

Grants consultation feedback

Introduction

1. Southampton City Council undertook public consultation on proposals for voluntary sector funding from April 2017 between 2 December 2016 and 24 February 2017. For the purpose of this document the term 'voluntary sector' is used to embrace voluntary and community organisations, faith organisations, charities and social enterprises.
2. The Council is mindful of the need to consult with organisations and individuals who may potentially be impacted by any changes to its voluntary sector funding programme, particularly changes to grants. Guided by the Southampton Compact and the Best Value Statutory Guidance, the Council has offered an online survey, public meetings, one-to-one meetings (for current grant recipients directly impacted by the proposals) and support by phone and email for raising queries and concerns.
3. Equality and Safety Impact Assessments (ESIAs) have been undertaken for all current grant recipients directly impacted by the proposals and the affected organisations have had the opportunity to comment on their ESIA. These ESIAs have been collated into a cumulative impact assessment which will be submitted alongside this report.
4. The proposals for voluntary sector funding were agreed by Cabinet on 19 October 2016. Cabinet also agreed that the proposals should be consulted with key stakeholders and the public before the final decision is taken and that the final decision was delegated to the Chief Strategy Officer in consultation with the Leader of the Council.

Aims

5. The Council has limited resources and needs to ensure it makes the best use of them. The aim of this consultation was to:
 - Ensure voluntary sector organisations and residents understand what is being proposed for future funding of the voluntary sector and are aware of what this will mean for them
 - Ensure any voluntary sector organisation or resident who wished to comment on the proposals had the opportunity to do so, enabling them to raise any impacts the proposals may have
 - Provide feedback on the results of the consultation to elected Members and key officers to enable them to make informed decisions
 - Ensure that the results are analysed in a meaningful, timely fashion, so that feedback is taken into account when the final decision is made.
6. This report summarises the processes and activities undertaken by the Council to achieve these aims and includes a summary of the consultation responses both for the consideration of decision makers and any interested individual or organisation.

Consultation Principles

7. The Council takes its duty to consult with residents and stakeholders on changes to services very seriously. The Council's consultation principles ensure all consultation is:
 - Inclusive: so that everyone in the city has the opportunity to express their views.
 - Informative: so that people have adequate information about the proposals, what different options mean, and a balanced and fair explanation of the potential impact, particularly the equality and safety impact.
 - Understandable: by ensuring that the language used to communicate is simple and clear and that efforts are made to reach all stakeholders, for example people who are non-English speakers or disabled people.
 - Appropriate: by targeting people who are more likely to be affected and using a more tailored approach to get their feedback, complemented by a general approach to all residents, staff, business and partners
 - Meaningful: by ensuring decision makers have the full consultation feedback information so that they can make informed decisions
 - Reported: by letting consultees know what was done with their feedback
8. The Council is committed to consultations of the highest standard, which are meaningful and comply with the following legal standards:
 - Consultation must take place when the proposal is still at a formative stage
 - Sufficient reasons must be put forward for the proposal to allow for intelligent consideration and response
 - Adequate time must be given for consideration and response
 - The product of consultation must be carefully taken into account.
9. Public sector organisations in Southampton have a compact (or agreement) with the voluntary sector in which there is a commitment to undertake public consultations for a minimum of 12 weeks wherever possible. This is echoed by the Department for Communities and Local Government (DCLG) Best Value Statutory Guidance. Both aim to ensure that there is enough time for individuals and voluntary organisations to hear about, consider and respond to consultations. This consultation was for a total of 12 weeks.

Approach and methodology

10. The consultation on the voluntary sector funding proposals sought views from voluntary sector organisations directly impacted by the proposals, voluntary sector organisations who may be indirectly impacted by the proposals or have an interest in them, residents and other interested parties. The formal written consultation ran from 2 December 2016 to 24 February 2017 to enable as many people as possible to respond to the proposals.
11. Deciding on the best process for gathering feedback from stakeholders when conducting a consultation requires an understanding of the audience and the users of the service. It is also important to have more than one way for stakeholders to feedback on the consultation, to enable engagement with the widest range of people.
12. The agreed approach for this consultation was to use a combination of online survey, public meetings and one-to-one meetings. This approach enables people to respond in a formal

structured way or a more informal conversational way (or both), whichever best suits them. It is therefore a suitable way for consulting on proposals where the impacts could be very different from organisation to organisation and from organisation to individual.

13. In addition to the main survey and meetings, a general response email and postal address was also advertised. This was to enable respondents who, for whatever reason, would not wish to use the online survey or attend a meeting.
14. The Council consulted with Southampton Voluntary Services (SVS), as the local council for voluntary service, about the consultation arrangements to ensure they were appropriate and proportionate and met the standards agreed in the Southampton Compact. SVS's suggestions were incorporated into the arrangements.

Promotion and communication

15. Throughout the consultation, every effort was made to ensure that as many people as possible were aware of the proposals and had the opportunity to have their say. Particular effort was made to communicate the proposals to current grant recipients that would be directly impacted by the proposals. This was achieved by targeting communications directly to affected grant recipients and having a period of priority booking for the public meetings.
16. The consultation was promoted in the following ways:
 - Emails were sent directly to affected grant recipients
 - E-alerts were sent to subscribers to the council's email marketing service for community news and events
 - Emails were sent to subscribers of the council's funding mailing list
 - The council's Southampton Funding Twitter and Southampton Communities Twitter and Facebook accounts and were used to signpost people to the online survey and to advertise the public meetings
 - Southampton Voluntary Services advertised the online survey via its e-newsletter, Friday Forum meeting and Twitter account
 - The online survey was available on the council website for any interested parties to respond to.
 - Two public meetings were held at the Voluntary Action Centre, co-hosted by Southampton Voluntary Services who jointly facilitated the meetings.
 - Current grant recipients who could be directly impacted by the proposals were offered the opportunity to have one-to-one meetings with representatives of the council to discuss the proposals.

Consultation respondents

17. In total there were 84 respondents (53 organisations, 3 networks and 28 individuals) to the consultation on the voluntary sector funding proposals either through the online survey, public meetings, one-to-one meetings or a general email or comment. Some organisations responded through more than one consultation route. While all feedback has been included, individual organisations have only been counted once in the total number of respondents. A

list of the organisations who responded to the consultation is available at the end of this report.

18. The online survey was available on the Council's website for any organisation or individual to respond to. It received 47 responses – 19 stated they were responding on behalf of an organisation and 28 stated they were responding as individuals. Respondents were asked to what extent they agreed or disagreed with the proposals and if they had any comments on the proposals or alternative suggestions.
19. The public meetings had 35 attendees (all representing organisations). Attendees were given a short presentation on the proposals and were then asked to work together in small groups on a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of the proposals. Groups were left to choose which of the proposals they analysed, though most analysed all of them. Groups were asked to feedback their top comments to the other groups and their written SWOT analyses were distributed to all attendees after the meeting. Attendees also had the opportunity to ask direct questions about the proposals.
20. These meetings were open to anyone who wanted to attend. Attendees were asked to book a place at a meeting as space was limited, and everyone who wanted to attend was accommodated. A third meeting was also planned, to be held in the evening. This was later cancelled due to low numbers. Of the three organisations who were booked to attend the evening meeting, one attended one of the other public meetings, one chose to have a one-to-one meeting instead and the third decided it did not need to attend a meeting at the current time, but has an open offer of a meeting later in the year should they want one.
21. For the one to one meetings 25 out of the 34 eligible organisations (74%) took up the offer. These meetings were informal conversations, providing directly affected organisations the opportunity to ask questions specific to their organisation and to discuss the potential impacts of the proposals. Comments made at the meetings about the proposals have been included in this report. The discussions about impacts have informed each organisation's Equality and Safety Impact Assessment, which in turn has informed the cumulative impact assessment submitted alongside this consultation report.
22. Responses to the consultation were also accepted via email and 9 respondents choose to submit comments this way, including 3 networks who are made up of or work closely with voluntary sector organisations.
23. The comments and feedback from all the consultation routes have been collated and analysed for this report. For each proposal the online survey has been used as a starting point, as it provides clear data on the extent to which respondents agree or disagree with the proposals. This is followed by an analysis of the comments and feedback for each proposal received through all consultation routes.

Consultation responses

Proposed approach to awarding funding - responses

24. The Council is proposing to change the criteria for when it will offer grants and when it will offer contracts. If implemented, the proposals will mean that grants are more likely to be used for small, community funding and short-term one-off projects, whereas longer-term funding for services is more likely to be offered as contracts. The most appropriate funding route will be decided during the commissioning process.

25. Figure 1 shows the extent to which respondents to the online survey agree or disagree with the proposal.

- 55% of the respondents who completed this question answered in the positive, stating they agreed or strongly agreed with the proposal
- 15% of the respondents who completed this question answered by stating they are neutral about the proposal
- The remaining 30% of the respondents who completed this question answered in the negative, stating that they either disagreed or strongly disagreed with the proposal.

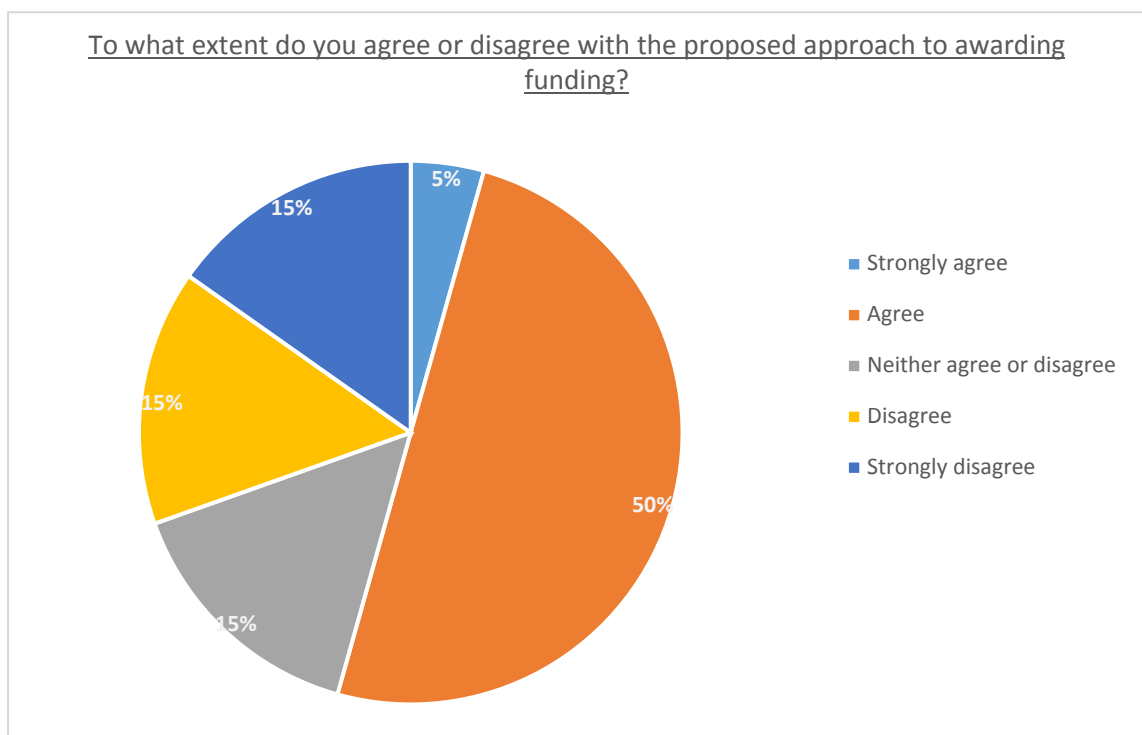


Figure 1

26. From the comments received through all consultation routes, this proposal raised more issues with the proposal than the data from online survey suggests. Just over 7% of comments were broadly supportive of the proposal to use contracts for longer-term funding rather than grants. The main reasons given were that the respondent felt it would not make any difference for their organisation, it seemed reasonable as long as there are still small grants available, and it could provide opportunities for both voluntary sector organisations and the council.

27. The remaining comments raised a number of issues, with the top issues being:

- 52% of comments related to the respondent having a negative opinion of contracts or having an opinion that grants are better for voluntary sector organisations
- 17% of comments raised concerns about the impact on smaller organisations, particularly about skills and capacity for bidding for contracts. There was also concern about it being an unequal playing field for smaller organisations as it is felt that contracts favour larger organisations.
- Around 18% of comments were about long term “core” grant funding for voluntary sector organisations (jointly split between 9% of comments on long term funding and 9% of comments on core funding). Respondents felt that voluntary sector organisations need long term funding and core funding to provide a stable base for the organisation. Also many voluntary sector organisations work holistically with clients who have several issues and it is not clear how this cross-cutting work would be funded if contracts are awarded for specific workstreams.

Figure 2 shows the breakdown of comments about the proposal.

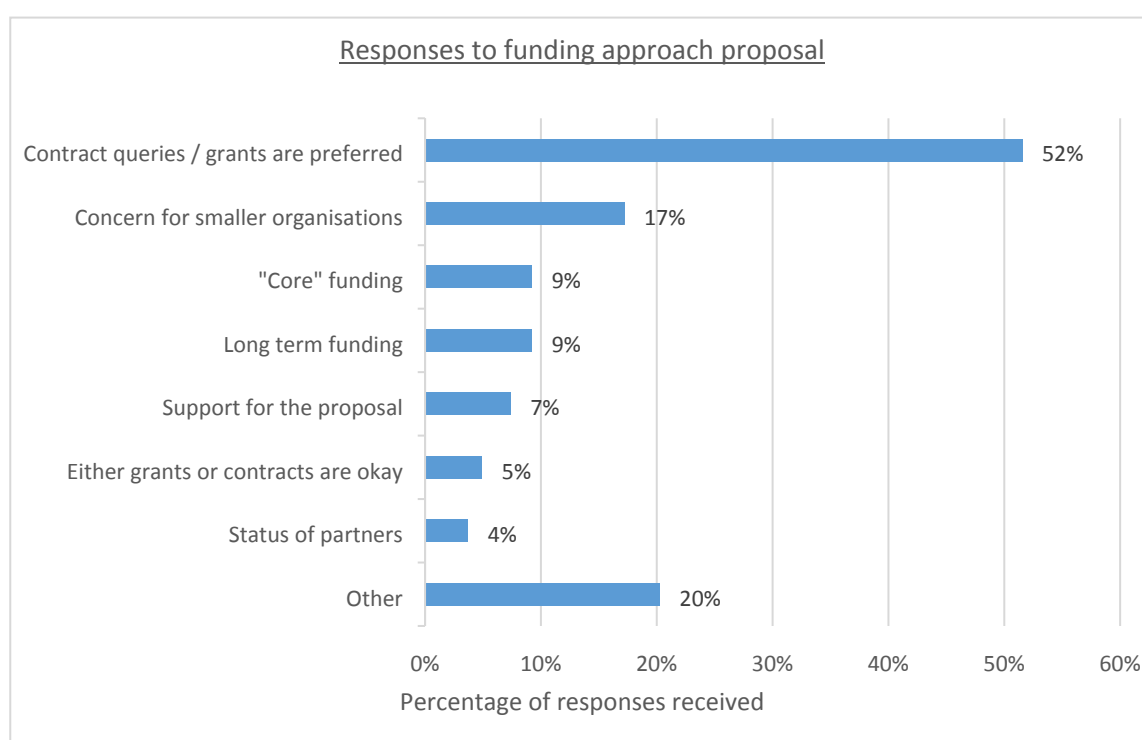


Figure 2

28. Figure 3 shows the issues raised in the ‘contract queries / grants are preferred’ category in more detail. Within this category the main issue raised was concern about procurement processes. Responses included concerns that contracts are more time consuming, more expensive to administer (for both voluntary sector organisations and the council) and riskier. It was felt this would have a negative impact for voluntary sector organisations, particularly smaller organisations, and that grants are better for providing support to voluntary sector organisations. Concerns were also raised about contracts being open to more competition than grants, particularly from larger organisations from outside of the city.

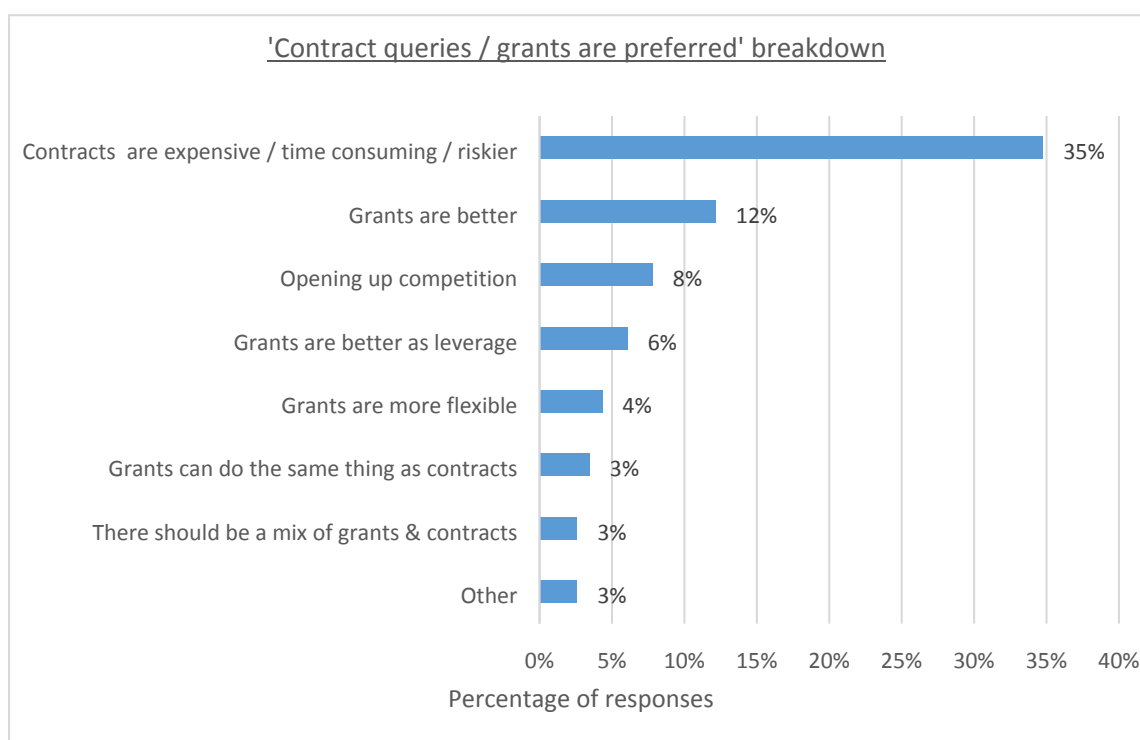


Figure 3

29. Overall the response to this proposal was wide ranging, with concerns about the impact. Examples of comments received include:

“We recognise the council's ability to fund or prioritise discretionary services will continue to be severely jeopardised for some years to come, and whilst the proposals will cause significant difficulties for the entire sector we see these proposals as pragmatic, and the best way forward, given the circumstances.”

“Grants are better understood by smaller voluntary groups and generally allow greater flexibility and innovation by the voluntary sector than contracts which are often disproportionately complex in their tendering processes and requirements. They tend to favour larger organisations with bid writing expertise and scale.”

“I appreciate that Contract funding could be appropriate for large contracts, however, smaller charities need the stability of some basic grant funding to enable them to deliver a consistent service.”

Proposed new criteria for grant funding - responses

30. The Council is proposing to introduce two new criteria for grants. It is aiming to encourage collaborative approaches to funding which it hopes will see more services delivered in partnership. It is also minded to give priority to organisations which actively use council funding to draw in match funding from other sources.

31. Figure 4 shows the extent to which respondents to the online survey agree or disagree with this proposal.

- 58% of the respondents who completed this question answered in the positive, stating they agreed or strongly agreed with the proposal
- 20% of the respondents who completed this question answered by stating they are neutral about the proposal
- The remaining 22% of the respondents who completed this question answered in the negative, stating that they either disagreed or strongly disagreed with the proposal.

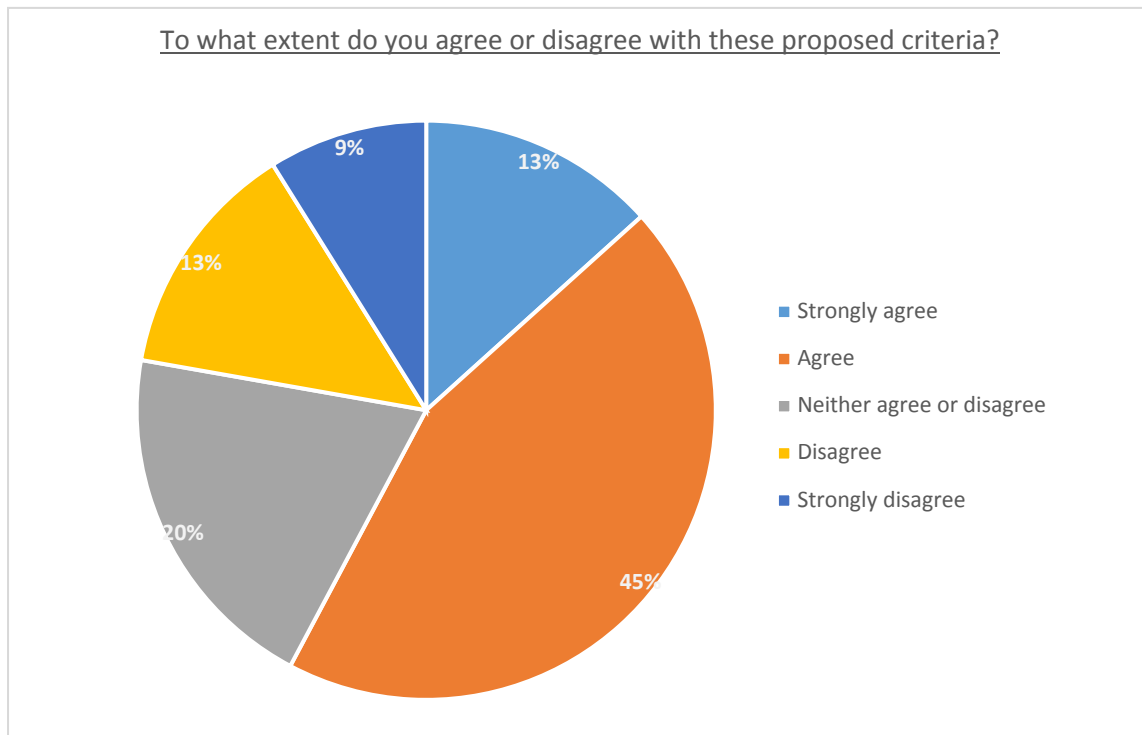


Figure 4

32. Figure 5 shows a breakdown of the responses received about the collaborative approaches proposal. There was overall support in principle for collaborative working in general with 34% of responses agreeing that it should be included or that informal collaborative working is already normal working practice for voluntary sector organisations. However, there was some query amongst respondents as to the council's definition of 'collaborative' working and whether this would include formal or informal partnerships. For the purposes of this document, formal and informal collaborative working are defined as:

- Formal – where organisations are working together in formal relationships (i.e. have a written agreement that outlines how they will work together) to jointly deliver services and jointly bid for funding
- Informal – where organisations work together in informal alliances and networks, delivering services together on an ad hoc basis.

The majority of responses received were in relation to formal collaborative working.

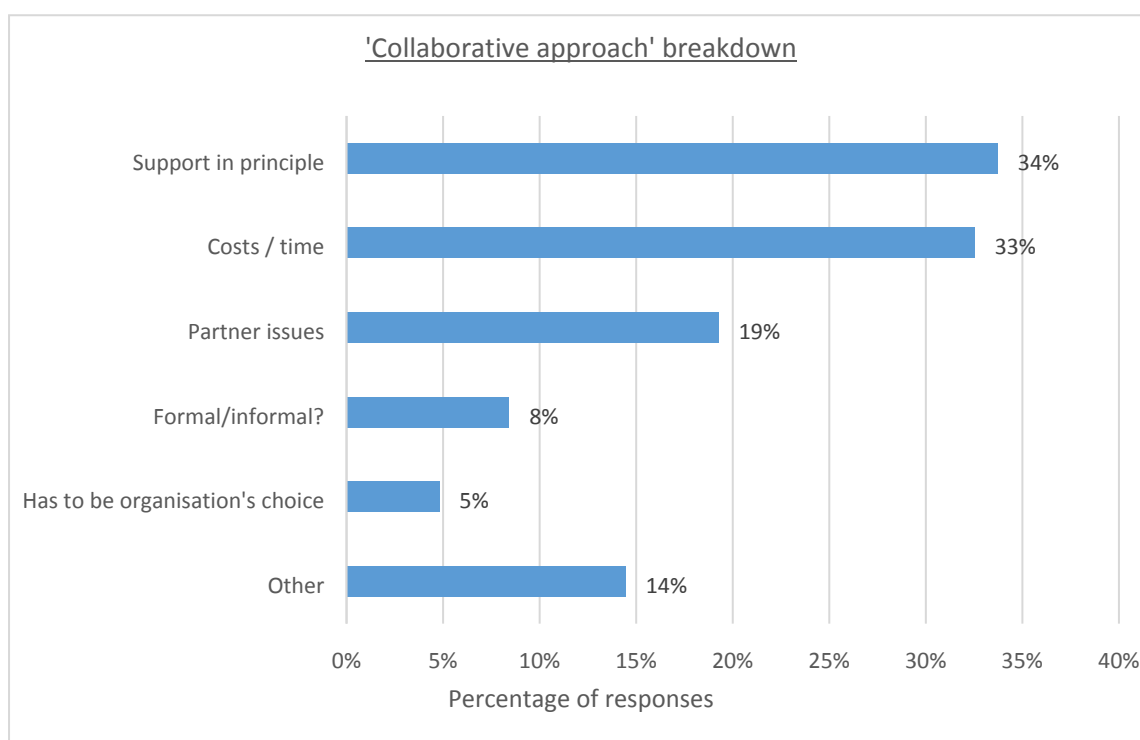


Figure 5

33. There were concerns about a move towards formal collaborative working, even amongst organisations that are broadly supportive of collaborative working in principle. The resources needed to develop successful partnerships were cited as a potential barrier to formal collaborative working. Successful partnerships require skill and time to develop. Costs were also cited as a potential barrier, including the cost of staff time to develop the partnership and additional costs for lead partners to manage contracts.
34. A number of potential issues with partners were also identified, including finding partners, managing the relationship and the challenges that unequal partnerships bring, such as between organisations which are not at the same level in key areas like monitoring and measuring impact.

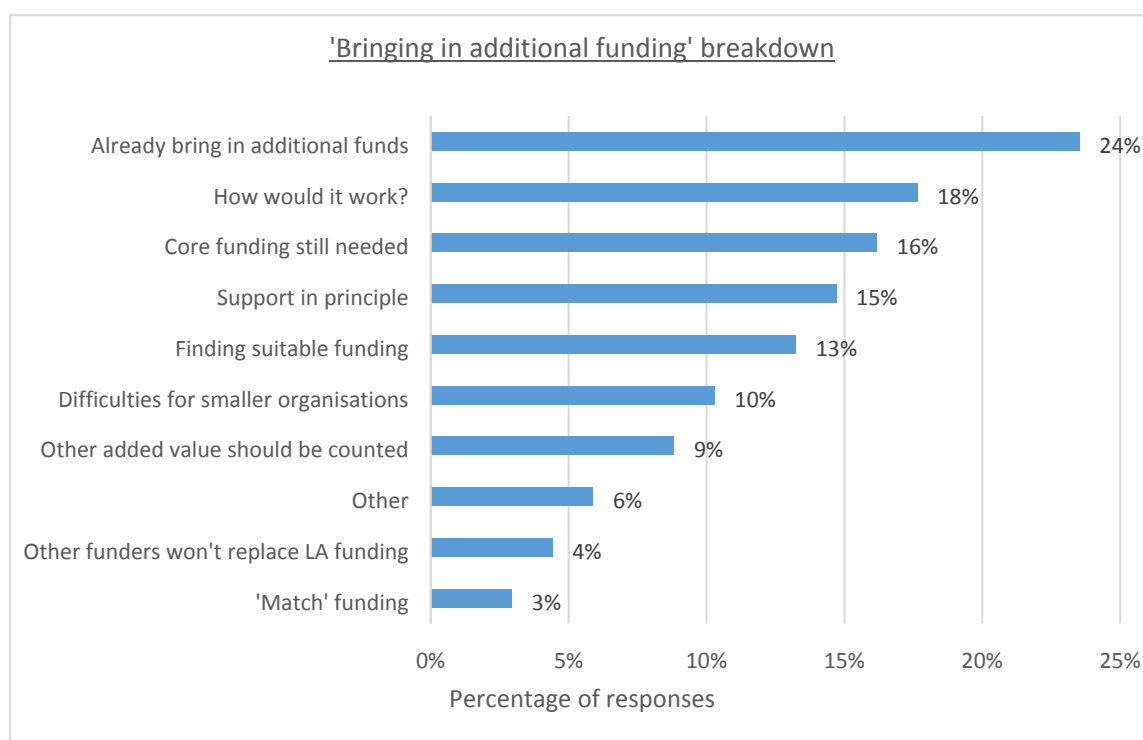


Figure 6

35. Figure 6 shows a breakdown of the responses to the proposal to prioritise applications which actively use council funding to draw in match funding. There was broad support in principle for bringing in additional funding, with many voluntary sector organisations seeing it as business as usual. However, some respondents were unclear how the Council would implement the criteria in order to prioritise applications that bring in additional funding. Queries include whether this would be based on past or future income, how it would be measured and whether there would be any penalties for not achieving future funding targets. Respondents also felt that other added value, particularly volunteer time, should also be considered as 'match' funding.
36. Some respondents felt the changes to core funding would make it harder for voluntary sector organisations to bring in additional funding, as the core funding provides a stable base for them to start from. It was felt this was particularly the case for smaller organisations, and that removing core grant funding and adding criteria to bring in additional funding could put pressure on smaller organisations.
37. Overall the response to the proposed new criteria was supportive in principle, depending on how the council implements them. Examples of the responses received include:

"We are also keen to collaborate with other third sector organisations. However, sub-contracting arrangements can be convoluted and time consuming especially for smaller charities, so while I can see that it may be beneficial for the Council, it may result in an additional burden for those trying to access the funds locally."

"Extra funding - good idea, but I'm wary of "match-funding" being specified, rather than simply encouraging additional funding (which may or may not be "match-funding") from outside the city."

Community Chest proposals for increased budget and criteria - responses

38. The Council made two proposals about its small grant scheme, Community Chest – to increase the budget and to amend the criteria .

39. Figure 7 shows the extent to which respondents to the online survey agree or disagree with the proposal to increase the Community Chest budget.

- 79% of the respondents who completed this question answered in the positive, stating they agreed or strongly agreed with the proposal
- 9% of the respondents who completed this question answered by stating they are neutral about the proposal
- The remaining 12% of the respondents who completed this question answered in the negative, stating that they either disagreed or strongly disagreed with the proposal.

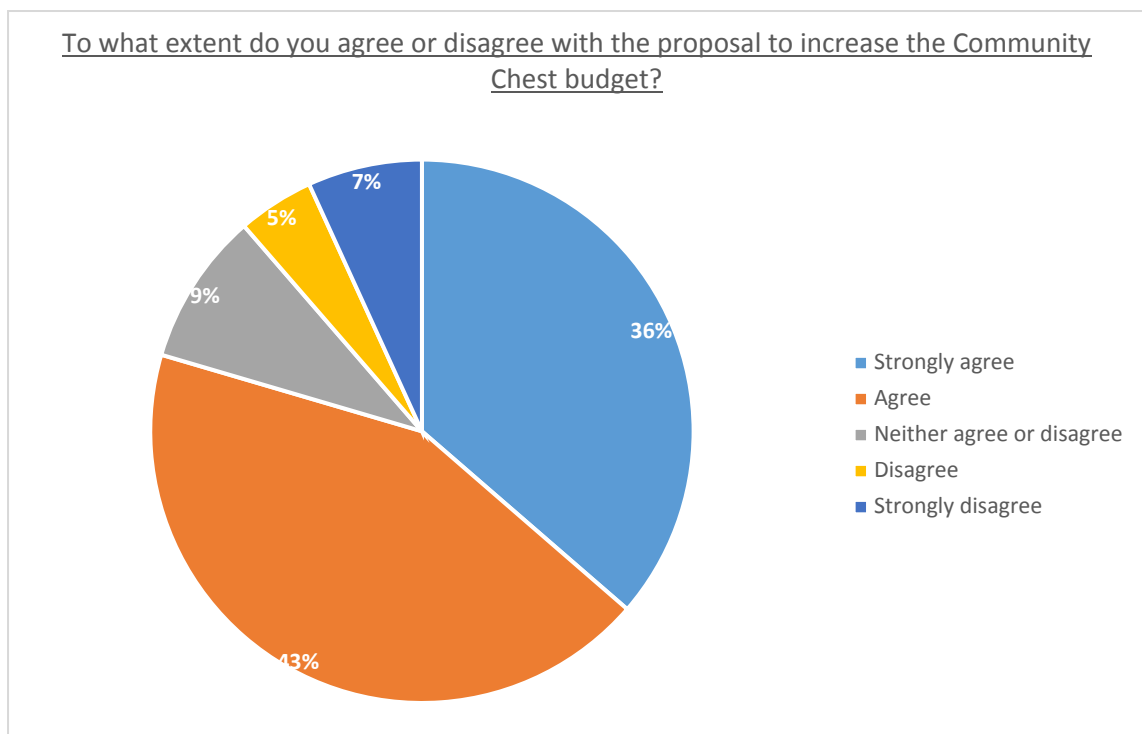


Figure 7

40. Figure 8 shows the extent to which respondents to the online survey agree or disagree with the proposal for the Community Chest criteria to remain the same.

- 64% of the respondents who completed this question answered in the positive, stating they agreed or strongly agreed with the proposal
- 23% of the respondents who completed this question answered by stating they are neutral about the proposal
- The remaining 13% of the respondents who completed this question answered in the negative, stating that they either disagreed or strongly disagreed with the proposal.

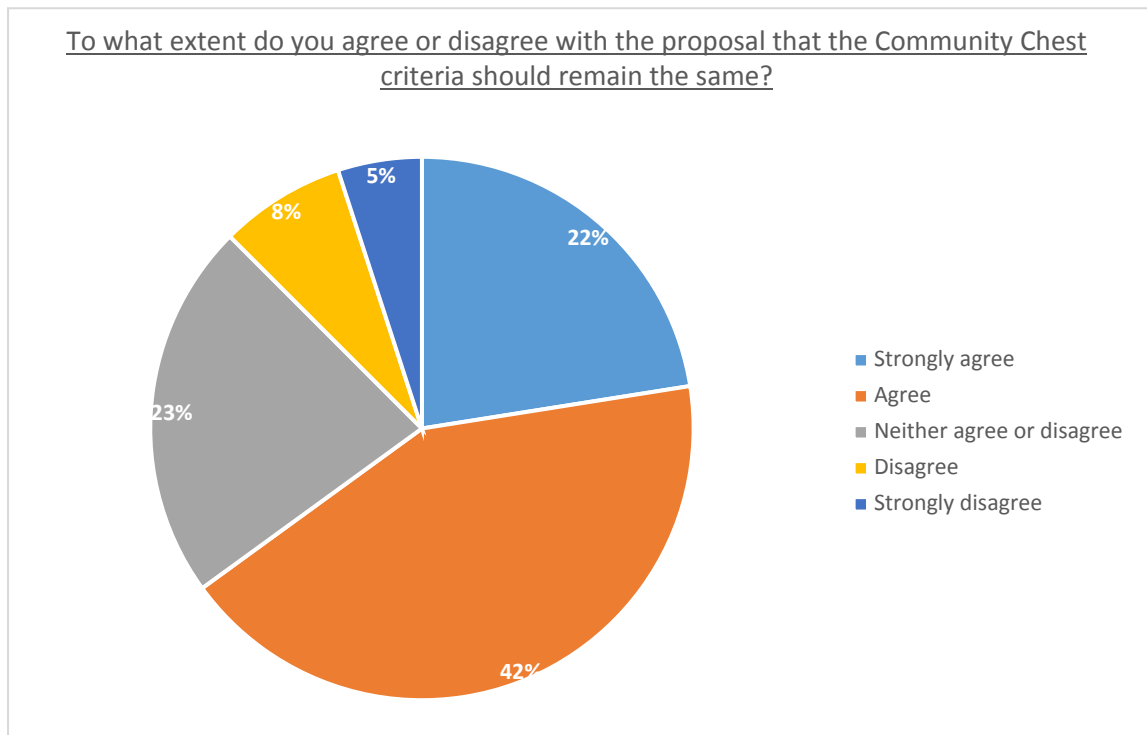


Figure 8

41. Figure 9 shows a breakdown of the responses received about both Community Chest proposals. The comments received frequently combined the two Community Chest proposals and therefore the comments have been analysed together. While the online survey was very supportive of these proposals, the responses received overall were more mixed. Some responses queried whether increasing the amount of direct funding is the best way to support small community groups. An alternative suggestion was for the Council to fund more community development work to support communities to support themselves.

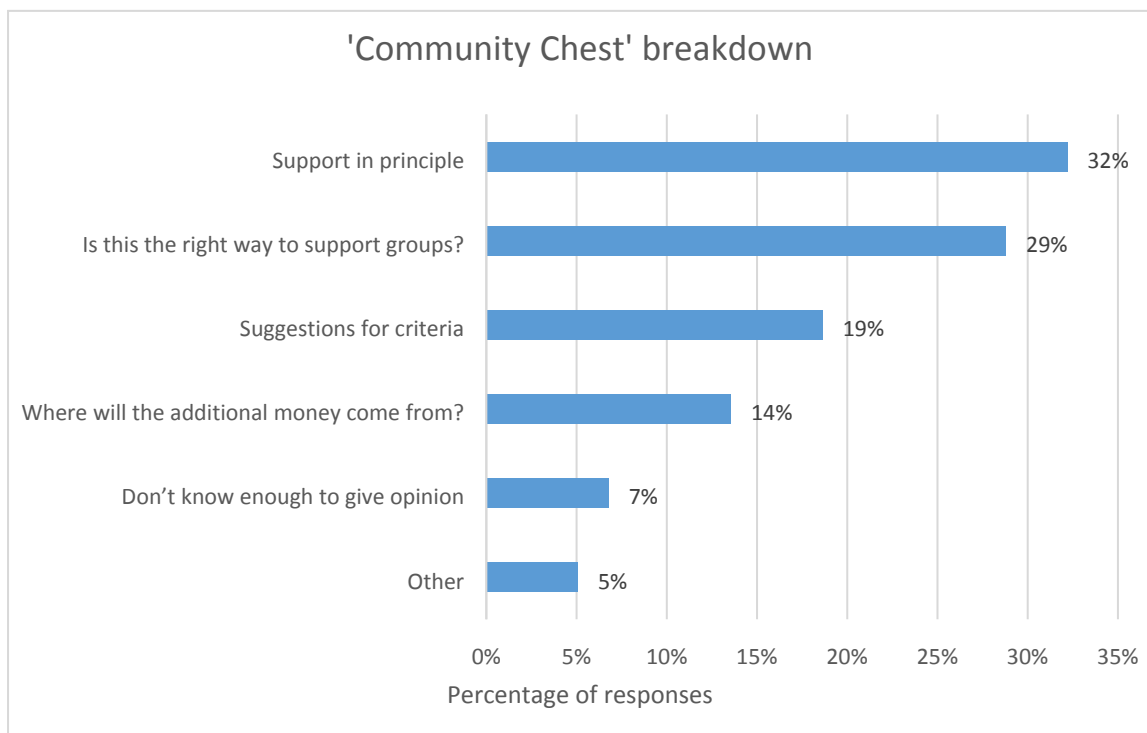


Figure 9

42. Some responses also made suggestions for the Community Chest criteria, including:
- Start-up funding for new organisations, potentially linked to capacity building and developing good governance practices (the current grant already focuses on this)
 - Emergency funding for organisations in crisis
 - Review the length of grant and applications every year (the current grant must be spent within 1 calendar year and successful applicants cannot apply again the following year)
 - Review the criteria for faith organisations (faith organisations are welcome to apply for funding for community projects, but the current grant does not fund religious activities).
43. Overall there was broad support for increasing the Community Chest budget and the criteria to remain largely the same. Examples of responses received include:

“Think this is a very good idea. Smaller organisations are also likely to get the funding they need which they may not be able to get from bigger grant companies. It fosters local community growth and has been proven to be a success.”

“This could encourage a less innovative approach from groups to look first to SCC funds rather than think more creatively about how they could do their own fundraising activities or make small charges from participants to ensure their ongoing sustainability. There is though recognition that sometimes an initial seed grant for a newly forming group in their first year of operation can be very useful – especially if linked to further capacity building support – as can some one-off grants to deal with unavoidable / unanticipated calamities.”

Proposal to increase investment for participatory budgeting and extend to new areas of the city - responses

44. The Council proposes to increase investment for participatory budgeting and expand it to the new areas of the city – Northam/Golden Grove and Millbrook/Redbridge/Maybush/Coxford.
45. Figure 10 shows the extent to which respondents to the online survey agree or disagree with the proposal for participatory budgeting proposals.
- 47% of the respondents who completed this question answered in the positive, stating they agreed or strongly agreed with the proposal
 - 23% of the respondents who completed this question answered by stating they are neutral about the proposal
 - The remaining 30% of the respondents who completed this question answered in the negative, stating that they either disagreed or strongly disagreed with the proposal.

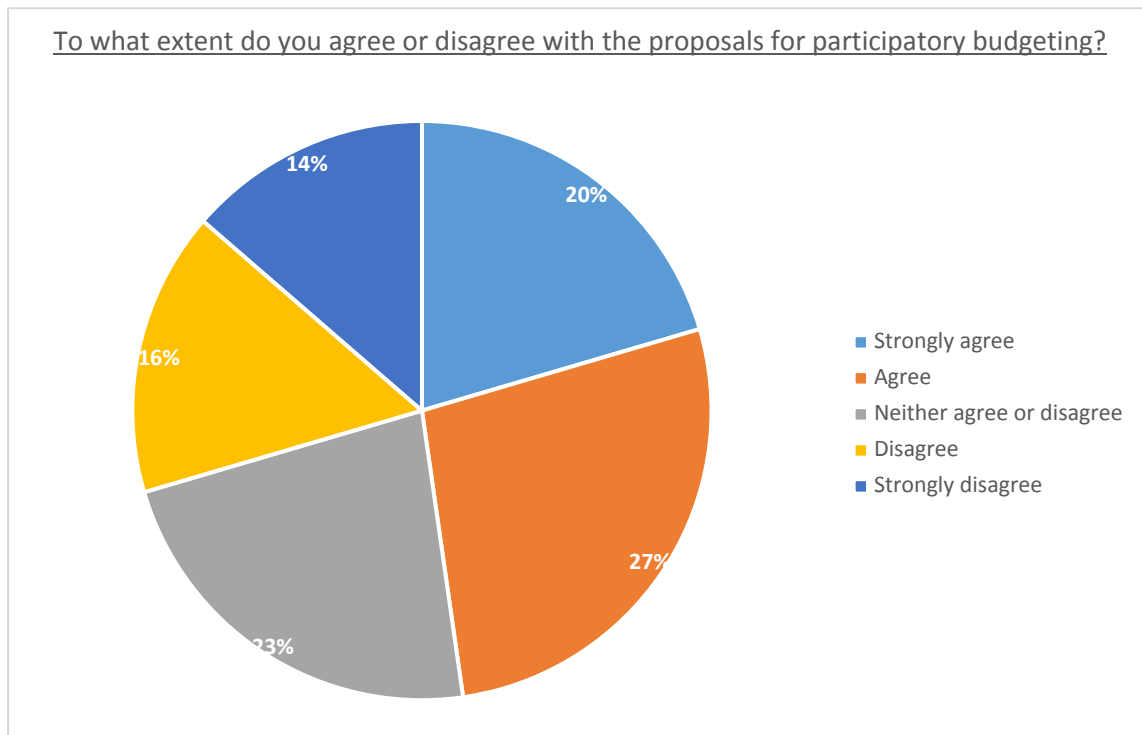


Figure 10

46. Figure 11 shows the breakdown of responses about the proposals for an expanded participatory budgeting programme. In general, there was support for the principle of involving communities in funding decisions, but many responses queried if the participatory budgeting model is the best way to do this. Some responses raised issues about the proposed areas, feeling that they were too large or too underdeveloped to successfully run a participatory budgeting grant scheme, suggesting that funding community development in those areas would be a better use of the money.

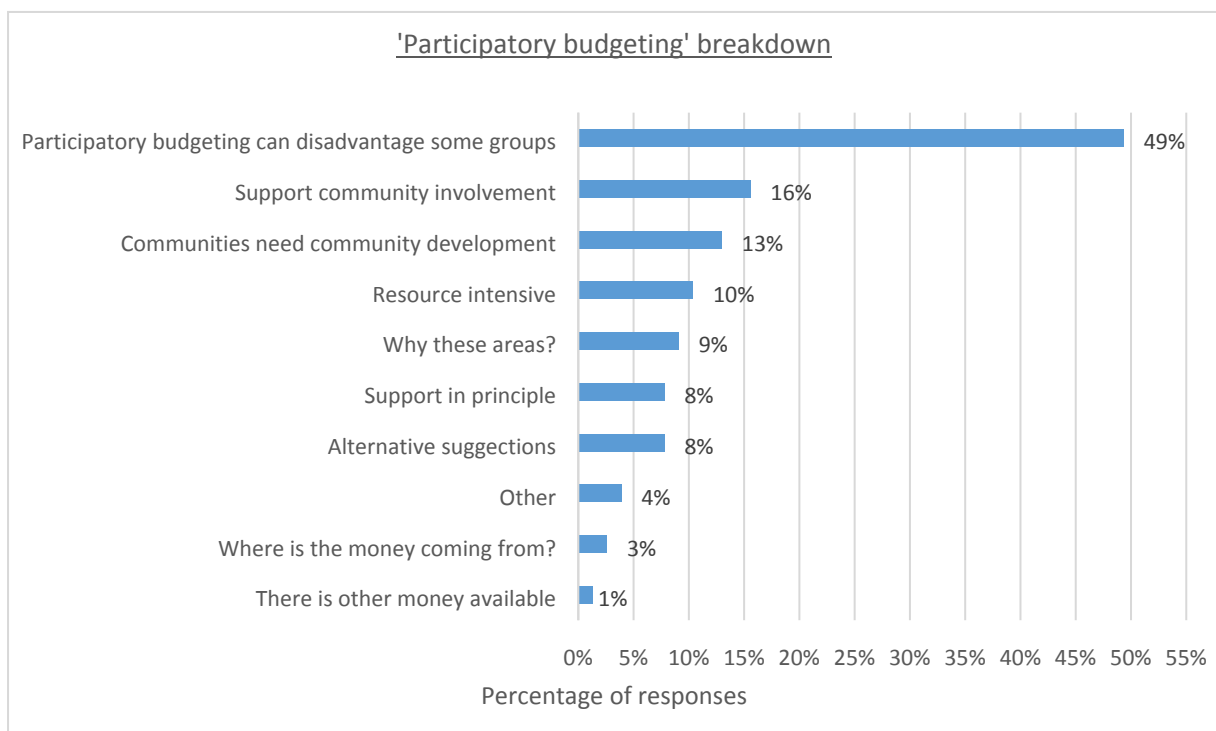


Figure 11

47. Nearly half of the comments received about the participatory budgeting proposal raised concerns that the model can disadvantage some groups. In particular, it was felt funding awarded this way often goes to more popular causes and less popular social action misses out. Responses also raised issues about the decisions being based on who turns up to the meeting rather than need or quality of applications. The feedback was that for the current Thornhill Healthy Community Grants the decision meeting is approximately 5 hours long and people must attend the whole meeting in order to vote. Some responses felt this is a barrier for some people, as not everyone has 5 hours to spare. Figure 12 shows a breakdown of the responses.

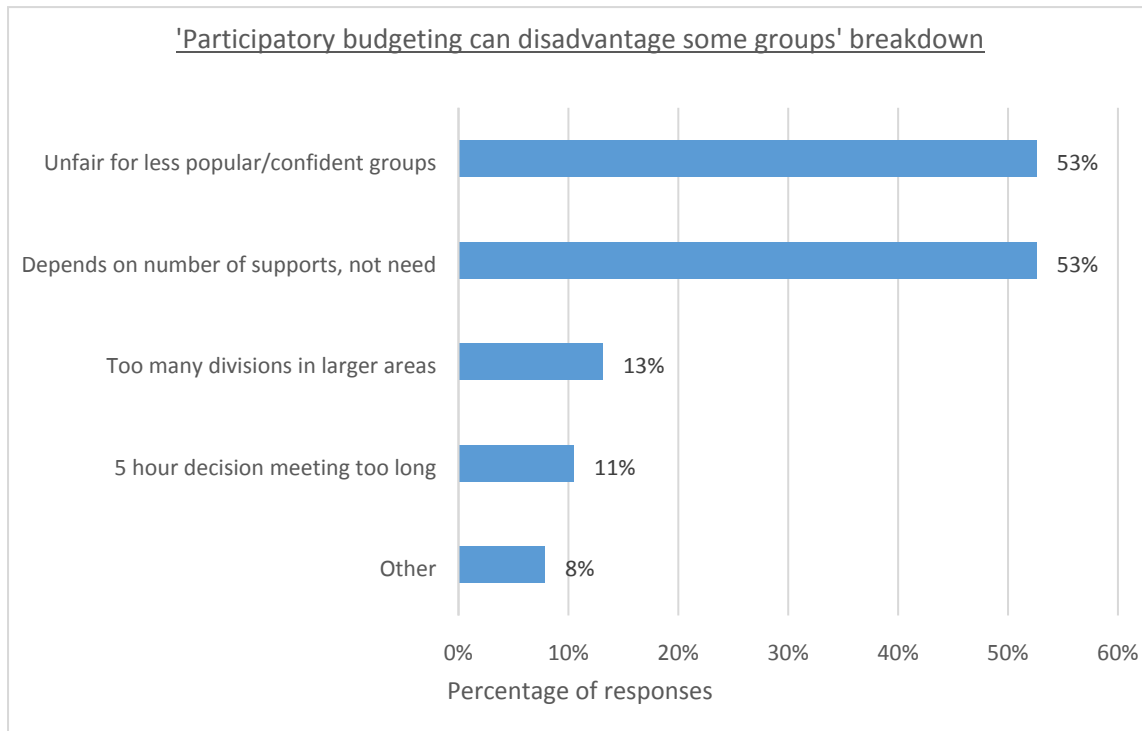


Figure 12

48. Alternative suggestions received include:

- Expanding the voting options to include online and/or postal voting, allowing more people in the local community to take part.
- Creating community panels which receive training to support their decision making, rather than having an open public vote.

49. Overall there is support for community involvement in funding decisions, but concerns about the participatory budgeting model being the best one to increase community action in the city. Examples of responses received are:

“It is really good in theory. However there will always be some social actions which require funding but which aren't particularly popular. Others like work with the elderly or with young children will always be more popular. Therefore is it fair to have a public vote? However a public vote does give the public ownership of the social action and its results.”

“We agree with the principle. However there will need to be checks and balances to ensure that groups and causes which are not 'popular', but which are essential receive due

consideration. Otherwise we run the risk of approving proposals that favour the majority (white, heterosexual male etc.) and all the marginalised causes and groups will only become further excluded in the future.”

Further comments and alternative suggestions

50. Respondents across all consultation routes were asked for general comments and any alternative suggestions. The biggest issue raised was the desire for continued core grants funding and investment in the voluntary sector by the council, coupled with a concern that changes could result in a loss of skills, knowledge and experience if voluntary sector organisations lose core grant funding. Figure 13 shows a breakdown of these comments.

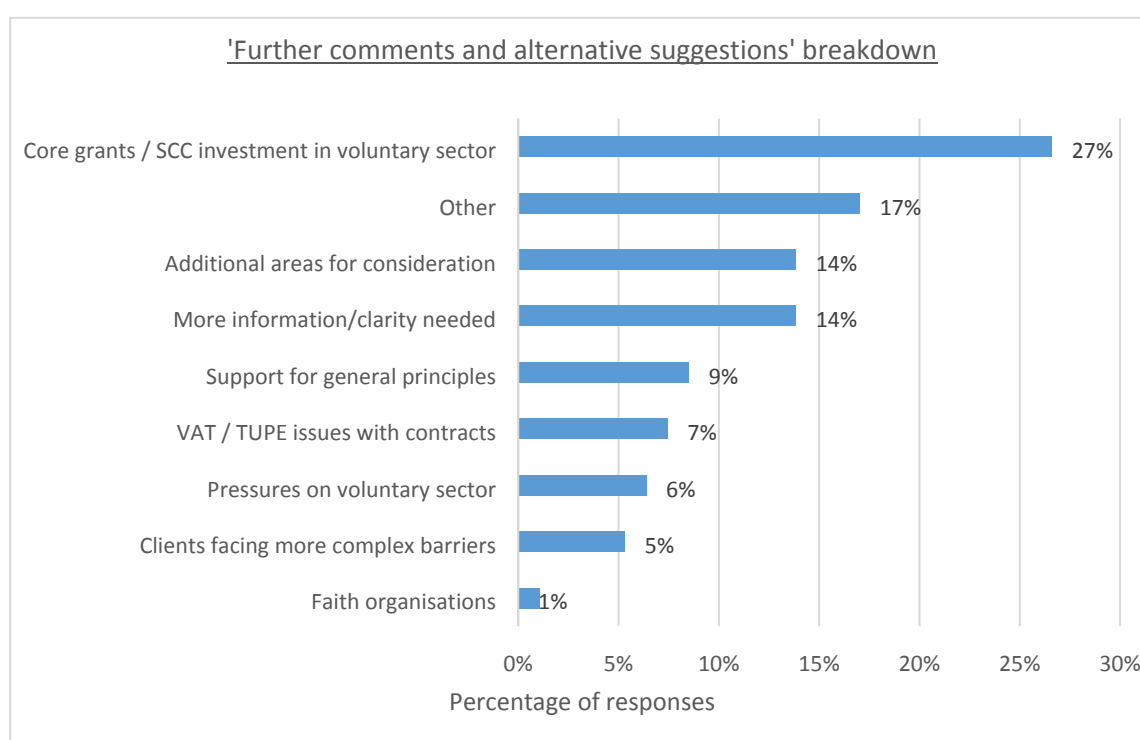


Figure 13

51. The suggested additional areas for consideration were:

- Voluntary sector organisations are seeing an increase in safeguarding queries from people who don't know how to (or don't want to) report them to the Council.
- Quality standards in advice services are very important – bad advice is worse than no advice.
- Voluntary sector organisations collect a lot of data and statistics and could contribute more evidence of their impact than they are currently being asked for.
- Voluntary sector organisations are looking at different ways they can support people, such as online videos with basic information to help people help themselves.
- It would be helpful to have training / workshops, in plain English, to help smaller organisations with the changes.
- Before making judgment calls the local authority needs to see what's there already, otherwise the city could lose important activities and organisations in the shake-up.

- Voluntary sector organisations cascade information to local communities that wouldn't otherwise engage with the council on their own.
- There are communities of interest as well as geographical communities in the city. Not convinced spending based on where you live always includes all needs.
- Keep it fair and people / groups should be accountable to any funds awarded.
- There are still many opportunities for improved joint working between the Council and the voluntary groups and closer working with community groups would perhaps help, but often there is little capacity within the Council to spend time getting to know the groups. This has a knock on effect when it comes to funding.
- A separate, modest, pot for cultural organisations to bid to could / should be made available. Not necessarily as direct grant funding for core costs but a pot of match funding.
- Consider reviewing existing services with a view to placing more out to tender.

Conclusion

52. The consultation sought views on the proposals for voluntary sector funding opportunities from the council in the future. The consultation engaged with a range of individuals and organisations through a variety of methods to allow residents and organisations across the city to provide their views and elicit a full discussion on the proposals to enable the council to make a final decision.
53. Overall there was a good level of engagement with the consultation. In total there were 47 responses to the online survey, 35 attendees at the open public meetings, 25 face to face meetings with individual organisations and 9 written submissions via email. This included feedback from 33 of the 34 current grant recipients that are directly affected by the proposals. In the last significant grants consultation in 2012 only 10 of the existing grant recipients engaged in the consultation, therefore the level of engagement in this consultation was a significant improvement. In total 544 comments were received and analysed.
54. A breakdown of the 53 organisations that responded to the consultation has shown that 58.5% are local organisations (i.e. primarily working and based in Southampton), 30% are regional organisations and the remaining 9.5% are national organisations. The ways organisations responded was split between 36% via the online survey, 23% via public meetings and 41% via one-to-one meetings or email submissions. Individuals only responded to the consultation via the survey. The split of the 544 comments received was 32% online survey, 32% public meetings and 36% one-to-one meetings and email submissions.

Organisations that responded to the consultation	
a space arts	SoCo Music Project
Action on Hearing Loss	Solent Credit Union
Age UK Southampton	Southampton Advice and Representation Centre
Art Asia Trust Ltd	Southampton Children's Play Association
Aurora New Dawn	Southampton Community Family Trust
Avenue St Andrew's and Freemantle United Reformed Churches	Southampton Mencap
Breakout Youth	Southampton Nuffield Theatre Trust
Citizens Advice Southampton	Southampton Street Pastors
City Eye	Southampton Voluntary Services
City Reach Youth Project	Southampton Voluntary Services Shopmobility
CLEAR	Spectrum Centre for Independent Living
Communicare in Southampton	St. Denys Activity Group
Community Playlink	Stroke Association
Cultural Balance	THAWN
EU Welcome	The Avenue Centre
Frontline Debt Advice	The Blue Lamp Trust
Jubilee Sailing Trust	The Environment Centre
No Limits	The Prince's Trust
Oaklands Pool	The Society of St James
QE2 Activity Centre	The Waterfall Trust
Rainbow Project	TWICS (Training for Work in Communities)
Relate Solent and Winchester	Weston Adventure Playground
SAFE - Southampton Action for Employment	Weston Church Youth Project
Saints Foundation	Wheatsheaf Trust
SCM Basics Bank	Workers Educational Association (Southern Region)
SCRATCH	Youth Options
Social Enterprise Link	

55. In response to the consultation feedback the Council has revised the draft proposals. The main changes are:

- To undertake mitigating actions to ensure voluntary sector organisations are not disadvantaged in any commissioning process, including an emphasis of the need to demonstrate local knowledge, a programme of training to support their ability to respond to tenders.
- To provide clarity about how collaboration and match funding will be assessed.
- The Council will encourage ideas for delivering the Council's commitment for Participatory Budgeting across the city and that this will be included in the specification for commissioning the new community development model.

This consultation has ensured compliance with local and government standards and the Southampton Compact. This report outlines the full picture of the consultation results and will be used to inform decision makers. In conclusion, this report will enable the Chief Strategy Officer to make an informed decision.



Appendix 1a

Grants Consultation document

This document provides the information contained in the online survey. As copy of this was provided to current grant recipients and attendees at the public meetings. It was also available on request.

Introduction

Southampton City Council invests over £20 million per year in the voluntary sector of which £2.4M is awarded in grants and £18.6M is awarded in contracts. This is approximately 11% of the total council budget for 2016/17 and demonstrates the council's commitment to investing in the voluntary organisations.

For the purpose of this document the term 'voluntary sector' is used to embrace voluntary and community organisations, faith organisations, charities and social enterprises.

The council has limited resources and needs to ensure it makes the best use of them. It is transforming the way it works, to achieve the best outcome for residents through better services at less cost. The council recognises the significant value the voluntary sector and volunteering brings to the city and the way it can help the council transform, particularly through prevention and early intervention work.

Over the past year the council has conducted an overarching review to identify the best way to utilise this investment to ensure it contributes directly to the council's priority outcomes.

The current priority outcomes are:

- Southampton has strong sustainable economic growth
- Children and young people get a good start in life
- People in Southampton live safe, healthy, independent lives
- Southampton is an modern, attractive city where people are proud to live and work

The review led to proposals for a strategic approach to voluntary sector investment being considered and agreed by the council's Cabinet on 19 October 2016, across two reports. If you would like to read the two reports in full they are available on our website:

<http://www.southampton.gov.uk/modernGov/ieListDocuments.aspx?CId=126&MId=3281&Ver=4>

- Implementing a unified approach to the Council's investment in the Voluntary Sector (agenda item 9)
- The City Council's approach to Community Development (agenda item 10)

As there is a direct impact on voluntary sector agencies, particularly in relation to grant aided organisations, the council is starting a 12 week consultation period and the consultation is being undertaken in two ways:

1. A public consultation exercise comprising of an online questionnaire and consultation meetings.
2. Individual consultation with grant aided organisations currently in receipt of three year grant funding who may be impacted by the proposals. This will be done by email, face to face meetings with individual organisations (if requested) and priority booking for the consultation meetings.

The council is mindful of the Southampton Compact and the Best Value Statutory Guidance and is committed to undertaking the consultation, and any transition from the current arrangements, within these agreements and guidelines.

Proposed changes to grant funding

The review undertaken by the council showed the need to develop a different approach to funding arrangements.

Funding routes – grants or contracts

In the future it is proposed that the funding approach should be identified as part of each commissioning process, based on the type of service and the best way to achieve the priority outcomes. Where funding is for a specified service with clear outcomes and performance targets this would be more likely to be made through contractual arrangements. Under these proposals there is likely to be an increase in the proportion of funding awarded through contracts and a decrease in the amount awarded through grants.

The criteria we are considering are:

Contracts are more likely be used:

- when the council wants a specific service or project delivered on its behalf
- for core services which are likely to be in place for some time (2 years or more)

Grants are more likely to be used:

- To pilot new projects or pump prime services for a time limited period
- for small short term projects or community schemes

An example use of grants (for illustration only)

The council has been successful in getting some one-off funding to improve services for young people. It is looking for organisations to come up with innovative ideas which will not require long term funding from the council.

The funding is made available through a competitive grants process and a number of schemes are supported including purchasing equipment for a youth project, a training programme to increase awareness of mental health issues in schools and colleges and to increase counselling services for a time limited period to clear a waiting list.

An example use of contracts (for illustration only)

The council wants to achieve better outcomes for service users and has identified advocacy services as one of the ways to achieve this. This is likely to be in place for a number of years as it is a core service that should be available locally. It will need to meet legislative and best practice guidelines. There will be requirements regarding staff qualifications and training and performance requirements around waiting times and meeting service user requirements.

The commissioner will consider the funding route as part of the council's standard commissioning process, which includes engagement and consultation with a wide group of stakeholders and advice from the contracts and grants teams.

If implemented these proposals mean that although the council will still award grants, there will be changes to how this is done. Grants will still be awarded through small grant schemes like Community Chest and in some situations, like the example above, but will not be the main route for funding services. There will no longer be a three year grants programme as currently exists.

To what extent do you agree or disagree with the proposed approach to awarding funding?

- Strongly Agree
- Agree
- Neither agree or disagree
- Disagree
- Strongly disagree

Any comments about the proposed approach to awarding funding?

Proposed new criteria for grant funding

The council is considering two new grant criteria in addition to the council's Standard Grants Criteria (available on the grants page of our website). These proposed criteria would apply to all grants and contracts.

1 – Collaborative approaches

Many organisations already work collaboratively, either formally or informally and the council aims to encourage more of this and hopes to see more services delivered in partnership.

The benefits of a collaborative approach are:

- Shared resources
- Shared expertise
- Beneficiaries have access to greater variety of services without having to go to multiple organisations individually and explain their issue multiple times
- Improves services for beneficiaries, tackling issues more quickly
- Reduces the likelihood of duplicate services

The council is keen to encourage collaborative approaches between organisations and is minded to prioritise funding applications that reflect this approach.

2 – Bringing additional funding into the city

Many organisations already use their council funding to attract additional income from other sources such as the Big Lottery Fund, Arts Council England and other national and local organisations. The council wants to encourage organisations to actively use council funding to draw in match funding from other sources and are minded to prioritise organisations that can demonstrate this.

To what extent do you agree or disagree with these proposed criteria?

- Strongly Agree
- Agree
- Neither agree or disagree
- Disagree
- Strongly disagree

Any comments about the criteria?

Proposal to increase Community Chest funding

The council's small grant scheme, Community Chest, has been running for many years providing grant funding for community groups and small voluntary organisations. These small grants help communities to help themselves and support the council's ambition to place more emphasis on prevention and early intervention by building local support where people live.

Community groups have shown they can make a big difference in the city with small amounts of money, and so the council proposes to continue to offer small grants and to double the Community Chest budget to £100,000 per year from April 2017.

The current criteria for grant awards is attached for information (see Appendix 1) and the council are interested in your views on whether the criteria needs to be changed.

To what extent do you agree or disagree with the proposed increase to the community chest budget?

- Strongly Agree
- Agree
- Neither agree or disagree
- Disagree
- Strongly disagree

Any comments about the community chest budget increase?

To what extent do you agree or disagree with the proposal to continue using the same community chest criteria?

- Strongly Agree
- Agree
- Neither agree or disagree
- Disagree
- Strongly disagree

Any comments about the community chest criteria?

Proposal to increase investment for participatory budgeting and extend to new areas of the city

Participatory budgeting is an innovative approach that increases community involvement, enabling local residents to be directly engaged in setting priorities and deciding on which local services and projects receive funding.

In practice this means that the community considers bids against the budget and agrees which are supported. This is usually done by some form of vote at a community event, where applicants present their project proposals to local residents who then express their preferences by voting on all the projects. The projects receiving the most votes are awarded funding until the total amount available has been allocated.

The council currently runs a participatory budgeting grant scheme in Thornhill which has been in place since 2008 – the Thornhill Community Health Group Grants Programme. The use of participatory budgeting to allocate funding significantly increases residents' involvement in identifying priorities for their area. Local people like this approach and it has strengthened partnership working locally and encouraged residents to find their own solutions to local need.

The Thornhill Community Health Group grants programme (£50,000 per year) is currently funded by the Public Health Grant which ends after financial year 2018/19. The council are proposing to continue to fund this programme after that date by the same amount and to expand the area to include Harefield estate and a defined area in Sholing around Sullivan Road and the Merryoak estate.

In addition the council are proposing to increase the amount it makes available for participatory budgeting by a further £100,000, expanding this approach to include two other areas of the city, one in the central area and one on the west.

The additional areas proposed are:

- A defined area within the Bevois and Bargate wards which include Northam and Golden Grove estates
- The original SRB 6 regeneration area covering specific parts of Millbrook, Redbridge, Maybush and Coxford.

A map of the proposed areas is available in Appendix 2.

The proposed additional areas are ones on which residents experience high levels of deprivation in the city. The grant schemes aim to empower local residents in these areas to influence small but significant changes.

To what extent do you agree or disagree with the proposed approach to participatory budgeting?

- Strongly Agree
- Agree

- Neither agree or disagree
- Disagree
- Strongly disagree

Any comments about the participatory budgeting proposal?

Do you have any further comments about the proposals relating to council spend with the voluntary sector?

Are there any alternatives you feel we should consider?

Appendix 1 – Community Chest criteria

The current Community Chest criteria are:

Who can apply?

- Priority is given to small, unfunded, volunteer-led community groups.
- Groups who have an annual income of less than £250,000.
 - Groups who have an annual income of between £50,000 and £250,000 will be treated as a lower priority. This means that your application will be considered last, once all the applications in that round from groups with an annual income of less than £50,000 have been considered.
- Groups who received funding from Community Chest in the previous or current financial year will only be considered for a grant in exceptional circumstances.*
 - i.e. if you received a grant between 1 April 2015 and 31 March 2017 you are not eligible for another grant between 1 April 2016 and 31 March 2017.
- Groups who receive funding from the council's Commissioned Grants Programme will only be considered for a grant in exceptional circumstances.*
- Religious groups for community activities
- Social enterprises for start-up or additional projects outside of their core business.
- 'Friends of' (or similar) groups for their own projects/activities
- PTA or 'Friends of...' schools groups or student groups for wider community activities outside school hours
- Applications are **not** accepted from schools, further and higher education establishments, regardless of how they are funded (LEA, trusts, privately funded, etc.).
- Applications are **not** accepted from statutory agencies, such as the police, health, other local authorities or other Southampton City Council departments.
- Applicants must demonstrate that members/attendees make contributions towards the group/project unless there are exceptional circumstances not to do so.
 - Examples of contributions include, lunch clubs charging £2 per meal, community fun day charging 50p for refreshments, sport taster sessions charging 20p a go or a community group charging an annual membership fee of £1.
 - Groups may take into account the financial circumstances of their members/attendees.
 - Making contributions meets the standard grant criteria that groups must not be wholly reliant on Southampton City Council funding.

* Examples of the kind of exceptional circumstances the council would consider are fire, flood or theft, if the group was unable to continue without support.

What can be funded?

- Insurance
- Venue hire for regular meetings or events
- Materials for use in your project
- Publicity materials, including newsletters and flyers

- Basic stationery – paper, ink cartridges, envelopes, etc.
- Training
- Transport costs within the city for members/attendees who have limited mobility (contribution only, users must also contribute)
- Volunteer expenses
- Sports equipment
- Health and wellbeing activities
- Employment and training activities
- Basic IT equipment (as long as it is reasonably priced and you can show us the need for it)
- Fees for services - like crèche facilities, guest speakers, artists, entertainers, etc.
- AGM costs (including tea/coffee but excluding food)
- Activities where participants pay a contribution towards the cost of the project or sessions
- Grants and anything bought with grants must be used directly by the applicant and cannot be transferred to any other organisation or affiliate, except by consent of the Council.

What can't be funded?

- Projects that have recently received Community Chest funding (see 'Who can apply?' on page 4)
- Activities that happen or start before we confirm the grant (you should leave 3 months after the closing date to be sure)
- Trips, including:
 - Coaches/transport
 - Entry costs
 - Day trips
 - Residential trips, such as camping or outward bound holidays
- Food expenses – unless they are integral to the project, like a lunch club
- Items that mainly benefit individuals
- Advanced and/or expensive IT equipment
- Websites, including domain names, design and hosting (there are many free options available)
- Professional fees – lawyers, surveyors, architects, etc.
- Political activities (including lobbying) or religious activities
- Ongoing projects that you cannot maintain beyond the grant (e.g. because of high ongoing costs or the need for specialist skills)
- Projects that cannot be completed within one year
- School projects that primarily benefit pupils and their families and/or take place during school hours
- Student projects that primarily benefit students
- Salaries for staff employed directly by the applicant or to allow applicants to employ staff.
 - Groups may buy services for a specific project which include salary costs within the fees. For example, speakers/entertainers for community events and social clubs or trainers/tutors for one-off courses/events.

Appendix 2 – Proposed Participatory Budgeting areas

