs and circumstances with:

- up to four-year strategic commissioning for established groups meeting quality standards and Council priorities
- streamlined funding for new community projects - with potential funding up to £15,000 for one year or up to £5,000 for three years for new projects (subject to monitoring and review)
- maintaining targeted funding for small scale activities in each area of the borough, for holiday play schemes and for young people

### **3.6 Appropriate Performance Monitoring & Evaluation**

The Council naturally wants best value from its funding and to ensure the financial support that it gives to organisations makes a real difference to the lives of local people. Monitoring allows the Council to assess whether an organisation is satisfying the terms and conditions of a contract or grant aid and is able to manage their financial and legal responsibilities.

For contracts, this will be based on delivery of quantifiable outcomes established at the beginning and with frequent monitoring and evaluation, including client feedback, taking place to ensure that they are effectively delivering a good quality service, are meeting their objectives and are being consistent with any changing priorities of the Council.

There will be an element of proportionality with less onerous requirements for lower levels of funding awards. Self monitoring reporting will feature in this category, with monitoring visits provided in the first year if the group is relatively new, to ensure development is satisfactory.

Groups receiving contracts worth £40,000+p.a. will be required to produce a four year Service Plan and budget and all other groups will submit an annual work programme and budget at the beginning of the financial year. Progress reports on both the work programme and financial income / expenditure, together with audited annual accounts are submitted in the middle of the financial year. (The level of annual income at which audited accounts are required (currently £10,000 p.a.) is currently under review, with the aim of increasing it to a level in line with the Charity Commission requirements and other boroughs.)

The Council requires organisations to demonstrate quality of service and this will be assessed against a checklist of basic quality assurance measures. A significant number of groups have already implemented recognised quality assurance systems. This demonstrates to the Council and external funders that consistent quality

procedures are being operated by these organisations. The council hopes that during the lifetime of this strategy the concept of quality assurance will continue to be promoted and achieved, with particular emphasis on smaller voluntary organisations.

The Council will expect smaller and medium size groups to work towards PQASSO or other similar accredited quality standard and larger groups to work towards Investors in People or Investors in Volunteers and for advice groups the Advice Charter Mark

To support this the council, in partnership with CVS Hounslow, will run regular training sessions in PQASSO and other quality systems

The following standards will be used to measure organisations performance:

- that a fundraising strategy is in place to identify / plan funding from external sources and this is reviewed and updated at least annually
- that all groups receiving funding of £40,000+ have a forward four-year service plan
- that volunteers are encouraged to actively participate in the organisation
- that the organization /project is outcome and quality focused,
- that appropriate quality assurance systems are being worked towards
- that all groups receiving grants have a written equalities policy and written health and safety policy and adequate insurance arrangements
- that all groups receiving contracts or grants have in place systems to seek feedback from users on the quality of service
- that all groups receiving funding of £15,000+ have a staff training plan, written complaints procedure and written environmental policy (as required now by most external funders)

An annual visit by a monitoring officer will also take place for all groups in receipt of a contract.

More frequent contract monitoring meetings will be set up where there are issues around performance under the contract.

### **3.7 Capacity building**

To support this, the council, in partnership with CVS Hounslow, will run training courses to support groups to develop these policies. The council will also set up an online `Voluntary Sector Information Bank` providing key local stats and other useful information on Hounslow, its residents and its communities (e.g. local deprivation stats) which all local voluntary groups can use for funding bids

In addition, for the new four-year funding round we wish to increase transparency in how we assess and make recommendations and decisions on grant awards. We will:

- introduce a clear and transparent system to assess grant applications and a standard, consistent scoring system against which all grant applications will be scored in relation to the specific criteria set out in this Strategy.
- Consult with CVS Hounslow on the specific criteria to be included in this Strategy.
- voluntary groups will be able to request a copy of the report and recommendations on their application.

Finally, we wish to maintain and develop partnership working with the sector and through the newly set up `Hounslow Third Sector Forum. The forum includes representatives from all Council Departments who fund or commission services from the voluntary sector with an equal number of members from voluntary groups themselves. This will improve coordination of support across the Council for local voluntary groups, provide a single forum where VCS groups can raise issues with the Council (rather than having to deal with a number of departments), ensure a consistent approach across the Council on how we work with the voluntary sector and allow us to work together on further development of joint external funding bids.

In addition to directly funding groups, the council also works with the local voluntary and community sector to assist organisations to bid for appropriate external sources of funding. This includes 1:1 support sessions, group training events and lunchtime surgeries. External funding streams are regularly relayed to the sector through the electronic releases of 'eVolve' and 'The Voluntary Times' newsletters. Annual funding and information conferences are also organised to aid the development of the third sector in Hounslow.

### **3.8 Encouragement and Support for Diversification of Funding Sources**

Hounslow Council does not have the funding capacity to be the sole or main funder for voluntary organisations in the borough. The Council will continue to work with organisations and assist them to access alternative sources of funding and to help provide training that can improve their performance. Monitoring and evaluation of funded groups will be constructive and help organisations to win the future confidence of external funding bodies

In addition council will support local organisations by:

- holding funding road shows with a variety of external funders
- maintaining a regular funding e-newsletter

Many local voluntary organisations have a very good track record on attracting external funding; we want to recognise this, encourage other groups to do the same and help groups share their experience of how to make successful bids.

During this four year funding round, and recognising the need to build on Council funding, we aim to set a target for external funding of 1:4 - for each £1 provided in Council grant we will look to groups to raise £4 in additional funding-through external funding bids, income generation, fundraising events etc

We recognise it is easier for some voluntary organisations to raise funds than others. We will not apply this policy rigidly and will provide assistance where we can to help groups but during our annual assessment visits we will expect groups to have made progress towards this target

In addition, for organisations whose grant applications are not successful, we will give feedback on the reasons why (by e-mail or one to one); give advice on how to improve applications in future and signpost to other possible sources of funding.

### **3.9 Encouragement and Support for Collaborative Working and Mergers**

The Council gives its general support for collaborative working among voluntary organisations and mergers where appropriate. The number of organisations competing for finite and sometimes diminishing resources continues to rise.

Collaborative working / mergers should be considered as a normal part of strategic management by trustees and directors of voluntary organisations, in order to contribute towards improving efficiency and effectiveness in the use of funds. This could also contribute towards increased opportunities for tendering for the commissioning of services

We will support this by:

- arranging training in development of VCS consortia and collaborative working
- signposting you to national funding sources specifically supporting VCS collaboration

### **3.10 Support for Accommodation costs**

From 1989 Hounslow Council has had a policy that voluntary organisations who lease Council-owned premises should pay full market rent and be invited to apply for assistance from the Council if they cannot meet the cost. The intention is that all indirect assistance to voluntary organisations, including subsidised rents, as well as direct grants, should be transparent and clearly identified, and the true costs of premises can be expressed in easily comparable measurements, e.g. cost / subsidy per year and the amount of space used by each organisation.

Hounslow Council's 'Community Buildings Strategy 2000' sets out the Council's policy on the occupation of Council owned premises by voluntary organisations. Principles of the Strategy include:

- voluntary organisations should normally only occupy Council premises with a valid Lease or Tenancy Agreement in effect.
- voluntary organisations in Council-owned premises should pay full market rent, but be invited to apply for assistance from the Council (a 'Rent Subsidy' application) if they cannot meet the cost.
- in most cases the maximum rent subsidy allowable is up to 80% of the current rental value of the property, on a set or reducing basis, for a period of up to 5 years

### **3.11 Implementing the Quirk Review**

The Council recognises that the need for affordable premises equipped for modern day use and accessible to service users in ways and times which best suit their needs is a key issue for the VCS –not just in Hounslow but across London.

Despite significant support nationally for developing a robust and transparent process for the transfer of assets to the VCS, there is yet to be full implementation of the Quirk Report (2007) recommendations into Council policy.

The Council is working to embed the principles of the reports into an updated community buildings strategy. This will be developed with the voluntary and community sector to ensure recommendations are real and effective, enabling local organisations to engage with a transparent and robust procedure. During the four years of the new Strategy we will work with voluntary sector partners to:

- encourage shared use of premises
- provide training for VCS groups in effective premises management
- support and advise groups with premises on how to measure and reduce their buildings `carbon footprint`
- encourage `hot desking` schemes for use by small groups and new groups
- support CVS Hounslow with a longer term aim to raise funding for a Hounslow Voluntary Sector Resource Centre
- to consider transfer of building and premises to be managed by VCS groups in line with the Quirk Report

#### **4.0 AGREEMENT AND IMPLEMENTATION OF THE STRATEGY**

4.1 This Strategy was brought before the Council’s Executive in October 2010 for approval.

4.2 The outcomes of the strategy will be implemented within the grants process for 2011/2012, and then onwards until April 2015.

4.3 The strategy is a public document, and will be widely publicised and made available to all.

4.4 It is important to understand that the proposals contained within the strategy are subject to any future changes (including budget constraints.)

#### **5.0 HOW WE HAVE RESPONDED TO CONSULTATION**

5.1 Set out below are key issues raised during consultation with local voluntary organisations and how we have responded:

Key Issue Raised	Comment
A specific pot for small groups including equalities groups	The new Hounslow Community Fund will provide a specific pot for small groups
Training between organisations and sharing skills should be funded by LBH to prevent wasting resources	This Strategy sets out new areas where the council will provide joint training together with CVS Hounslow.

	The Council will also work with local organisations to develop a Hounslow organisational development strategy.
Need to know what the Councils objectives are	This Strategy has been revised and sets out specific objectives and criteria by the Council for funding voluntary groups
Information on how new initiatives are identified would be useful, a centralised place to suggest such initiatives might be very interesting	In addition to regular consultation events and an annual conference the council will aim to set up an online `bulletin board` where groups can suggest these
Would like to see information provided about currently funded groups; their activities and priorities. This could then allow groups to identify any opportunities for partnership working or how groups current activities could be modified to meet council objectives	This Strategy sets out details of all currently funded groups and will provide links to individual community groups' websites.
Groups would be keen to see a more 'joined up' approach from the council in informing groups what grants and what commissioning opportunities are available	The Council will set up a new section on its website with summaries of all funding sources and commissioning opportunities by the Council available to voluntary groups  In addition through our funding we will ask CVS Hounslow to develop an online information section with links to other local, regional and national funders
The Council's funding strategy and current programmes need to be made more clear and better publicised	See comments above about a new section on the council website
There needs to be help for new groups starting out as well as for the more established ones	The proposed new Hounslow Community Chest will be aimed at supporting small groups and new groups as well as established groups
Organising joint fund raising events	This Strategy includes organising future funding road show events together with CVS Hounslow
Continue with the capacity building support for groups around the funding, for example training on business planning, fundraising, tendering, building partnerships	This Strategy includes a commitment to organise training workshops in these areas
Longer funding contracts (with break clauses!)	This Strategy is based on 4 year funding for established groups plus a new annual Community Chest to meet new/emerging needs, subject to available funds

Improved timings on payments of grants/invoices, very difficult for smaller groups to manage cash flows	The council will aim to pay all grants within 10 working days-subject to monitoring reports being submitted in time
We would like to see better communication about the various grants scheme. The website isn't particularly friendly to use and there seems to be little regular information on available funding	See above. The council will review and update the website and have a dedicated funding section
Fund both single issue/equality groups and 'open' groups.	Each application will be considered on its own merits
More proportional distribution of funding	The council will publish an annual breakdown of grants both by area of the borough and types of service
Capacity building with groups (fundraising training etc) is key	Hounslow Council has recently provided additional funding to CVS Hounslow to support increased capacity building work with local groups
More emphasis on shared work, development of partnerships	This Strategy includes proposals for new training workshops in collaboration and developing consortia
Need to provide opportunities for the voluntary sector to get involved at the planning & development stage.	Extensive consultation has been undertaken on the draft Strategy
Greater transparency	This Strategy includes new proposals on transparency- CVs Hounslow will be invited to comment on the criteria for assessing applications

**Current levels of VCS Grant Funding - and how they may link to the new funding arrangements (Indicative budgets from 2009/10)**

Please note –

- 1) The proposals contained within this strategy are subject to any future changes (including budget constraints).
- 2) As mentioned previously in the strategy, commissioning needs to be proportionate to the size of the contract and should, where appropriate and possible, specifically encourage innovation and development.
- 3) The list below gives details of the total grants awarded within each category of the Council's Corporate Revenue Grant in 2009/10

**STRATEGIC VCS COMMISSIONING (including core funding)**

<b><u>Accredited Advice Services</u></b>	<b>£345,050</b>
<b><u>Arts and Building Civic Pride</u></b>	<b>£255,000</b>
<b><u>Capacity Building of Voluntary Sector in Hounslow</u></b>	<b>£ 40,000</b>
<b><u>Equality and Diversity - Building Social Capital</u></b>	<b>£ 65,150</b>
<b><u>Supporting Vulnerable People</u></b>	<b>£268,561</b>
<b><u>Supporting Young People</u></b>	<b>£ 62,974</b>
<b><u>Volunteering</u></b>	<b>£ 31,055</b>
<b><u>Small Grants ( Less than £15,000)</u></b>	<b>£ 41,000</b>

## **New Council Priorities Details of Planned Corporate Grant for 2011-2015**

Expressions of interest will be sought from voluntary organizations meeting the following criteria.

### **1) Strategic VCS Commissioning/ Voluntary Sector Development Grants**

#### **a) Aims of the Commissioning/Grant**

Strategic VCS Commissioning funding will be awarded for up to four years to community/voluntary organisations that have successfully tendered and a proven track record of providing the required service.

Areas of voluntary activity to be commissioned are:

- Accredited Advice Services
- Capacity Building of the Voluntary Sector
- Equality and Diversity – Building Social Capital
- Supporting Vulnerable Adults
- Supporting Young People
- Volunteering
- Art and Building Civic Pride

The specification for each area of funding will ask organisations to demonstrate how their proposed activities will contribute to the desired outcomes and priorities which the council has determined.

Once a contract is in place, an annual monitoring report for each organisation will be submitted to the Community Investment Advisory Panel in February for continuation funding to be agreed for the following year.

#### **b) Qualifying Criteria**

Long term funding through strategic VCS commissioning will depend on whether:

- the service to be funded is provided by an organisation whose work is already established within the defined service area to be commissioned.
- the service area is secure, with providers known and working together.
- the organisation is addressing a defined priority identified by the Council.
- funding is for outputs/outcomes to be agreed before the start of the contract
- council will develop a clear definition of acceptable core costs,
- the outputs/outcomes are measurable
- the organisation has satisfactorily developed quality assurance measures
- the service area is dynamic and innovative, with new service providers still emerging and funding the organisation will fulfil a legislative requirement.

### **Voluntary organisations will also need to demonstrate that they:**

- have the proper skills to manage the effective use of funds
- have a clear constitution incorporating democratic and effective management arrangements
- will comply with agreed financial arrangements (including the regular submission of budgets and accounts)
- have clear systems to seek feedback from users on the quality of service they provide and can demonstrate they have taken action to respond to feedback they have received
- have a forward funding plan and agreed programme to try to secure additional external funding
- can provide suitable monitoring and evaluation procedures in respect of the work undertaken by the organisation
- conform to equal opportunities policies in employment and service delivery
- have made their best effort to implement any statutory duties (and often beyond these legal duties) that the Council is required to implement, including the Race Relations (Amendment) Act 2000, the Disability Discrimination Acts, and the Crime and Disorder Act 1998. For example, that they:
- can demonstrate how the work of the organisation contributes to the overall objective of reducing crime and disorder in accordance with Section 17 of the Crime and Disorder Act 1998.
- Have ensured that access to the services they provide meet the requirements of the Disability Discrimination Act.
- Are able to demonstrate that steps are taken to eliminate unlawful discrimination, promote equality of opportunity and good relations between persons of different racial groups and reflect non discrimination for all sectors of the community e.g. religion; disability; age; sexual orientation, when performing the functions of the organisation. In particular, developing systems to deal with incidents of discrimination and harassment for all groups.
- Be able to demonstrate that steps are taken to ensure that equal opportunity policies in relation to employment are implemented similar in intent to those operated by this Council
- Have in place monitoring information to reflect the take up of their service and actions to address inequality.

### **c) Core costs**

Long term funding for some core costs will be available through strategic VCS commissioning for the following

- Accredited Advice Services
- Capacity Building of the Voluntary Sector
- Equality and Diversity Capacity Building
- Vulnerable Adults Capacity Building
- Volunteering Capacity Building

## 2) Community Grants

### a) Aims

The Community Grants aims to provide small-scale annual revenue funding to appropriate voluntary sector projects in the London Borough of Hounslow.

### b) Qualifying Criteria

Applications will be considered from voluntary groups in Hounslow that fall within the following criteria:

- **Accredited Advice Giving**

Projects that deliver services to residents and communities in greatest need, and for those finding it difficult to access statutory services.

- **Volunteering**

Projects offering volunteering opportunities to involve more people in local activities, contribute to the community and provide volunteering opportunities for unemployed people as a ladder back into employment

- **Safety**

Projects that promote community safety by responding to residents needs through crime prevention initiatives.

- **Community Cohesion**

Projects that create a sense of belonging for all communities and promote positive relationships between people from different backgrounds.

- **Community Pride**

Projects supporting local communities to participate more effectively in local activities and produce practical, social and economic benefits to the community.

- **Equality and Inclusion**

Projects meeting the needs of specific excluded communities not supported elsewhere by existing grant aided organisations or projects

- **Green Hounslow**

Projects supporting grassroots environmental work and involving residents and communities in environmental and climate change issues

- **Healthy Hounslow**

Projects promoting healthy lifestyles, supporting residents to improve their own health and well being and addressing health inequalities between different communities

### **c) Funding Arrangements**

General principles:

- established groups are eligible to apply for up to £15,000 for one year only
- initial one year funding of up to £5,000 for new projects, with the option of an extension of up to three years, subject to monitoring and review
- a maximum of one application per organisation in each financial year
- applicants will be asked to complete an application form with information on their project, detailed costs and other sources of funding

Funding will not be given to:

- individuals;
- non Hounslow based projects or;
- duplication of existing voluntary sector provision or provision made by the Council or other statutory agencies, unless it can be demonstrated that there is a need for a higher level of service.

The overall aim of the fund will be to complement services provided by the Council, but not to replicate them.

### **d) Evaluation and Performance Monitoring**

The following standards will be used to evaluate and measure an organisations performance under Community Grants:

- that a fundraising strategy is in place to identify / plan funding from
- external sources
- that volunteers are encouraged to actively participate
- that the project is outcome and quality focused
- that appropriate quality assurance system(s) are being worked towards
- that good management is taking place

### **e) Assessment Criteria**

The Community Investment Advisory Panel will assess all applications. Applications will be considered three times per year (subject to available funds remaining)

Applications for the Community Grants will be judged on merit and scored against a transparent and common weighting system

### 3) Area Committee Fund

#### Area Committee Revenue Grants

##### a) Aims

The Area Committee Revenue Grants aim to encourage local community activities within one of the five defined areas of the Borough by providing small grants to encourage and support voluntary organisations and community groups who are currently not funded by the Council. This could support one-off events and projects, for example, local community and cultural events, or could assist towards start-up costs for new groups.

##### b) Qualifying Criteria

Each Area Committee ('West', 'Central Hounslow', 'Heston & Cranford', 'Isleworth & Brentford', 'Chiswick') has a budget of £7,000 towards small grants. A maximum of £500 is available for each project. Applications must be of benefit to the residents of **one** of the five Area Committees. Multiple applications will not be considered and grants will only be made if they are genuinely one-off and will not result in recurring revenue costs to the Area Committee.

- projects and events for older people, young people, unemployed people, people and families on low incomes
- community projects promoting community cohesion on housing estates
- community safety and crime prevention projects
- projects supporting vulnerable people
- health awareness and healthy lifestyle projects
- projects that promote self-help, volunteering, befriending and good neighbour schemes and encourage active community pride
- projects that protect and improve community the local environment
- community based arts and cultural events
- small items of equipment (under £500) to support and increase local community activities

##### c) Funding Arrangements

A maximum of £500 is available for each project. The Committees are not able to offer recurring grants. All grants made will be one-off only. Applications are considered three times each year; July, November and the following March, as part of the normal Area Committee cycle of meetings

Funding cannot be given for:

- annual meetings/events
- assistance towards on-going running costs
- building projects

The allocated budget for 2011/15 is £7,000 for each committee, i.e. £35,000 overall

**d) Monitoring / Evaluation**

The Area Committee requires a self-evaluation report on the project within six months of making a grant. Further updates may be requested if the report is not conclusive.

**e) Assessment**

Applications will be assessed by members of the Area Committee to whom the application is being made. The Committee Meetings are public. Grant applicants will be informed of the date of the meeting where their application will be considered and can attend. The Committee's decision will be notified in writing shortly after the meeting has taken place.

**4) Community Youth Fund**

**a) Aims**

The Community Based Youth Fund aims to encourage:

- Projects led, designed and delivered by young people themselves
- New local community activities for young people and their families
- Contributing towards start up costs for new groups working with young people
- Projects that reduce the likelihood of young people and children becoming involved in anti-social behaviour or in local gangs, by creating practical and challenging alternatives that encourage inclusion
- One off events and projects for young people e.g. drama, environmental projects, sports, education trips and visits to outdoor activities
- Projects bringing together young people from different communities or different areas/estates in the borough
- Intergenerational projects involving young people and older people
- Community run projects that feature the active involvement of young people in the planning and delivery of the project.

**b) Qualifying Criteria**

All applications will have to demonstrate how the future involvement of young people is built into the project. Applicant must also demonstrate that young people have been consulted or involved in making the grant application.

All applications will need to provide an independent referee i.e. a person with professional experience of working with young people, and has knowledge of the group and is prepared to recommend the application for funding. This could be a teacher, youth worker, health visitor, Police officer or nurse.

The age ranges that can be funded are: 8-13 and 13-21.

All applicants must demonstrate that they have proper procedures for criminal record checks and safeguarding children policies in place. Where necessary the Council Team can advise on how to develop these

Applications will be considered from voluntary and community groups working in the London Borough of Hounslow, which deliver projects within the following categories:

- Projects and events for young people and their families who are disadvantaged;
- Projects that address the needs of marginalised or disaffected young people;
- Activities that encourage young people to take responsibility for their actions and promote positive images and outcomes;
- Projects that involve young people actively in their communities, including intergenerational work and anti-racist projects;
- Activities that have a positive lasting effect on young people and the community, e.g., improved aspirations, health & social well being
- Projects that develop the skills, talents and potential of young people to develop and run further activities in future

### **c) Funding Arrangements**

Available grants will range from £200-£2,500.

Funding cannot be given for:

- Individuals;
- Non Hounslow based projects; or,
- Duplication of existing voluntary provision or provision made by the Council or other statutory agencies, unless it can be demonstrated that there is a need for a higher level of service.

The allocated budget for 2011/15 is £50, 000

Applications will be considered by the Community Investment Panel three times per year

### **d) Evaluation and Performance Monitoring**

Before being considered against criteria, all grant applications will be evaluated for their financial effectiveness and viability, and revised applications may be requested.

Targets and work programmes must be consistent with the fund's priorities. Projects will be monitored to ensure that there is an effective delivery of a good quality service, in line with each group's own objectives.

All successful organisations will be expected to comply with the Council's Standard Conditions of Grant Aid and monitoring requirements. All funded groups will be required to produce self-monitoring reports on progress achieved in meeting their organisation's aims.

**e) Assessment**

The Community Investment Advisory Panel will decide all applications.

We want to see active involvement by young people themselves in developing and delivering projects. The council working with Youth services and local young people's organisations, will recruit; support and train a panel of young people to consider and assess applications received and make comments and recommendations to the CIAP.

**5) Holiday Play Schemes**

The London Borough of Hounslow has a small annual budget to contribute towards the running of holiday play schemes in the Borough. Annual consultation with the LB Hounslow Extended Day Care Team ensures that funding is awarded to play schemes in greatest need of financial support. The chosen schemes are spread across the Borough. The budget in 2011/12 will be £12,500. Six voluntary sector holiday play schemes currently receive a funding contribution towards operating costs.

Other holiday play schemes in the borough are eligible to apply to the Community Grants for funding support.

## **1.0 SUMMARY OF THE VOLUNTARY SECTOR CORPORATE FUNDING REVIEW 2009 -10**

1.1 A review of Hounslow Council's corporate funding was undertaken during 2009-10 to ensure the best use of the limited resources available to support voluntary organisations meet the needs of the community. This review was led by lead members of the then Executive, and supported by the Community Investment and Cohesion Unit (council).

1.2 The review considered:

- the background to the current arrangements
- the five current corporate funding schemes for the local voluntary sector): Corporate Revenue Grants, Community Investment Fund, Community Youth Fund, Holiday Play Scheme Grants, Area Committee Small Grants
- Service Level Agreements (SLAs)
- Rent Subsidies for Voluntary Organisations
- Monitoring and Evaluation of Funded Organisations
- Additional support provided to the voluntary sector in Hounslow e.g. funding advice; free training courses

### **1.3 Objectives / Terms Of Reference Of The Review**

In order to ensure wide participation, two types of consultation took place. Specific consultation questions were included in a general questionnaire to the wider voluntary sector and a further two consultation sessions were held with local voluntary organisations currently funded by Council's corporate revenue grant. The consultation process was informative with responses from a varied range of voluntary organisations who were asked to help us review the objectives and terms of reference for the review. Following consultation, these were finalised as:

- to identify organisations that meet the Council's objectives but are in need of development support to operate successfully (e.g. fundraising, training, and general capacity building)
- to identify organisations that can be match funded, or solely funded, by external sources, such as Lottery funding, charitable foundations and Government programmes, and determine if they might need development support from the Council
- to identify organisations that do not meet the Council's current priorities or are not operating efficiently
- to identify new initiatives and funding priorities, which will enable the Council to promote activities in the Borough to achieve the Council's ambition of a safe, healthy, prosperous and cohesive community
- to work towards a funding strategy for the voluntary sector that is consistent with the Council's priorities as determined by the Hounslow

Plan, new cross cutting policy initiatives, Council Values, future business planning process and links to other strategies.

1.4 The review was also asked to consider the following issues, and to assess all requests for funding against them, in order to achieve best value:

- levels of service delivery
- quality of service
- value for money
- flexibility of approach - meeting changing needs
- good financial management
- addressing equality issues
- meeting gaps in existing provision
- capacity building/good governance
- attracting new funding sources
- reducing duplication of funded service provision
- increased cross-borough working where possible
- increased volunteer involvement.

1.5 It was important that the review was conducted swiftly in order that:

- the local voluntary sector is aware of the outcomes and future funding plans at the earliest possible opportunity, to avoid on-going concerns and to make alternative plans if required
- outcomes of the review can be implemented for grants in 2011/2015
- a clear forward four-year plan for long-term objectives and funding for voluntary organisations is agreed

1.6 The Review included:

- Member involvement via Executive Members, especially the Executive Member for 'Service Level Improvement including Voluntary Sector Development'
- Specific consultation with the wider voluntary sector as detailed in 1.3 of the report.
- July 2009: Report to the LBH Community Investment Advisory Panel (CIAP) informing of the commencement of the 2011-2015 Corporate Grants Funding Review.
- March 2010: Grant offer letters to groups funded from Corporate Revenue Grant for year 2010-2011. Groups were reminded of the implementation of the strategy for 2011-2015 and that changes in funding support would become effective in March 2011.
- July 2010: Report back to Community Investment Advisory Panel informing of consultation process, proposed funding arrangements and implementation

timetable.

- July/August 2010: consultation period with wider voluntary sector: Further consultation meeting held 2 August 2010 with wider voluntary sector on proposals for revised corporate Funding Priorities 2011-2015.
- August: 2010: Report to Senior Management Team.
- October 2010: Report to Executive for authorisation to implement changes to 2011-2015 Funding Strategy
- October 2010: Applications together with Service Outline to be sent to all groups expressing an interest in the services to be commissioned, together with risk and equalities impact assessment October 2010:
- November 2010: Applications to be assessed by a Commissioning Panel, who will provide initial service specific comments.
- December 2010: Letters to voluntary groups informing of proposed changes to take place April 2011, subject to budget constraints,
- February 2011: Community Investment Advisory Panel. Meeting to agree budgets for 2011-2012.
- March 2011: Confirmation of contracts and grants to voluntary groups to be implemented 1 April 2011.